



## LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA 98229

### REGULAR MEETING OF THE BOARD OF COMMISSIONERS

## AGENDA

*November 13, 2019*


6:30 p.m. – Regular Session

1. CALL TO ORDER
2. PUBLIC COMMENT OPPORTUNITY  
At this time, members of the public may address the Board of Commissioners. 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 Proposal: District Cost Sharing associated with Compulsory Sewer Connection
  - B. Sudden Valley Water Treatment Plant Facility Improvement Plan Project Award
  - C. Dellesta and Edgewater Sewer Pump Stations Improvement Project Architectural/Engineering Agreement Contract Amendment No. 3
  - D. 2019 Asphalt Patching Contract Close Out
  - E. Disposal of Surplus Property
  - F. Board of Commissioners Insurance Discussion
  - G. Draft 2020 Budget Presentation
6. OTHER BUSINESS
7. STAFF REPORTS
  - A. General Manager
8. PUBLIC COMMENT OPPORTUNITY
9. EXECUTIVE SESSION  
*Executive Session per RCW 42.30.110(1)(i)(ii): To discuss potential litigation with legal counsel – 15 minutes*
10. EXECUTIVE SESSION  
*Executive Session per RCW 42.30.110(1)(g): To review the performance of a public employee (General Manager performance evaluation) – 30 minutes*
11. ADJOURNMENT



**AGENDA  
BILL  
Item 4**

**Consent Agenda**

DATE SUBMITTED:	November 7, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Rachael Hope	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. See below	
		2.	
		3.	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**\*\*TO BE UPDATED 11/13/19 \*\***

**BACKGROUND / EXPLANATION OF IMPACT**

- Minutes for the October 30, 2019 Board Meeting
- Payroll for Pay Period #22 (10/19/2019 through 11/01/2019) totaling \$43,379.27
- Payroll Benefits for Pay Period #22 totaling \$50,707.31
- Accounts Payable Vouchers total to be added 11/13/19



## LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA 98229

### REGULAR SESSION OF THE BOARD OF COMMISSIONERS

## Minutes

October 30, 2019

Board President Laura Abele called the Regular Session to order at 6:31 p.m.

Attendees:	Commissioner Laura Abele	General Manager Justin Clary
	Commissioner Todd Citron	Assistant G.M./District Engineer Bill Hunter
	Commissioner Bruce Ford	Finance Manager/Treasurer Debi Denton
	Recording Secretary Rachael Hope	Operations & Maintenance Manager Brent Winters
	Consulting Engineer Melanie Mankamy	

Excused Absences: Commissioner Leslie McRoberts

Not in Attendance: Commissioner John Carter

District Construction Engineer Kristin Hemenway was also in attendance.

#### Consent Agenda

##### Action Taken

Citron moved, Ford seconded, approval of:

- Minutes for the September 25, 2019 Board Meeting
- Minutes for the October 09, 2019 Board Meeting
- Payroll for Pay Period #21 (10/05/2019 through 10/18/2019) totaling \$44,840.30
- Payroll Benefits for Pay Period #21 totaling \$50,571.46
- 3<sup>rd</sup> Quarter 2019 Payroll Taxes totaling \$7,870.19
- Accounts Payable Vouchers totaling \$472,746.18

Motion passed.

##### Staff Presentation – Geneva Sanitary Sewer Lift Station Renovation Project

Hunter recollected that in summer 2019, the District renovated its Geneva sanitary sewer lift station, which entailed retrofitting the existing wet well-mounted pumps with new submersible pumps, controls, and telemetry, as well as replacement of approximately 675 lineal feet of 4-inch diameter sewer force main and the addition of a permanent standby generator. District Construction Engineer & Project Manager Kristin Hemenway gave a short presentation, including photos of construction and the finished lift station.

Clary recognized Hemenway's work on a separate project she managed over the summer, Country Club HDD Gravity Sewer Main Project, noting in particular her successful negotiation of savings of \$71,000 through close tracking of necessary environmental mitigation, and the Board commended her for her work. Discussion followed.

#### Resolution No. 862 – Revision to Administrative Code Section 5.8, Bonded Side Sewer Contractors

Clary explained that the District allows for private contractors to construct service laterals and side sewers that connect to District-owned sewer mains. To ensure safe and quality construction of service laterals, the District has set requirements for certification and bonding by private contractors in advance of construction. These requirements are outlined in Section 5.8, Bonded Side Sewer Contractors, of the District Administrative Code. Through implementation of the bonded side sewer contractor certification process, staff identified several revisions to better protect the District, as well as to add clarification to the certification process. Discussion followed.

#### Action Taken

Ford moved, Citron seconded, to adopt Resolution No. 862, as presented. Motion passed.

#### Interlocal Agreement with Whatcom County for On-Site Sewage system Impact Assessment

Clary recalled that in 2017, the District contracted with Herrera Consultants to conduct a series of monitoring events along the north shore of Lake Whatcom to assess the impact of existing on-site sewage systems (commonly referred to as septic systems) on the water quality of the lake. The findings of the assessment indicated that on-site sewage systems are likely adversely impacting water quality.

To address the data gaps of the 2017 assessment identified by City and County staff as the report was shared, and to collect additional data to better understand the impact of on-site sewage systems, a scope of work for a second round of monitoring has been jointly developed by City, County, and District staff. This interlocal agreement between the District and County has been developed to allocate funding requirements of the assessment, which has a current project estimate of \$100,000. Discussion followed.

#### Action Taken

Ford moved, Citron seconded, to approve the interlocal agreement with Whatcom County for conducting an assessment of the impact of on-site sewage systems on the quality of Lake Whatcom water, as presented. Motion passed.

#### Change to Agenda

Abele proposed moving the Commissioner Insurance Discussion to later in the agenda, as Commissioner Carter was not yet in attendance. The board agreed.

#### Country Club Horizontal Directional Drill 8" Gravity Main Sewer Construction Contract Closeout

Hunter reported that Colacurcio Brothers, Inc. has completed all contract requirements and punch list items, and staff recommended accepting the Country Club Horizontal Directional Drill 8-inch Diameter Gravity Main Sewer Project as complete.

#### Action Taken

Citron moved, Ford seconded, to approve accept the Country Club Horizontal Directional Drill 8-inch Gravity Main Sewer Project as complete and authorize staff to closeout the public works project. Motion passed.

#### General Manager's Report

Clary updated the Board on several topics, including receipt of proposals for the Sudden Valley Water Treatment Plant Facility Improvement Plan, the open Maintenance Worker I position, and recent District participation in Sudden Valley's Trunk or Treat. Discussion followed.



#### Engineering Department Report

Hunter briefed the Board on the progress of several projects, including a new sewer service on North Shore Road, the Geneva Booster Station, and upcoming Sewer Comprehensive Plan review and approval. Discussion followed.

#### Finance Department Report

Denton presented the Board with the Third Quarter financial report. Discussion followed.

#### Operations Department Report

Winters provided updates on several ongoing operations, including ongoing weekly safety meetings and pump control valve replacement ordering. He commended the crew for safe and quality work on the recent Sudden Valley Water Treatment Plant raw water intake line check valve replacement.

Winters recalled that at the October 9, 2019 regular meeting, during discussion of the Agate Heights Water Treatment Plant Expansion, there was mention of two positive results for fecal coliform during testing at the plant in 2001. Upon investigating, Winters discovered that these positive tests were the result of a contractor having broken a pipe twice during construction. The Department of Health requires monthly sampling of water from the distribution system with analysis for coliform, and there have been no further positive results for coliform during the required testing over the past 18 years. Discussion followed.

#### Commissioner Insurance Discussion

In the absence of Commissioner Carter, the board elected to table Item 5.D., Commissioner Insurance Discussion, to the next regular meeting November 13, 2019.

#### Executive Session Per RCW 42.30.110(1)(g) General Manager Performance Evaluation – 5 Minutes

Abele recessed the Regular Session to Executive Session at 9:27 a.m. It was estimated that the Executive Session would take 5 minutes. The purpose of the Executive Session was to discuss the General Manager's Performance Evaluation. Abele recessed the Executive Session and reconvened the Regular Session at 9:32 a.m.

With no further business, Abele adjourned the Regular Session at 9:32 a.m.

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Recording Secretary, Rachael Hope

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Date Minutes Approved

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Laura Abele

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Todd Citron

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Bruce R. Ford

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Leslie McRoberts

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John Carter

**CHECK REGISTER**

Lake Whatcom W-S District

Time: 13:55:12 Date: 11/05/2019

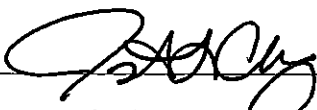
MCAG #: 2330

11/07/2019 To: 11/07/2019

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3568	11/07/2019	Payroll	5	EFT		3,629.59	10/19/2019 - 11/01/2019 PR 23
3569	11/07/2019	Payroll	5	EFT		3,577.93	10/19/2019 - 11/01/2019 PR 23
3570	11/07/2019	Payroll	5	EFT		2,412.82	10/19/2019 - 11/01/2019 PR 23
3571	11/07/2019	Payroll	5	EFT		3,513.98	10/19/2019 - 11/01/2019 PR 23
3572	11/07/2019	Payroll	5	EFT		2,390.44	10/19/2019 - 11/01/2019 PR 23
3574	11/07/2019	Payroll	5	EFT		1,216.70	10/19/2019 - 11/01/2019 PR 23
3575	11/07/2019	Payroll	5	EFT		2,689.80	10/19/2019 - 11/01/2019 PR 23
3576	11/07/2019	Payroll	5	EFT		1,809.61	10/19/2019 - 11/01/2019 PR 23
3577	11/07/2019	Payroll	5	EFT		3,026.31	10/19/2019 - 11/01/2019 PR 23
3578	11/07/2019	Payroll	5	EFT		1,840.81	10/19/2019 - 11/01/2019 PR 23
3579	11/07/2019	Payroll	5	EFT		2,019.95	10/19/2019 - 11/01/2019 PR 23
3580	11/07/2019	Payroll	5	EFT		1,153.14	10/19/2019 - 11/01/2019 PR 23
3581	11/07/2019	Payroll	5	EFT		1,910.93	10/19/2019 - 11/01/2019 PR 23
3582	11/07/2019	Payroll	5	EFT		2,370.64	10/19/2019 - 11/01/2019 PR 23
3583	11/07/2019	Payroll	5	EFT		1,459.29	10/19/2019 - 11/01/2019 PR 23
3584	11/07/2019	Payroll	5	EFT		2,001.88	10/19/2019 - 11/01/2019 PR 23
3585	11/07/2019	Payroll	5	EFT		2,601.10	10/19/2019 - 11/01/2019 PR 23
3586	11/07/2019	Payroll	5	EFT		2,419.00	10/19/2019 - 11/01/2019 PR 23
3573	11/07/2019	Payroll	5	9709		1,335.35	10/19/2019 - 11/01/2019 PR 23
401 Operating Fund						43,379.27	
						43,379.27 Payroll:	43,379.27

I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign  Date 11/5/2019

Board Authorization - As the duly elected board for this district we have reviewed the claims listed and approve the payment with our signatures below.

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**BENEFITS****CHECK REGISTER**

Lake Whatcom W-S District  
MCAG #: 2330

11/07/2019 To: 11/07/2019

Time: 14:01:51 Date: 11/05/2019

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3587	11/07/2019	Payroll	5	EFT	UNITED STATES TREASURY	16,370.43	941 Deposit for Pay Cycle(s) 11/07/2019 - 11/07/2019
3588	11/07/2019	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	208.34	Pay Cycle(s) 11/07/2019 To 11/07/2019 - SUP ENF
3589	11/07/2019	Payroll	5	9710	AFLAC	354.85	Pay Cycle(s) 11/07/2019 To 11/07/2019 - AFLAC Pre-Tax; Pay Cycle(s) 11/07/2019 To 11/07/2019 - AFLAC Post-Tax
3590	11/07/2019	Payroll	5	9711	AFSCME LOCAL	387.14	Pay Cycle(s) 11/07/2019 To 11/07/2019 - Union Dues; Pay Cycle(s) 11/07/2019 To 11/07/2019 - Union Fund
3591	11/07/2019	Payroll	5	9712	DEPARTMENT OF RETIREMENT SYSTEMS	4,237.31	Pay Cycle(s) 11/07/2019 To 11/07/2019 - DCP
3592	11/07/2019	Payroll	5	9713	HRA VEBA TRUST (PAYEE)	515.00	Pay Cycle(s) 11/07/2019 To 11/07/2019 - VEBA
3593	11/07/2019	Payroll	5	9714	VANTAGEPOINT TRANSFER AGENTS - 306798	100.00	Pay Cycle(s) 11/07/2019 To 11/07/2019 - ICMA
3594	11/07/2019	Payroll	5	9715	WA ST DEPT OF ES/PFMLA	166.51	Pay Cycle(s) 11/07/2019 To 11/07/2019 - PFMLA
3595	11/07/2019	Payroll	5	9716	WA ST PUBLIC EMP RET PLAN 2	10,448.47	Pay Cycle(s) 11/07/2019 To 11/07/2019 - PERS 2
3596	11/07/2019	Payroll	5	9717	WA ST PUBLIC EMP RET PLAN 3	3,089.88	Pay Cycle(s) 11/07/2019 To 11/07/2019 - PERS 3
3597	11/07/2019	Payroll	5	9718	WASHINGTON STATE HEALTH CARE AUTHORITY	14,829.38	Pay Cycle(s) 11/07/2019 To 11/07/2019 - PEBB Medical; Pay Cycle(s) 11/07/2019 To 11/07/2019 - PEBB ADD LTD; Pay Cycle(s) 11/07/2019 To 11/07/2019 - PEBB SMK Surcharge; Pay Cycle(s) 11/07/2019 To 11/07
401 Operating Fund						50,707.31	
						50,707.31	Payroll: 50,707.31

**CHECK REGISTER**

Lake Whatcom W-S District

Time: 14:01:51 Date: 11/05/2019


MCAG #: 2330

11/07/2019 To: 11/07/2019

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign  Date 11/5/2019

Board Authorization - As the duly elected board for this district we have reviewed the claims listed and approve the payment with our signatures below.

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**Commissioner**

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**Commissioner**

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**Commissioner**

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**Commissioner**


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**Commissioner**



**AGENDA  
BILL  
Item 5.A**

**Customer Proposal—District  
Cost Sharing associated with  
Compulsory Sewer Connection**

DATE SUBMITTED:	November 6, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Notification of Requirement to Connect to District Sewer dated February 21, 2019	
		2. Melvin 2020 Budget Proposal dated October 18, 2019	
		3. Carmichael-Clark Review of Melvin Proposal dated November 1, 2019	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

The District was founded in 1968 to facilitate the conversion of on-site sewage disposal systems (OSDS, also referred to as septic systems) serving existing development within the Lake Whatcom watershed to a sewage system to address deteriorating water quality in the lake attributed to failing OSDs. The District's mission remains aligned with its founding purpose (*...in a way that contributes to protecting Lake Whatcom's water quality*). Section 5.1.3 of the District's Administrative Code defines District requirements specific to abandonment of existing OSDs and connection to the District's sewage system:

***5.1.3 Sewer Connections Required***

*When the public sewer collector and transmission lines have sufficient capacity, all property within the District boundaries shall be deemed capable of being served by a public sewer when such property has a sewer collector line located within 200 feet of the property and it is inside a UGA or LAMIRD, or within 150 feet elsewhere, and on an abutting alley, street, easement, or right of way. Appropriate connection and other charges shall be required.*

*The owner of each lot or parcel located within the District's boundaries, upon which lot or parcel there is situated any building or structure with interior plumbing fixtures that discharge liquid waste or liquid-borne solid waste, and said lot or parcel is capable of being served by the District's public sewer in accordance with this section, shall install suitable toilet facilities therein and shall connect such facilities, together with all other facilities in use therein which results in the existence of sewage, to the public sewer system, at his/her own expense. [Resolution Nos. 785, 834]*

*A lot or parcel that has been developed with on-site sewage disposal system (OSSDS) is required to abandon OSSDS systems and connect to the District sewer within 60 months after a District public sewer collector or transmission line adjoins the property in a public right-of-way or easement benefitting the District, and within eighteen months after the date of mailing or personal service of written notice to the lot or parcel owner that a public sewer collector or transmission line has sufficient capacity and is available for such lot or parcel. The District shall compel such connection under the provisions of RCW 57.08.005 should the property owner refuse to connect within eighteen months after the date of mailing or personal service of such written notice.*

*If a lot or parcel is capable of being served by the District's public sewer in accordance with this section and if a Health Officer finds that an existing onsite septic system has failed, that parcel must connect to the District sewer immediately. [Resolution Nos. 146, 683, 732, 785, 828, 846]*

Historically, the District has, as OSDSs within the defined proximity to District sewer mains have been identified, required abandonment of the subject OSDS and connection to District sewer. Most recently, three properties were connected to District sewer at the owners' expense in 2018.

In February 2019, District staff identified three properties in District boundaries served by OSDSs that meet the requirements for connection to District sewer and provided legal notice of the requirement to connect within the administrative code-prescribed 18-month period (i.e., by August 2020). One of those properties is located at 1313 Oriental Street, owned by Graham and Greta Melvin (the District's notification of requirement to connect is attached). It should be noted that, specific to the 1313 Oriental Street property, a prior owner paid a side sewer permit in 1978 and subsequent property owners have paid the bi-monthly sewer bills to the District while continuing to use the OSDS.

During the Board's regularly scheduled meeting on September 11, 2019, Mr. and Mrs. Melvin requested during the public comment portion of the meeting Board assistance in the cost to connect. The Board then apprised the Melvins of the process for formal consideration of requesting variances to District policies by the Board. District staff subsequently received a formal proposal from the Melvins (attached) on October 18, 2019, and agreed to including consideration of the proposal during the Board's regularly scheduled November 13, 2019 meeting (to allow sufficient time for legal counsel to review the legality of the proposal).

District legal counsel has reviewed the Melvins' proposal (review is attached). In summary, counsel believes that the Board has the authority to create and fund a program as proposed.

Staff has identified the following policy considerations and requests Board direction:

- 1) Maintain current policy consistent with that which has been recently implemented at other properties, as defined in District Administrative Code Section 5.1.3; or
- 2) Revise District policy to implement the Melvins' proposal, or some variation thereof.

Should the Board wish to consider creation of a new program to assist in the connection of OSDS-served properties to District sewer, the District will need to pass a resolution revising the administrative code, revise the current water comprehensive plan (including the public process and approval by Whatcom County and the Washington State Department of Health), and build into future budgets the fiscal impact of the program.

#### **FISCAL IMPACT**

The proposal requests \$50,000 of District funds be allocated towards assisting properties served by OSDSs in their connection to District sewer. Based upon legal counsel review, the following, to-be-quantified fiscal impacts may be incurred if the Board chooses to create the proposed program:

- Revision to the District's water comprehensive plan
- Allocation of Water Utility funds annually to the program

As can be seen in the Draft 2020 budget, the District's Water Fund is projected to have a 2020 yearend balance of negative \$38,011. In order to implement the proposed program, other water related programs will need to be reduced or cut. Staff recommends that if the Board wants to pursue the addition of such a program, that it be programed into the rate study scheduled to begin next year, and then implement the program when rate payer funding has been allocated.

#### **RECOMMENDED BOARD ACTION**

Staff recommends Board discussion at this time, with action to be considered at a later date following Board consideration.

#### **PROPOSED MOTION**

None at this time.



## LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA, 98229

(360) 734-9224  
Fax 738-8250

February 21, 2019

Graham B & Greta Melvin  
1313 Oriental Ave  
Bellingham, WA 98229

Re: **INITIAL (18 MONTH) NOTICE TO OWNER:  
Abandon On-Site Sewer Disposal System and Connect to Public Sewer  
1313 Oriental Ave (Assessor's Parcel Number 380334-120485-0000)**

Dear Mr. & Mrs. Melvin:

Over the last several years Lake Whatcom Water and Sewer District (LWWSD) began working with owners of property served by on-site sewage disposal systems (OSSDS) adjacent to public sewer lines to abandon their OSSDS and connect to public sewer. This effort is part of the implementation and reaffirmation of our decades-old mission statement that states:

*Our mission is 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.*

The above-referenced property is located within LWWSD boundaries and is subject to its water and sewer regulations. Our records indicate that this developed property is utilizing an OSSDS, is adjacent to a public sewer line in a public right-of-way or easement with sufficient capacity to provide service, and has not yet connected to public sewer. Our records further indicate that the adjacent public sewer line has been in place for more than sixty (60) months.

RCW 57.08.005(9) authorizes LWWSD to compel connection to its sewer system. This letter serves as formal initial notice to abandon the OSSDS on the above property and connect to public sewer. Under LWWSD Code, **you have 18-months from the date of this notice to complete abandonment of the OSSDS on the above property and make connection to the LWWSD public sewer.** To initiate the process, you must apply for and obtain a LWWSD sewer permit. You may then hire a bonded side sewer contractor to perform the work, and pay the required Initial Inspection Fee and the LWWSD General Facilities Charge to connect. *See p. 2.*

An alternate method is entering into with LWWSD an Agreement to Enter Property and Connect to District Sewer, and recording a Deed of Trust on the property to secure payment for the costs of connection over time. This method is very likely to cost more than the method described in the above paragraph. In addition to paying the General Facilities Charge, Permit Process, and the Initial Inspection Fee, all of the costs incurred by LWWSD, such as surveying, engineering, legal fees, public works contract, and staff time, will be owed and secured by the Deed of Trust that allows for annual payments of principal, plus interest, to LWWSD over 15 years. If you are interested in learning more about this option, please contact us for additional details.



In the event the property is not connected to the public sewer system within 18 months of the date of this letter, LWWSD Code requires that the District compel such connection. In this event, you will be liable to pay all of the costs described in the above paragraph, plus the reasonable legal fees and costs incurred by LWWSD in obtaining a court order to mandate the connection.

Current sewer connection fees (per equivalent residential unit) apply and are subject to change any time prior to your actual connection to the public sewer system. As of January 1, 2019 the sewer connection fees are:

Sewer Connection Fees

General Facilities	\$0.00
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*Note: A side sewer permit was issued in 1978 and it appears the property has been paying bi-monthly sewer rates since then to maintain the validity of the permit.*

Permit Process	\$40.00
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Initial Inspection	\$75.00
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Latecomer's Fees	\$0.00
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*Note: The property has a ULID 18 assessment.*

Attached as Appendix 1 are some of the pertinent sections of LWWSD Code. As I am sure this letter comes as a surprise and creates a number of questions for you, please contact us with any questions and to begin coordination of abandoning your OSSDS and connecting to public sewer. Thank you for your cooperation.

Sincerely,



Bill Hunter, PE  
District Engineer / Assistant General Manager

## **APPENDIX 1**

### **Applicable Sections of District Code**

#### **3.5.12 Installment Payment Option**

*All persons whose property is located within 150 feet of a public sewer main shall connect to the district sewer system and the District shall compel such connection under the provisions of the RCW 57.08.005(9) should the property owner refuse to connect, subject to Sewer Comprehensive Plan conditions and Resolution No. 757. [Resolution No. 757]*

*Any property which is compelled to connect to the District system under the provisions of this section shall be given the option of paying the costs of physical connection and the connection fee in one lump sum or in installments over a period of not more than 15 years with interest at the rate imposed by the District at the arithmetic mean of the Districts' current bond issue. Any property which elects to pay in installments and fails to make an installment payment when due shall, at the District's option, immediately pay the entire unpaid balance of such charges, and failing such payment the District shall proceed to foreclose its lien against such property in the same manner as provided in RCW 57.08.081(3) regarding foreclosure of liens for charges. [Resolution No. 495, 842]*

#### **3.5.13 Installment Payment Option**

*For property compelled to connect to the District sewer system, the collection of the costs of physical connection and the connection fee due from owners qualifying as low-income seniors and low-income disabled persons (per section 2.10.9 of this code) may be delayed by agreement with the District until the property is transferred, under authority of RCW 57.08.014, so long as such obligations are secured by a lien or other security interest of the District's choosing against said property. Interest on said delayed payments of costs and charges by low-income seniors and low-income disabled persons for the period of deferment will be imposed by the district at the arithmetic mean of the District's current bond issue effective on the date of the lien or security interest and shall be collected with payment of principal upon transfer of the property. [Resolution No. 842]*

#### **5.1.3 Sewer Connections Required**

*When the public sewer collector and transmission lines have sufficient capacity, all property within the District boundaries shall be deemed capable of being served by a public sewer when such property has a sewer collector line located within 200 feet of the property and it is inside a UGA or LAMIRD, or within 150 feet elsewhere, and on an abutting alley, street, easement, or right of way. Appropriate connection and other charges shall be required.*

*The owner of each lot or parcel located within the District's boundaries, upon which lot or parcel there is situated any building or structure with interior plumbing fixtures that discharge liquid waste or liquid-borne solid waste, and said lot or parcel is capable of being served by the District's public sewer in accordance with this section, shall install suitable toilet facilities therein and shall connect such facilities, together with all other facilities in use therein which results in the existence of sewage, to the public sewer system, at his/her own expense.  
[Resolution Nos. 785, 834]*

*A lot or parcel that has been developed with on-site sewage disposal system (OSSDS) is required to abandon OSSDS systems and connect to the District sewer within 60 months after a District public sewer collector or transmission line adjoins the property in a public right-of-way or easement benefitting the District, and within eighteen months*

*after the date of mailing or personal service of written notice to the lot or parcel owner that a public sewer collector or transmission line has sufficient capacity and is available for such lot or parcel. The District shall compel such connection under the provisions of RCW 57.08.005 should the property owner refuse to connect within eighteen months after the date of mailing or personal service of such written notice.*

*If a lot or parcel is capable of being served by the District's public sewer in accordance with this section and if a Health Officer finds that an existing onsite septic system has failed, that parcel must connect to the District sewer immediately. [Resolution Nos. 146, 683, 732, 785, 828, 846]*

**5.1.4 Failure to Connect to the Public Sewer**

*Owners of on-site sewage disposal systems (OSSDS) which fail to connect to the public sewer system as required by Title 5.1.3 within 60 months after sewer becomes or became available for hook up as determined by District and within 18 months after date of mailing or personal service of notice that sewer is available will be compelled to connect under the provisions of RCW 57.08.005.  
[Resolution No. 828, 846]*

## Lake Whatcom Water and Sewer District – 2020 Budget Proposal

LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive

Bellingham, WA 98229

www.lwwsd.org

October 18, 2019

Submitted by:

Graham and Greta Melvin

1313 Oriental Ave. Bellingham WA

grahamski@gmail.com

(503) 250-0380

LWWSD Customers

Dear Board of Commissioners,

Thank you for the opportunity to submit the following proposal for your review.

### **Executive Summary:**

This proposal requests that the Lake Whatcom Water and Sewer District (LWWSD) allocate up to 1% of the annual budget to offset up to 50% of the expense paid by LWWSD customers to abandon On-Site Sewage Disposal Systems (OSSDS) and connect to public sewer when the abandonment of an OSSDS is required by the LWWSD.

### **Justification:**

The LWWSD mission statement states the following:

*Our mission is 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.*

This mission statement contains three principles that lead the direction of the LWWSD:

- Provide the highest level of service
- Be affordable to customers
- Protect water quality

The third principle 'Protect water quality' is the justification for requiring the abandonment of OSSDS which are adjacent to public sewer systems with additional capacity. Currently, LWWSD customers are required to connect within 18 months from being given notice to connect.

The cost to abandon an OSSDS and connect to a public sewer system varies greatly, however typical costs range from \$10,000 to \$45,000 depending on the complexity of the required connection, and does not include the cost to rehabilitate the landscape.

The Whatcom County US Census states that in 2017 (the most recent year with data available) the median household income in Whatcom county was \$56,419<sup>1</sup>. It is not possible for a LWWSD Customer

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<sup>1</sup> <https://www.census.gov/quickfacts/fact/table/whatcomcountywashington/INC110217#INC110217>

with a median household income of \$56,419 to cover the costs associated with the abandonment of an OSSDS without extreme hardship. Requiring LWWSD customers to pay \$10,000 to \$40,000 within 18 months' notice is in direct conflict with the second principle of the LWWSD mission statement 'Be affordable to customers'.

**Implementation Example:**

This proposal is to allocate up to 1% of the annual budget to offset up to 50% of the expense paid by LWWSD customers to abandon OSSDS and connect to public sewer systems when the abandonment of an OSSDS is required by the LWWSD. For the following scenarios it will be assumed that the annual operating budget is \$5,000,000; 1% of that would be \$50,000 and allocated to support LWWSD required abandonments of OSSDS.

**Scenario 1:**

LWWSD requires (5) customers to abandon OSSDS and the costs associated with the abandonments are: \$10,000, \$15,000, \$25,000, \$35,000, and \$40,000. The total cost of abandonments required of customers equals \$125,000. The district has \$50,000 available funds or 40% of the total required cost. In this scenario each customer would be allocated 40% of the cost to connect by the LWWSD.

**Scenario 2:**

LWWSD requires (3) customers to abandon OSSDS and the costs associated with the abandonments are: \$10,000, \$15,000, and \$25,000. The total cost of abandonments required of customers equals \$50,000. The district has \$50,000 available funds or 100% of the total required cost. In this scenario each customer would be allocated the maximum of 50% of the abandonment cost by the LWWSD and the remainder of the excess funds would be returned to the LWWSD general fund.

**LWWSD Budget Discretion:**

The LWWSD Water Comprehensive Plan June 2018:

<https://lwwsd.org/wp-content/uploads/2018/11/1-LWWSD-WSP-Update-Final-June-2018.pdf>

Section VI.D.4 states the following:

Potential Activities and Programs a) Residential Retrofit Resources as mentioned earlier, RCW 39.34.190 allows the District to "authorize up to ten percent of its water-related revenues to be expended in the implementation of watershed management plan projects or activities."

Examples of these programs included in the 2019 LWWSD budget include:

- Tributary Monitoring Program (managed by Whatcom County) - \$5,000 (0.1% of budget)
- Aquatic Invasive Species Program (managed by city of Bellingham) - \$50,000 (1% of budget)

**Conclusion:**

RCW 39.34.190 allows the LWWSD to authorize up to 10% of the budget to funding of residential programs and activities; currently the LWWSD has allocated 1.1% of the budget towards such activities. Supporting this proposal and providing financial assistance to LWWSD customers who are required to abandon OSSDS will align with the LWWSD mission to provide services to district customers at an affordable cost.



ROBERT A. CARMICHAEL | Attorney  
bob@carmichaelclark.com

## MEMORANDUM

**TO:** Justin Clary, General Manager Lake Whatcom Water and Sewer District  
**FROM:** Robert Carmichael and Catherine Moore  
**DATE:** November 1, 2019  
**SUBJECT:** Proposal Submitted by Graham and Greta Melvin

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### I. The Melvin Proposal

Graham and Greta Melvin own the property located at 1313 Oriental Avenue. The property currently has a septic system. Pursuant to existing policy, Lake Whatcom Water and Sewer District ("District") is requiring Mr. and Mrs. Melvin to abandon their on-site septic system ("OSS") and connect to the District's sewer line by August 2020. The District has sewer on Oriental Avenue, but the costs of decommissioning the OSS, physically connecting to the District sewer line, and paying the General Facilities Charge ("GFC") will still be significant.

Mr. and Mrs. Melvin propose that the District establish a program to help offset both the "hard costs" of properly abandoning the OSS and connecting to District sewer and the GFC for property owners who are required to move from OSS to sewer.<sup>1</sup> Under the Melvin's proposal, the District would set aside 1% of its budget each year to assist property owners being required to connect, to be distributed annually, so that each property owner has the same percentage of their hard costs and GFC reimbursed, up to 50% of their total costs. The program would be funded with the general revenues brought in by water and sewer charges. The Melvins cite RCW 39.34.190 as the authority for this proposal. The purpose of this memo is to consider the proposal's legal feasibility.

### II. Short Answer

It is our opinion that the District may legally implement the Melvin proposal. There are a few grounds on which it could be challenged, which are described in this memo, but we conclude that those arguments would likely be defeated if this matter went to court.

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1. It is not entirely clear that the Melvin's proposal is intended to help fund GFCs, but it is written broadly enough to include it; hence in this memo it is assumed GFCs are included in the proposal. It should also be noted that the Melvins have been paying District sewer charges for years while receiving no sewer service. The legal implications of this fact are beyond the scope of this memo.

We further recommend that if the District wants to implement the Melvin proposal, that it do so by passing a resolution citing its authority under RCW 39.34.190 and framing the proposal as in furtherance of the goals of the Lake Whatcom Watershed Management Program and the 1998 Interlocal Agreement between City of Bellingham, Whatcom County, and Water District 10 Concerning Joint Management of Lake Whatcom. After passing the resolution, the District should amend Section 5, Source Water Protection, of the District's Water System Comprehensive Plan to add the new program there, and should also add a line mentioning the program to the 2020—2024 Lake Whatcom Management Program Work Plan.

### **III. The District May Assist Customers with the “Hard Costs” of Connection and the General Facilities Charge.**

The District is a special purpose district and lacks the general police power granted to a city. Its powers are limited to those “necessarily or fairly implied in or incident to the powers expressly granted [by statute], and also those essential to the declared objects and purposes of the corporation.” *Filo Foods, LLC v. City of SeaTac*, 183 Wn.2d 770, 788, 357 P.3d 1040, 1049 (2015). As such, the District is somewhat limited in the policies it may adopt, even if a proposed policy could be beneficial. This memo examines whether the District may legally adopt the Melvin policy.

Getting the right answer is important because a District rate payer who is not impacted by the policy could take legal action challenging the policy on the basis that the District lacks the legal authority to implement the program. See *Rightlinger v. Pub. Util. Dist. No. 1*, 119 Wn. App. 501, 506, 81 P.3d 876, 880 (2003).

#### **A. Authority to waive or reimburse “hard costs” and general facilities charges in general.**

The first question is whether the District has the authority to waive or reimburse customers for the hard costs of connection and the GFC, in full or in part. Ch. 57.08 RCW essentially takes for granted that a water sewer district will charge for the actual hard costs of connection. RCW 57.08.005(11) gives the District the power to charge for the actual cost of connection and a GFC, but does not make it mandatory. RCW 57.08.081(3) requires the district to enforce connection charges, so one could argue that there is an implied obligation to levy them, but the counter argument would be that if no charge is made in the first place, there is nothing to enforce. There is nothing in Title 57 RCW that explicitly prohibits waiver or reduction of the hard costs of connection and/or the GFC. We take the position that waiver or reduction of the costs of connection and GFC is an implied power from the District's wider power to set rates and charges.

#### **B. Potential conflict with RCW 57.08.081.**

However, waiver or reduction of hard costs and the GFC for only certain customers can be problematic. RCW 57.08.081(1) requires uniform rates and charges “will be made for the same class of customer.” Subsection (2) lists the criteria a water sewer district may use to distinguish between classes of customers. There are 8 specific criteria which include things like “the location

of the various customers” and “the difference in cost to various customers,” and one catch-all criterion: “any other matters which present a reasonable difference as a ground for distinction.”

There are a couple of different arguments that could be made about how the Melvin proposal runs afoul of RCW 57.08.081. First, the District would be distinguishing between customers being required to move from OSS to sewer and all other customers who may want to or are required to connect to District sewer. This is not one of the explicitly-listed distinctions, so the District must justify it as another “matter” presenting “a reasonable difference as a ground for distinction.” In our judgment, the distinction is reasonable. The District has an interest in enabling its customers to decommission their old OSS properly in order to protect the quality of its water source, Lake Whatcom. By offering the cost waiver/reimbursement to these customers, the District reaps benefits of water quality protection which it would not receive if it offered the program to all customers, e.g., owners of vacant parcels, who wanted to connect to the District sewer system.

Second, under the Melvin proposal, how much reimbursement a customer gets will vary year to year based on whether there are also other customers applying that year. In its section titled “Implementation Example,” the Melvin proposal puts forth two scenarios. In both scenarios, the District allocates \$50,000 to the program. In Scenario 1, the customers required to connect to sewer are each reimbursed for 40% of their costs, while in Scenario 2, each customer is reimbursed for 50% of their costs. Essentially, the customers in Scenario 1 are charged a higher rate than the customers in Scenario 2. Again, the year in which a customer applies for reimbursement would need to qualify as “a reasonable difference as a ground for distinction.” We also think that this is reasonable. The District’s budget changes every year, and the rates customers are charged may vary from year to year. The fact that one year may see more demand for the program versus another year is “a reasonable ground for distinction” in the rate charged.

### **C. Potential gift of public funds.**

Whenever a fee or charge is waived, reduced, or reimbursed, the District must consider whether the waiver or reimbursement is a gift of public funds. Article 8, Section 5 and Article 8, Section 7 of the Washington State Constitution both prohibit the gifting or loaning of public money or property to private parties. “The manifest purpose of this prohibition is to prevent public funds from being used to benefit private interests where the public interest is not primarily served.” *In re Recall of Burnham*, -- Wash.2d --, 448 P.3d 747, 752 (2019) (internal citations omitted). There is a two-pronged test to determine whether a public entity has made a gift of public funds. “First, the court asks if the funds are being expended to carry out a fundamental purpose of the government? If the answer to that question is yes, then no gift of public funds has been made. The second prong comes into play only when the expenditures are held to not serve fundamental purposes of government. The court then focuses on the consideration received by the public for the expenditure of public funds and the donative intent of the appropriating body in order to determine whether or not a gift has occurred.” *CLEAN v. State*, 130 Wn.2d 782, 797–98, 928 P.2d 1054, 1061 (1996), as amended (Jan. 13, 1997).



Here, we do not see a gift of public funds. First, a “fundamental government interest” must serve the public interest. *Citizens Protecting Res. v. Yakima Cty.*, 152 Wn. App. 914, 920, 219 P.3d 730, 733 (2009). “An expenditure is for a public purpose when it confers a benefit of reasonably general character to a significant part of the public.” *CLEAN*, 130 Wn.2d at 793, citing *In re Marriage of Johnson*, 96 Wash.2d 255, 258, 634 P.2d 877 (1981). We are confident that preventing the seepage of sewage effluent from OSS into the District’s drinking water would be considered a fundamental government purpose because it conveys a wide public benefit to District customers.

Second, even if a court did not find this to be a fundamental public purpose, the District has no donative intent. The program in the Melvin proposal would be supported by consideration. In consideration for waiving or reducing hard costs of connection and the GFC, the District promotes the goal of cleaner drinking water and gets a new sewer customer. Moreover, “[u]nless there is proof of donative intent or a grossly inadequate return, courts do not inquire into the adequacy of consideration.” *Adams v. Univ. of Washington*, 106 Wn.2d 312, 327, 722 P.2d 74, 82 (1986). We do not think that a court would find that the consideration is so lacking as to show donative intent.

#### **IV. The District Has the Authority Under RCW 39.34.190 to Implement the Melvin Proposal.**

The Melvins cite RCW 39.34.190 as the source of the authority for their proposal. In our view, that statute does provide authority for this kind of action.

Ch. 39.34 RCW is the Interlocal Cooperation Act. RCW 39.34.190(1) states that the District may “authorize up to ten percent of its water-related revenues to be expended in the implementation of watershed management plan projects or activities that are in addition to the ...district's existing water-related services or activities.” Subsection (3) states that “[t]he authority for expenditure of local government revenues provided by this section shall be applicable broadly to the implementation of watershed management plans addressing water supply, water transmission, water quality treatment or protection, or any other water-related purposes.” It then provides a non-exclusive list of the plans that would qualify under the statute, such as watershed management plans developed under chapter 90.82 RCW, watershed management elements of comprehensive land use plans, WRIA-level planning documents, and coordinated water system plans. The statute expressly states that the plans that would qualify “include but are not limited to” the listed plans.

The District does not have or participate in any of the plans explicitly listed in RCW 39.34.190(3). However, in 1998, it entered into the Interlocal Agreement between City of Bellingham, Whatcom County, and Water District 10 Concerning Joint Management of Lake Whatcom, which is recorded at Whatcom County Auditor’s File No. 1990301910. Under that interlocal agreement, the City, County, and District have been jointly administering the Lake Whatcom Management Program. The goal of the program is “to protect, preserve and enhance the water quality of Lake Whatcom.” *Lake Whatcom Management Program 2015-2019 Work Plan*, p. 1. The Lake Whatcom Management Program is similar to the kinds of plans listed in RCW 39.34.190(3). Because the statute explicitly states that the list is not exclusive of other kinds of plans, it is our opinion that

the Lake Whatcom Management Program would likely qualify as a “watershed management plan project” under RCW 39.34.190, and that the District may authorize up to 10% of its water-related revenues to the implementation of the Lake Whatcom Management Program and additional related activities.

Because the Lake Whatcom Management Program does not currently include a program like the Melvin proposal, if the District adopts the Melvin proposal, it would be doing so as an “activit[y] that [is] in addition to the” Lake Whatcom Management Program. To buttress this position, we propose that, if the District wants to implement the Melvin proposal under authority of RCW 39.34.190, that it take all of the following steps.

First, the District would pass a resolution adopting the Melvin proposal. The resolution must cite RCW 39.34.190 and state that the proposal is being implemented in furtherance of the goals of the Lake Whatcom Watershed Management Program and the 1998 Interlocal Agreement between City of Bellingham, Whatcom County, and Water District 10 Concerning Joint Management of Lake Whatcom.

Second, the District should amend Section 5 of its Water System Comprehensive Plan to include this program. Section 5 is the section on source water protection. Again, the addition to the Comprehensive Plan should reference the interlocal and the Lake Whatcom Management Program.

Third, reference to the new program should be added into the 2020-2024 work plan for the Lake Whatcom Management Program. Every five years, the parties to the interlocal agreement develop a work plan to be the guiding document for their efforts over the next five years. These plans do not typically go into great detail on all aspects of what each party is doing, but do usually list the concrete steps each party plans to take. If the District adopts the Melvin proposal, it should add it to the list of tasks the District hopes to achieve. This would also reinforce that the District has the authority to implement the proposal under RCW 39.34.190.

#### **V. What Options does the District Have for Handling Previous Connections?**

The District may implement the Melvin proposal going forward, but may not retroactively apply it to properties which have already connected to its sewer system. It is our opinion that such action would most likely violate the prohibition against gifts of public funds. There is no fundamental government purpose in reimbursing property owners for an action they took without expectation of being reimbursed. Further, because it would not induce property owners to take action, there would be no consideration for the refund. A court would likely find that any such refund was made with donative intent.

#### **VI. How Have Other Jurisdictions Approached this Problem?**

Getting customers off OSS and onto sewer to protect water quality is not an uncommon municipal goal. We briefly looked at how some other jurisdictions are handling this situation.

We are most familiar with the City of Lynden's septic to sewer connection incentive program, which is codified at LMC 13.12.105:

13.12.105 - Establishment of septic to sewer connection incentive program.

A. The city hereby establishes a new program designated the septic to sewer connection incentive program. All properties located within the city limits with OSS are eligible properties. This program will provide eligible properties the option to obtain a waiver of payment from the city for sewer general facilities charges to connect to the city sanitary sewer system.

...

C. The eligibility for this waiver shall expire two years from the time of official written notification by the city that sewer services are available, or from the time a property owner applies to connect to the city sewer system, whichever occurs first. Any request for extension must be made in writing and approved by the public works director.

The program waives the city's general facilities charge for properties moving from OSS to the City's sewer system, if the connection is made within two years of notice that the property owner is required to connect or applies to connect.

There are other options as well. Many jurisdictions, for example, the City of Olympia, work with a program called Craft3 to provide low-interest loans on septic replacements. San Juan County has its own "low interest revolving loan" program to finance replacement of septic systems (there is no sewer service in San Juan County). Spokane Conservation District also has an income-qualified loan program to help people decommission their septic systems and transition to sewer. There are likely alternative models out there the District may also wish to explore.

## **VII. Conclusion.**

In our opinion the Melvin proposal may be implemented consistent with state law, particularly if the District follows the steps recommended in Section IV. There is certainly room for such a proposal to be challenged, and though we doubt that any challenge will be successful, the District should always consider the potential cost of defending a lawsuit in making the decision as to whether to adopt the proposal.



**AGENDA  
BILL  
Item 5.B**

**Sudden Valley Water Treatment  
Plant Facility Improvement Plan  
Consultant Selection**

DATE SUBMITTED:	November 6, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. none		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

The District operates three Group A water systems, with the South Shore System (which is largely comprised of the Sudden Valley and Geneva communities) supplied wholly by water produced at the District's Sudden Valley Water Treatment Plant. This plant was constructed in 1972 and subsequently upgraded in 1992 to increase raw water and transmission pumping capacities to match the capacity of the filtration system. The plant treats, disinfects, and delivers water to the distribution system, with 100 percent backup capacity of all pumping systems, and a diesel standby generator capable of operating the plant at full capacity. The treatment plant is a direct filtration treatment plant with disinfection provided by chlorine gas. Based on the plant's age, the District has identified the need to develop a facility improvement plan that identifies specific operations, maintenance, renewal, and replacement needs of the facility over the 20-year planning horizon.

To develop the facility improvement plan, the District issued a Request for Qualifications through publication in the Bellingham Herald (the District's newspaper of record) and the Seattle Daily Journal of Commerce on September 30, 2019. The District received responses from three consultant teams by the 1:00 p.m., October 28, 2019, deadline. A proposal review team comprised of two commissioners (Commissioner Citron and Commissioner Ford), the general manager, assistant general manager/district engineer, construction engineer, operations manager, and engineering tech/safety officer reviewed the three proposals and, based upon qualifications presented, will provide a recommendation to the Board during the November 13, 2019 meeting and request authorization that staff negotiate an associated professional services agreement.

**FISCAL IMPACT**

Actual impact will be dependent upon the scope of services and fee negotiated; there is currently \$10,000 anticipated for expenses in 2019, and the draft 2020 Budget includes an additional \$90,000 for this effort.

**RECOMMENDED BOARD ACTION**

The proposal review panel will provide a recommendation to the Board on the preferred consultant for development of the District's Sudden Valley Water Treatment Plant Facility Improvement Plan. Staff recommends that the Board authorize contract negotiations with the review panel's preferred consultant.

**PROPOSED MOTION**

A recommended motion is:


"I move to authorize the general manager to enter into negotiations of a professional services agreement with \_\_\_\_\_ for development of the Sudden Valley Water Treatment Plant Facility Improvement Plan."



**AGENDA  
BILL  
Item 5.C**

**Dellesta and Edgewater  
Sewer Pump Stations  
Improvements**

**Architectural/Engineering Agreement  
Amendment No. 3**

DATE SUBMITTED:	November 5, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Bill Hunter, District Engineer / Assistant General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Contract Amendment No. 3 Scope of Work and Fee Estimate	
TYPE OF ACTION REQUESTED		RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>
		INFORMATIONAL /OTHER <input type="checkbox"/>	

**BACKGROUND / EXPLANATION OF IMPACT**

Staff and RH2 Engineering developed a scope of work and fee estimate for Dellesta and Edgewater Sewer Pump Stations Improvements design through bidding (Amendment No. 3). The intent is to advertise for construction bids in February 2020 with construction to occur during the summer of 2020.

The original capital improvement plan (CIP) scheduled Dellesta/Edgewater construction for summer 2021. However, based on internal discussions with field maintenance staff, Dellesta/Edgewater stations are a higher priority than the Euclid Sewer Pump Station Improvement Project, which was planned for 2020.

The capital improvement plan presented to the Board during its regularly scheduled meeting on November 13, 2019 includes schedule updates that reflect these infrastructure priority changes. The proposed 2020 budget includes funds for Dellesta/Edgewater construction in 2020, and the CIP schedules Euclid construction for 2021.

In order to be ready to advertise for bids early 2020, design and contract documents need to begin as soon as possible. RH2 Engineering has the resources ready to commit to meet the District's timeline.

**FISCAL IMPACT**

## Original Agreement

Phase 1A Euclid Design, Permitting, Bidding	\$93,512
Phase 1B Dellesta and Edgewater Predesign	\$99,490
Amendment No. 1 – Phase 1B Edgewater Supplemental Surveying	\$3,393
Amendment No. 2 – Phase 1A Euclid Mitigation Plan	\$18,867

***Proposed Amendment Number 3***

<i>Phase 2 Design thru Bidding</i>	
<i>Edgewater and Dellesta Sewer Pump Stations</i>	<b><u>\$62,210</u></b>
Total Price with all Amendments (Time & Materials Not-to-Exceed)	\$277,472

There are sufficient funds in the District's System Reinvestment Fund 420 under the 2019 Budget to allocate \$62,210 to Amendment No. 3.

**RECOMMENDED BOARD ACTION**

Staff recommends the Board approve Amendment No. 3 to the Architectural/Engineering Agreement with RH2 Engineering.

**PROPOSED MOTION**

A recommended motion is:

"I authorize the general manager to execute Amendment No. 3 to the Architectural/Engineering Agreement with RH2 Engineering for Euclid, Dellesta, and Edgewater Sewer Pump Station Improvements per the attached scope of work and fee estimate for time and materials not to exceed a \$62,210."

**EXHIBIT A**  
**Contract Amendment No. 3**  
**Scope of Work**  
**Lake Whatcom Water and Sewer District**  
**Edgewater and Dellesta Sewer Pump Stations Improvements**  
**Phase 2 – Design**  
September 2019

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## **Background**

The Edgewater and Dellesta Sewer Pump Stations have been identified by Lake Whatcom Water and Sewer District (District) staff as needing replacement. After more than 40 years of continual service, these pump stations are at the end of their useful life. RH2 Engineering, Inc., (RH2) was retained by the District to assist with preparing the design of the pump station improvements.

During the predesign phase, RH2 provided recommendations to District staff and was directed to proceed with design at the conclusion of the predesign phase, which included shoreline permitting.

The State Environmental Policy Act (SEPA) review by the District is complete. Whatcom County (County) Shoreline Substantial Development permits are in process (as of August 27, 2019) and are awaiting final approval by the Washington State Department of Ecology and the County by September 19, 2019, after a final public comment period.

### **Edgewater Sewer Pump Station**

RH2 has completed the predesign phase of the Edgewater Sewer Pump Station Improvements project. During predesign, pump and site alternatives were analyzed. The District requested RH2 investigate various pumps, including Flygt and Smith & Loveless Inc., to select the preferred alternative for the sewer pump station. The preferred alternative is a Smith & Loveless dry-prime pump station with panels built and housed in a fiberglass housing on top of the wet well. The District believes the wet well is in good condition but would like the wet well to be grout sealed and coated once the condition has been reviewed during construction. Mechanical improvements will include a valve and bypass port to the force main. A generator plug-in will be installed for connection to a portable generator.

The force main will be replaced with a short run of 4-inch high density polyethylene (HDPE) pipe to a new drop in a manhole northeast of the wet well. The existing force main will be capped and abandoned. The new force main alignment will be installed in a shared easement or right-of-way, pending a County stormwater project on the same site.

### **Dellesta Sewer Pump Station**

RH2 has completed the predesign phase of the Dellesta Sewer Pump Station Improvements project. During predesign, pump and site alternatives were analyzed. The District requested RH2 investigate various pumps, including Flygt and Smith & Loveless Inc., to select the preferred alternative for the sewer pump station. The preferred alternative is a Smith & Loveless dry-prime pump station with



panels built and housed in a fiberglass housing on top of the wet well. The District believes the wet well is in good condition but would like the wet well to be grout sealed and coated once the condition has been reviewed during construction. Mechanical improvements will include a valve and bypass port to the force main. A generator plug-in will be installed for connection to a portable generator.

The existing force main will be reused. The District considers the location of the improvements in a prescriptive easement.

### Major Scope Elements

The major elements of this Scope of Work are summarized as follows:

- Provide 90-percent and final construction plans, specifications, and construction cost estimates for the Edgewater and Dellesta Sewer Pump Station improvements.
- Meet with the Edgewater property owners and the Dellesta Homeowners Association to brief them on the project. *It is assumed that no other County permits are necessary due to the small footprint of the projects. If changes are necessary based on subsequent County or homeowner review, that work will be mutually determined by the District and RH2.*
- Meet with District staff to review plans and specifications at 90-percent completion.
- Support services during bidding to include up to one (1) addendum responding to contractor questions, and attendance at one (1) pre-bid walkthrough and bid opening for the combined projects.
- Services during construction will be accommodated by an amendment to this Scope of Work.

## PHASE 2 – DESIGN

### Task 1 – Project Management

**Objective:** Organize, manage, and coordinate RH2's disciplines and provide quality assurance and quality control to complete the Scope of Work in close coordination with District staff.

#### Approach:

- 1.1 Prepare meeting agendas for meetings with District staff described in this Scope of Work.
- 1.2 Prepare meeting minutes for meetings with District staff described in this Scope of Work.
- 1.3 Prepare monthly invoices and ongoing progress communication.
- 1.4 Prepare for and attend a 90-percent review meeting with the District. *It is assumed this meeting will take approximately two (2) hours.*
- 1.5 Maintain ongoing client communications, including phone calls and emails, in addition to progress meetings.
- 1.6 Prepare and update project schedule.

**RH2 Products:**

- Meeting agendas and minutes for meetings listed in Scope of Work, project schedule, monthly invoices, and ongoing correspondence. Agendas in PDF format and printed for the meetings, and minutes in MS Word format.

**Task 2 – Civil and Mechanical Sewer Pump Station Design Plans and Specifications**

**Objective:** Prepare civil and mechanical design plans and specifications for the pump station improvements. The project will be bid as one project with two locations sharing many similar details including general notes, standard details and site details.

**Approach:**

- 2.1 Create cover sheets, including sheet index and vicinity map.
- 2.2 Create general notes sheet (approximately one (1) sheet total).
- 2.3 Create standard details sheet (approximately one (1) sheet total).
- 2.4 Create site details sheets (approximately two (2) sheets total).
- 2.5 Prepare an Edgewater Lane traffic and public access control plan for one-way traffic (approximately one (1) sheet total). *It is assumed there will be minimal involvement with the County regarding traffic control and public access for Edgewater Lane.*
- 2.6 Prepare a Dellesta Drive traffic and public access control plan for one-way traffic (approximately one (1) sheet total). *It is assumed there will be minimal involvement with the County regarding traffic control and public access for Dellesta Drive.*
- 2.7 Create mechanical details sheets (approximately two (2) sheets total).
- 2.8 Create site grading and/or retaining wall layout and details sheets (approximately two (2) sheets total).
- 2.9 Create Edgewater force main plan and profile sheet (approximately one (1) sheet total).
- 2.10 Prepare 90-percent construction cost estimates.
- 2.11 Prepare 90-percent technical specifications. *It is assumed RH2's standard facility technical specifications will be used.*
- 2.12 Prepare 90-percent non-technical specifications. *It is assumed District standard legal specifications will be used.*
- 2.13 Incorporate comments from the 90-percent review meeting into the design plans and specifications to prepare bid-ready documents.
- 2.14 Prepare bid-ready construction cost estimates.

#### District Responsibilities and Products:

- Provide standard non-technical specifications.
- Attendance at 90-percent review meeting.
- Provide redline comments on 90-percent plans and specifications.

#### RH2 Products:

- Standard design plan sheets at 90-percent review and bid-ready, including two (2) 11-inch by 17-inch sets each for the 90-percent review and one (1) full-size electronic PDF set of bid-ready plans. *It is assumed that production of bid sets will be by outside production via Applied Digital Imaging and WCR Publications paid for directly by the District.*
- An electronic PDF of technical and legal specifications will be provided for 90-percent review, and electronic PDF copies of bid-ready specifications will be provided to the District, Applied Digital Imaging, and WCR Publications.
- An electronic PDF of the 90-percent and bid-ready construction cost estimate for each sewer pump station.

### Task 3 – Electrical and Control Sewer Pump Station Design Plans and Specifications

**Objective:** Develop electrical and control design plans and construction cost estimates for the pump station improvements based on the decisions made during the predesign effort.

#### Approach:

- 3.1 Coordinate power drop design and information with Puget Sound Energy (PSE) for both stations.
- 3.2 Create electrical details and control logic diagram sheets (approximately four (4) sheets total).
- 3.3 Develop electrical and telemetry plans (approximately four (4) sheets total). *It is assumed that both stations will use the same fundamental telemetry panel design.*
- 3.4 Develop generator receptacle plan and details for the stations (approximately one (1) sheet total).
- 3.5 Prepare 90-percent construction cost estimates.
- 3.6 Incorporate comments from the 90-percent review meeting into the design plans.
- 3.7 Prepare bid-ready construction cost estimates.

#### RH2 Products:

- Pump Station design plan sheets for 90-percent review and bid-ready, including two (2) 11-inch by 17-inch sets for each sewer pump station plan set at the 90-percent review and one (1) full-size electronic PDF of bid-ready plans. *It is assumed that production of bid sets*

*will be by outside production via Applied Digital Imaging and WCR Publications billed directly to the District.*

- An electronic PDF of the 90-percent and bid-ready construction cost estimate for each sewer pump station.

#### **Task 4 – Project Coordination with Neighbors**

**Objective:** Assist the District with the remaining project coordination with neighbors and the County. This effort includes coordinating with the County regarding easements for the Edgewater force main, and meeting with the Edgewater property owners and Dellesta Homeowners Association to achieve informal permission to complete the work.

##### **Approach:**

- 4.1 Attend two (2) meetings with the County to discuss easement and space needs for the Edgewater force main. *It is assumed the County will prepare easement documents. Any cost sharing to obtain the easement or right-of-way shall be borne by the District. Services for additional permits or resubmittals will be accommodated by an amendment to this Scope of Work as required. Any permit fees imposed by the County shall be paid for by the District.*
- 4.2 Attend one (1) meeting with Edgewater neighbors to discuss concerns, schedule, and one-way traffic during construction.
- 4.3 Attend one (1) meeting with the Dellesta Homeowners Association to discuss site safety concerns, schedule, and one-way traffic during construction.
- 4.4 Maintain ongoing correspondence regarding construction with County staff.

##### **District Responsibilities and Products:**

- Payment of all County permit fees, if any.
- Attendance at the following:
  - Meeting with the County for Edgewater force main easement as necessary.
  - Meeting with the Edgewater and Dellesta neighbors.

##### **RH2 Products:**

- Two proposed site plans in color 11x17-inch size and pdfs emailed to the neighbors.

#### **Task 5 – Services During Bidding**

**Objective:** Assist the District with the bidding process. *It is assumed that there will be one (1) bid package, award, and schedule for both sewer pump stations.*

##### **Approach:**

- 5.1 Prepare and compile one (1) complete set of plans and specifications in PDF format. Deliver to Applied Digital Imaging for production and WCR Publications for publication via the internet.

*Note: Production costs are not part of this Scope of Work but will be billed to the District by Applied Digital Imaging and WCR Publications directly.*

- 5.2 Assist the District in responding to contractor or supplier questions during a 3-week bidding period.
- 5.3 Issue up to one (1) addendum, if needed, to clarify, revise, or change construction plans, technical specifications, or project conditions during the bidding process.
- 5.4 Attend one (1) joint pre-bid walkthrough.
- 5.5 Attend one (1) joint bid opening.

**District Responsibilities and Products:**

- Attendance at the following:
  - Pre-bid walkthrough; and
  - Bid opening.
- Prepare the advertisement and coordinate with publications for the public advertisement. *It is recommended that the project be advertised in the Bellingham Herald, Daily Journal of Commerce (DJC), and WCR Publications.* Fees will be paid for by the District.
- Pay production fees as necessary by Applied Digital Imaging for three (3) RH2 copies, necessary District copies, and construction sets. Bid sets can be paid for by bidding contractors.
- WCR Publications will distribute construction documents and addendum to prospective bidders. Pay any distribution related fees.
- District to respond to bidder questions, sharing responsibility with RH2 at equal percentage.
- District will maintain plan holders list utilizing WCR Publications.
- Prepare bid tabulation.
- Review bidder information and verify bidder responsibility and responsiveness.
- Prepare notice of intent to award letter and send to contractor.
- The District will prepare the construction contract and execute it with the contractor.

**RH2 Products:**

- One (1) complete set of plans and specifications in PDF format.
- Up to one (1) addendum in electronic PDF format.

**EXHIBIT B****Fee Estimate****Contract Amendment No. 3****Lake Whatcom Water and Sewer District****Edgewater and Dellesta Sewer Pump Stations Improvements****Phase 2 - Design****Sep-19**

Description	Total Hours	Total Labor	Total Expense	Total Cost
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**PHASE 2 - DESIGN**

<b>Task 1</b>	<b>Project Management</b>	<b>53</b>	<b>\$ 9,897</b>	<b>\$ 1,723</b>	<b>\$ 11,620</b>
1.1	Prepare meeting agendas	9	\$ 1,603	\$ 1,360	\$ 2,963
1.2	Prepare meeting minutes	10	\$ 1,794	\$ 110	\$ 1,904
1.3	Prepare invoices and progress communication	6	\$ 1,218	\$ -	\$ 1,218
1.4	Prepare for and attend 90-percent review meeting	9	\$ 1,677	\$ 88	\$ 1,765
1.5	Maintain client communication	12	\$ 2,336	\$ 55	\$ 2,391
1.6	Prepare and update project schedule	7	\$ 1,269	\$ 110	\$ 1,379

<b>Task 2</b>	<b>Civil and Mechanical Sewer Pump Station Design Plans and Specifications</b>	<b>83</b>	<b>\$ 14,517</b>	<b>\$ 1,477</b>	<b>\$ 15,994</b>
2.1	Create cover sheets, including sheet index and vicinity map	2	\$ 330	\$ 60	\$ 390
2.2	Create general notes sheet	2	\$ 330	\$ 60	\$ 390
2.3	Create standard details sheet	4	\$ 660	\$ 115	\$ 775
2.4	Create site details sheets	4	\$ 660	\$ 115	\$ 775
2.5	Prepare an Edgewater Lane traffic and public access control plan	4	\$ 660	\$ 120	\$ 780
2.6	Prepare a Dellesta Drive traffic and public access control plan	4	\$ 660	\$ 120	\$ 780
2.7	Create mechanical details sheets	8	\$ 1,320	\$ 230	\$ 1,550
2.8	Create site grading and/or retaining wall layout and details sheet	8	\$ 1,320	\$ 230	\$ 1,550
2.9	Create Edgewater force main plan and profile sheet	8	\$ 1,320	\$ 230	\$ 1,550
2.10	Prepare 90-percent construction cost estimate	2	\$ 330	\$ 55	\$ 385
2.11	Prepare 90-percent technical specifications	18	\$ 3,414	\$ 23	\$ 3,437
2.12	Prepare 90-percent non-technical specifications	4	\$ 812	\$ 5	\$ 817
2.13	Incorporate 90-percent review comments into plans and specifications	10	\$ 1,786	\$ 60	\$ 1,846
2.14	Prepare bid-ready construction cost estimate	5	\$ 915	\$ 55	\$ 970

<b>Task 3</b>	<b>Electrical and Control Sewer Pump Station Design Plans and Specifications</b>	<b>114</b>	<b>\$ 19,755</b>	<b>\$ 2,046</b>	<b>\$ 21,801</b>
3.1	Coordinate power drop design with PSE for both stations	22	\$ 3,942	\$ 276	\$ 4,218
3.2	Create electrical details and control logic diagram sheets	28	\$ 4,724	\$ 625	\$ 5,349
3.3	Develop electrical and telemetry plans	36	\$ 6,044	\$ 818	\$ 6,862
3.4	Develop generator receptacle plan and details for the stations	6	\$ 1,042	\$ 115	\$ 1,157
3.5	Prepare 90-percent construction cost estimate	2	\$ 382	\$ -	\$ 382
3.6	Incorporate 90-percent review comments into plans	16	\$ 2,806	\$ 213	\$ 3,019
3.7	Prepare bid-ready construction cost estimate	4	\$ 815	\$ -	\$ 815

<b>Task 4</b>	<b>Project Coordination with Neighbors</b>	<b>19</b>	<b>\$ 3,181</b>	<b>\$ 1,716</b>	<b>\$ 4,897</b>
4.1	Attend two (2) meetings with County to discuss easement for Edgewater force main	8	\$ 1,324	\$ 204	\$ 1,528
4.2	Attend one (1) meeting with Edgewater neighbors	3	\$ 495	\$ 101	\$ 596
4.3	Attend one (1) meeting with the Dellesta Homeowners Association	3	\$ 495	\$ 101	\$ 596
4.4	Maintain ongoing correspondence	5	\$ 867	\$ 1,310	\$ 2,177


<b>Task 5</b>	<b>Services During Bidding</b>	<b>42</b>	<b>\$ 7,140</b>	<b>\$ 757</b>	<b>\$ 7,897</b>
5.1	Prepare and compile plans and specifications in PDF format	16	\$ 2,656	\$ 220	\$ 2,876
5.2	Assist the District in responding to contractor or supplier questions	12	\$ 2,132	\$ 220	\$ 2,352
5.3	Issue up to one (1) addendum	9	\$ 1,527	\$ 165	\$ 1,692
5.4	Attend pre-bid walkthrough	3	\$ 495	\$ 97	\$ 592
5.5	Attend bid opening	2	\$ 330	\$ 55	\$ 385

<b>PROJECT TOTAL</b>	<b>311</b>	<b>\$ 54,490</b>	<b>\$ 7,720</b>	<b>\$ 62,210</b>
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**AGENDA  
BILL  
Item 5.D**

**2019 Asphalt Patching  
Contract Close Out**

DATE SUBMITTED:	November 5, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Bill Hunter, District Engineer / Assistant General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. none	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

Western Refinery Services, Inc. (WRS) completed all contract requirements for the 2019 Asphalt Patching Project (District Capital Project No. C1903). Staff recommends accepting the project as complete and closing the contract.

This project includes approximately 2,200 square feet of asphalt parking lot repairs at the District Office and 1,376 square feet of numerous road patches in Geneva and Sudden Valley as part of routine operations and maintenance of water and sewer infrastructure.

**FISCAL IMPACT**

The approved 2019 Budget included \$50,000 for asphalt patching.

The 2019 Asphalt Patching contract used unit prices allowing staff to add additional patching areas as needed. The original contract estimated 2,915 square feet of asphalt patch area which resulted in a total original contract price of \$46,755.91, including sales tax.

The final quantity of asphalt patching area included 3,576 square feet, for a final contract amount of \$55,901.15, including state sales tax.

**RECOMMENDED BOARD ACTION**

Staff recommends the Board accept the project as complete.

**PROPOSED MOTION**


A recommended motion is:

"I move to accept the 2019 Asphalt Patching Project as complete and authorize staff to close out the public works project."



**AGENDA  
BILL  
Item 5.E**

**Disposal of  
Surplus Property**

DATE SUBMITTED:	October 31, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Brent Winters, O&M Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. List of Surplus Property dated October 31, 2019	
TYPE OF ACTION REQUESTED		RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>
		INFORMATIONAL /OTHER <input type="checkbox"/>	

**BACKGROUND / EXPLANATION OF IMPACT**

Attached is a list of miscellaneous surplus items that the District no longer needs.

**FISCAL IMPACT**

The District may realize some revenue through sale of items identified as having value.

**RECOMMENDED BOARD ACTION**

Staff recommends the Board declare the property presented in the attached list as surplus and authorize staff to dispose of each.

**PROPOSED MOTION**

A recommended motion is:

“I move to declare the property defined in the list dated October 31, 2019, as surplus and authorize staff to dispose of each item in a manner that is most beneficial to the District and consistent with state law.”



## LWWSD Surplus Property List October 31, 2019

[illegible]



**AGENDA  
BILL  
Item 5.F**

**Commissioner Insurance  
Discussion**

DATE SUBMITTED:	October 31, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Table-Commissioner Insurance Survey of WASWD Members (2,500-5,000 connections)	
		2. Table-Annual Cost of Providing Each Commissioner Health Insurance	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

During its 2019 session, the Washington State Legislature passed Senate Bill 5122, which revised [RCW 57.08.100](#) removing the minimum customer base requirement (5,000 customers) for water/sewer districts to have the option of providing health insurance to commissioners. Governor Inslee subsequently signed the bill into law, which became effective July 28, 2019. The District currently serves approximately 4,300 customers; therefore, the pending law will allow the District Board to consider providing insurance to its members. During its regularly scheduled July 31 meeting, the Board discussed the option of providing insurance to commissioners. During the discussion, a number of questions were raised by the Board. Following presents the Board's questions, and staff findings, which were discussed during the Board's August 28 meeting:

- 1) What would be the cost of providing insurance to Medicare-eligible commissioners through the Washington State Public Employees Benefits Board (PEBB)?  
*District staff contacted PEBB regarding this question. PEBB indicated that because commissioners are considered employees (they are compensated per State statute), they do not qualify for Medicare rates, and would therefore be required the same rates as non-Medicare-eligible employees. If health insurance is provided to commissioners, Medicare would become secondary insurance because the commissioners would be considered active employees covered by District insurance.*
- 2) What would costs be to the District and commissioners if commissioners are considered part-time employees under District personnel policies?  
*District Personnel Policies Manual Section 6.09 (Benefits for Part Time and Temporary Employees) reads:*

Regular Part Time Employees: All leaves, including holidays, and insurance premiums are pro-rated. Pro-rated means the ratio between the number of hours in the employee's normal work schedule and forty (40) hours per week.

*Under [RCW 57.12.010](#), commissioners are compensated based upon a per meeting basis, regardless of the length of each meeting, not on an hourly basis. Because both length of meetings and number of meetings attended per week vary greatly, administration of a proportionate cost sharing arrangement for insurance premiums could be burdensome from an audit perspective. In addition, the District would need to develop a procedure for collection of premium payments from commissioners, and penalties should a commissioner fail to provide timely payment. That said, the following table provides a rough breakdown on annual costs to the District and individual commissioners based upon various scenarios under 2019 rates:*

	5 Hours per Week		10 Hours per Week		20 Hours per Week	
	12.5% District	87.5% Commission	25% District	75% Commission	50% District	50% Commission
Commissioner	\$ 1,249.50	\$ 8,746.50	\$ 2,499.00	\$ 7,497.00	\$ 4,998.00	\$ 4,998.00
Commissioner/Spouse	\$ 2,271.00	\$ 15,897.00	\$ 4,542.00	\$ 13,626.00	\$ 9,084.00	\$ 9,084.00
Commissioner/Family	\$ 3,037.50	\$ 21,262.50	\$ 6,075.00	\$ 18,225.00	\$ 12,150.00	\$ 12,150.00

- 3) Commissioner Carter volunteered to work with Debi Denton to clarify how PEBB works relative to Medicare-eligible individuals.

*Debi Denton and Commissioner Carter discussed this topic on August 20. The two concluded that since commissioners are considered employees, Medicare rates do not apply. Further discussion will need to include the factors of commissioner contribution level as well as non-participation waiver fees if all commissioners do not wish to participate in PEBB coverage.*

- 4) Would a change in policy to provide insurance to commissioners qualify as a "change in status" that would enable enrollment at any time, or would the District need to wait until the annual open enrollment period (November of each year)?

*District staff contacted PEBB regarding this question. PEBB indicated that the Board of Commissioners would be considered a separate group under the District and would be eligible for initial enrollment at any time (i.e., not subject to the annual November enrollment period). PEBB also indicated that, because the Board of Commissioners would be a separate group, the District would be responsible for the monthly waiver fee (currently \$150) for any commissioner that elects not to be covered by PEBB insurance.*

During its discussion during the August 28 meeting, the Board decided to inquire during the Fall WASWD conference if other districts with less than 5,000 connections are considering providing insurance to their boards. Discussion during the Small Districts meeting at the conference indicated that none of the districts in attendance were considering this option due to financial constraints. However, it should be noted that, aside from the District, all others in attendance were 1,400 connections or fewer. Since the WASWD conference, District staff contacted WASWD members in the 2,500 to 5,000 connection range (more comparable to the District size). Attached is a table summarizing those findings.

During discussion during the Board's October 9 meeting, Commissioner Citron requested that the table provided under Item No. 2 above be expanded to reflect the cost of providing health insurance to commissioners consistent with full-time employees. That table is attached.

**FISCAL IMPACT**

The fiscal impacts of the providing insurance to District commissioners is estimated to be up to approximately \$93,000 per year (based on 2020 rates, anticipated Board makeup, and if insurance is provided consistent with represented employees [95% District—5% commissioners]).

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.

**Commissioner Insurance Survey**  
**WASWD Members (2,500-5,000 connections)**

District	Connections		Commissioners	Employees	Provides Commissioner Insurance	Considering Commissioner Insurance
	Water	Sewer				
Beacon Hill Water & Sewer District	3,975	2,772	3	9	no	considered
Coal Creek Utility District	4,021	3,590	3	17	yes	NA
King County Water District #49	4,107	0	3	7	yes	NA
King County Water District #125	3,500	0	3	7	yes	NA
Lake Whatcom Water & Sewer District	4,000	4,300	5	18	no	yes
Liberty Lake Sewer & Water District	5,004	4,341	3	13	no	no
Manchester Water District	3,358	0	3	8	yes	NA
North Beach Water District	2,713	0	3	8	no response received	
Northeast Sammamish Sewer & Water District	3,302	4,859	3	9	yes	NA
Olympic View Water & Sewer District	4,800	3,700	3	13	yes	NA
Skyway Water & Sewer District	3,355	4,074	3	10	no	considered

### 2020 District Insurance Rates

Coverage	Health		Life	
	Month	Annual	Month	Annual
Employee	\$ 841	\$ 10,092	\$ 4	\$ 48
Employee/Spouse	\$ 1,528	\$ 18,332	NA	NA
Employee/Family	\$ 2,043	\$ 24,512	NA	NA

### Monthly Cost of Providing Each Commissioner Health Insurance

Coverage	5 Hours per Week		10 Hours per Week		20 Hours per Week		40 Hours per Week	
	12.5% District	87.5% Commission	25% District	75% Commission	50% District	50% Commission	95% District	5% Commission
Commissioner	\$ 105.13	\$ 735.89	\$ 210.26	\$ 630.77	\$ 420.51	\$ 420.51	\$ 798.97	\$ 42.05
Commissioner/Spouse	\$ 190.96	\$ 1,336.71	\$ 381.92	\$ 1,145.75	\$ 763.84	\$ 763.84	\$ 1,451.29	\$ 76.38
Commissioner/Family	\$ 255.33	\$ 1,787.34	\$ 510.67	\$ 1,532.00	\$ 1,021.34	\$ 1,021.34	\$ 1,940.54	\$ 102.13

### Annual Cost of Providing Each Commissioner Health Insurance

Coverage	5 Hours per Week		10 Hours per Week		20 Hours per Week		40 Hours per Week	
	12.5% District	87.5% Commission	25% District	75% Commission	50% District	50% Commission	95% District	5% Commission
Commissioner	\$ 1,261.53	\$ 8,830.71	\$ 2,523.06	\$ 7,569.18	\$ 5,046.12	\$ 5,046.12	\$ 9,587.63	\$ 504.61
Commissioner/Spouse	\$ 2,291.51	\$ 16,040.54	\$ 4,583.01	\$ 13,749.03	\$ 9,166.02	\$ 9,166.02	\$ 17,415.44	\$ 916.60
Commissioner/Family	\$ 3,064.01	\$ 21,448.04	\$ 6,128.01	\$ 18,384.03	\$ 12,256.02	\$ 12,256.02	\$ 23,286.44	\$ 1,225.60



**AGENDA  
BILL  
Item 5.G**

**Draft 2020 Budget**

DATE SUBMITTED:	November 5, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager/Treasurer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Draft 2020 Budget		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

Through the powers granted under [Revised Code of Washington Title 57](#) (Water-Sewer Districts) and codified under the District's [Administrative Code](#) Title 2, Chapter 2.2 (1):

*The General Manager shall develop an operating and capital improvement budget annually for both the water and sewer systems. The annual budget shall provide for the forecasting of revenues and expenditures for the following year. The budget shall be presented to the Board of Commissioners for review and approval prior to the end of December in advance of the budget year.*

Using projected revenues based upon prior Board-adopted rate increases (4% and 2.5% water and sewer rates, respectively), actual 2019 operating expenses, and projects defined in the District's water and sewer capital improvement plans, District staff have developed the attached preliminary draft budget for Board discussion.

Of note, the preliminary budget reflects a separation of revenues and expenditures into two independent utilities (water and sewer) in accordance with recommendations of the past rate study.

**FISCAL IMPACT**

The preliminary budget for 2020 proposes a budget of \$3,002,000 for the water utility, and budget of \$4,944,000 for the sewer utility, resulting in a total budget of approximately \$7.9 million.

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.

Note: 2020 Budget reflects a separation of revenues and expenditures into two independent utilities (water and sewer) in accordance with recommendations of the past rate study.

### **REVENUE ASSUMPTIONS:**

- Water rate 4 % increase per Resolution 844
- Sewer rate 2.5% increase per Resolution 844
- Conservatively assumes 15 new connection permits at fees defined in Resolution 860
- Late fees etc. allocated to Water Fund
- Permit fees allocated to Water and Sewer Funds
- Investment interest allocated to Water and Sewer Funds

### **EXPENDITURE ASSUMPTIONS:**

- Payroll 3% COLA plus step increases
- Benefits 2% increase
- Additional .5 FTE budgeted for succession (Utility System Support Specialist)
- Rate study and WA State audit scheduled
- City of Bellingham wastewater treatment cost increase per contract
- Commissioner's health insurance approved for \$93,000
- Whatcom County Stormwater fees
- System reinvestment funded per rate study recommendations

The District has a policy of setting aside a certain amount of rate revenue each year for system reinvestment. Funding depreciation expense meets several standards for reasonable rates: financial integrity, rate equity, and adequacy of capital funding. For 2020 the District has budgeted system reinvestment at \$398,000 into water projects and \$717,000 into sewer projects for a total system reinvestment of \$1,115,000.



- Operating reserve maintained per rate study recommendations at \$940,000

Water 90 days \$520,000

Sewer 60 days \$420,000

An operating reserve is designed to provide a liquidity cushion; it protects the utility from the risk of short-term variation in the timing of revenue collection or payment of expenses. Like other types of reserves, operating reserves also serve another purpose; they help smooth rate increases over time. In the 2020 budget our operating reserve goal is \$940,000. This is on the conservative end of the industry standard of 45-60 days for sewer utilities and 60-90 days for water utilities. In any year where operating reserves exceed the maximum days of O&M expenses at year-end, the excess cash is “swept” into the capital account to help pay for capital projects.

- Contingency funds maintained per rate study recommendations 1% of fixed asset replacement value

Water - \$460,000

Sewer - \$796,000

In addition to protecting against variations in the timing of operating costs and revenues, it is prudent to maintain a capital contingency reserve to meet unexpected emergency capital outlays. We have used replacement costs to derive the targeted reserve dollar amount which equates to 1% of the replacement cost of fixed assets. In the 2020 budget we have \$796,000 sewer reserve and \$460,000 water reserve.

# LAKE WHATCOM WATER AND SEWER DISTRICT

<b>DRAFT 11-05-2019</b>	<b>Description</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>10/30/2019</b>	<b>Projected 2019</b>	<b>Budget 2020</b>
<b>WATER - 401</b>							
<b>OPERATING EXPENDITURES</b>							
401-534-10-10	Admin Payroll (3% cola plus step increases - 2020)	320,350	301,648	337,135	279,940	330,838	355,400
401-534-10-20	Admin Personnel Benefits (additional Commissioner insurance authorized)	123,078	133,169	142,195	120,176	142,026	196,061
401-534-10-31	Gen Admin Supplies/Equipment (Master Meter Software)	13,289	11,170	15,000	14,220	17,064	35,000
401-534-10-31-01	Meetings/Team building	1,594	1,178	1,500	2,407	2,888	2,000
401-534-10-40	Web pay/Bank Fees	16,695	20,199	20,000	16,055	19,266	10,000
	Interlocal - Invasive Species (City) (8% increase)				50,000		55,000
	Interlocal - Lake Whatcom Tributary Monitor (County)				9,183		5,000
	North Shore Sampling (County Interlocal Agreement)						100,000
	Mutt Mits						5,000
401-534-10-41	Water Quality Assurance Programs (TOTAL)	8,856	55,119	90,000	59,183	59,183	165,000
	County Auditor Filing Fees			3,250			3,000
	Statement processing			12,500			12,500
	Answering Service			1,000			750
	Time clock system			1,000			750
	Financial Software Maintenance			5,000			5,000
	Web Check services			2,500			2,500
	CPA (Financial statements)			3,000			3,000
	Rate Study			-			15,000
	State Audit			-			5,000
	Docuware maintenance and upgrade			7,500			7,500
	Legal Counsel			30,000			20,000
	Computer support			12,500			15,000
	Anti virus subscription			500			500
	Building security			1,000			1,000
	Building custodial			5,000			5,000
	Pest control			250			500
	Landscaping service			2,000			3,000
	South Whatcom Fire (hydrant maintenance)			1,000			1,000
	Scada System Software Maintenance - Operations			3,750			3,750
	Engineering Consultant			10,000			5,000
	SCADA/PLC Support - Engineering/Operations			2,500			5,000
	Cartegraph - Engineering/Operations			15,000			2,500
	Auto Desk - Engineering			500			500
	GIS Partnership (County)			500			500
	Rockwell - Engineering/Operations			250			250
	IT Pipes			750			750
	ESRI - ARC GIS			750			750
	Innovyze - Engineering			1,250			1,250
	Master Meter			2,000			2,000

# LAKE WHATCOM WATER AND SEWER DISTRICT

<b>DRAFT 11-05-2019</b>	<b>Description</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>10/30/2019</b>	<b>Projected 2019</b>	<b>Budget 2020</b>
	Cyberlock software			500			500
	Whatcom County Emergency Management			10,000			10,000
	Misc (Bid notices etc.)			2,500			2,500
401-534-10-41-01	Professional Services (TOTAL)	259,151	296,727	145,000	130,771	156,925	136,250
401-534-10-42	Communication	24,732	25,601	25,000	22,831	27,397	30,000
401-534-10-45	Admin Lease (copy/printers)	910	4,198	3,500	4,283	5,140	5,000
401-534-10-46	Property Insurance	67,595	66,404	67,000	71,480	71,480	72,000
401-534-10-49	Admin Misc.	682	795	500	40	48	500
401-534-10-49-01	Memberships/Dues/Permits	8,317	9,443	10,000	8,391	10,069	10,000
401-534-10-49-02	WA State Dept of RevenueTaxes/County Stormwater fees	104,678	113,994	110,000	96,791	116,149	115,000
401-534-40-43	Training & Travel	12,539	16,743	17,500	16,148	19,378	17,500
401-534-40-43-01	Tuition reimbursement	184		500	-	-	500
401-534-50-31	Operations/Maintenance Supplies	95,454	117,834	75,000	91,121	109,345	75,000
401-534-50-31-01	Small Assets/tools	-	2,158	35,000	17,243	20,692	25,000
401-534-50-48	Operations Repair/Maint contracted work	32,225	75,421	60,000	45,030	54,036	60,000
401-534-50-49	Insurance Claims	-	1,183	2,500	-	-	2,500
401-534-60-41	Operations Contracted (water testing)	12,110	5,418	7,500	6,045	7,254	7,500
401-534-60-47	Water City of Bellingham	40,386	61,592	45,000	15,857	19,028	45,000
401-534-80-10	Operations Payroll (3% cola plus step increases - 2020)	513,248	546,976	533,190	486,920	575,451	579,773
401-534-80-20	Operations Personnel Benefits (Medical,Retirement etc)	223,200	238,647	251,500	215,432	254,601	248,312
401-534-80-32	Fuel	13,663	14,814	15,000	11,851	14,221	15,000
401-534-80-35	Safety Supplies (Ergonomic Assessment)	6,149	8,668	5,000	10,487	12,584	10,000
401-534-80-35-01	Safety Supplies Boots	971	928	1,250	698	838	1,250
401-534-80-35-02	Emergency Preparedness	149	319	5,000	5,170	6,204	5,000
401-534-80-47	General Utilities (Electric, gas, water, garbage)	98,911	111,942	120,000	84,866	101,839	110,000
401-534-80-49	Laundry	1,951	2,053	2,000	1,669	2,003	2,000
	<b>WATER OPERATING EXPENDITURES</b>	<b>2,001,067</b>	<b>2,244,341</b>	<b>2,142,770</b>	<b>1,835,105</b>	<b>2,155,949</b>	<b>2,336,546</b>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 11-05-2019</b>	Description	Actual 2017	Actual 2018	Budget 2019	10/30/2019	Projected 2019	Budget 2020
<b><i>DEBT SERVICE</i></b>							
401-591-34-77-01	Redemption of Long Term Debt Geneva AC Mains	119,938	119,938	119,937	119,937	119,937	119,938
401-591-34-77-02	Redemption of Long Term Debt Div 22 Reservoir	-	53,831	53,831	65,475	65,475	65,475
401-591-34-77-73	Redemption of Long Term Debt Loan 064	47,252	236,260	-	-	-	-
401-592-34-83-01	Debt Service Interest Geneva AC Mains	34,182	32,383	30,584	30,584	30,584	28,785
401-592-34-83-02	Debt Service Interest Div 22 Reservoir	-	30,982	15,342	18,660	18,660	17,678
401-592-34-83-03	Debt Service Interest Loan 064	5,670	3,321	-	-	-	-
<b><i>SYSTEM REINVESTMENT</i></b>							
	2019 System Reinvestment Projects						105,000
	2020 System Reinvestment Projects	337,296	470,687	425,000	300,336		397,400
<b><i>TRANSFERS</i></b>							
	Transfers out to Water Contingency Fund						-
<b>WATER FUND</b>	<b>TOTAL WATER REVENUES</b>	<b>2,493,061</b>	<b>2,787,652</b>	<b>2,787,652</b>	<b>2,721,043</b>	<b>2,792,603</b>	<b>2,849,860</b>
	<b>TOTAL WATER EXPENDITURES</b>	<b>(2,545,405)</b>	<b>(3,191,743)</b>	<b>(2,787,464)</b>	<b>(2,370,097)</b>	<b>(2,390,605)</b>	<b>(3,070,822)</b>
	<b>2019 BALANCE CARRYOVER (40%) of \$1,700,000</b>						<b>680,000</b>
	<b>2019 FUND 426 TRANSFER IN</b>						<b>460,000</b>
	<b>2020 ALLOCATED TO OPERATING RESERVES</b>						<b>(520,000)</b>
	<b>2020 ALLOCATED TO WATER CONTINGENCY</b>						<b>(460,000)</b>
	<b>PROPOSED AVAILABLE 2020 YEAR END BALANCE</b>						<b>(60,962)</b>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 11-05-2019</b>	<b>Description</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>10/30/2019</b>	<b>Projected 2019</b>	<b>Budget 2020</b>
<b>SEWER - 402</b>							
<b>EXPENDITURES</b>							
402-535-10-10	Admin Payroll (3% cola plus step increases - 2020)	320,349	301,897	337,135	279,939	330,837	355,400
402-535-10-20	Admin Personnel Benefits (additional Commissioner insurance authorized)	123,075	132,376	142,195	120,289	142,160	196,061
402-535-10-31	Gen Admin Supplies/Equipment	13,889	12,535	15,000	14,003	16,804	20,000
402-535-10-31-01	Meetings/Team building	1,469	1,693	1,500	2,347	2,816	2,000
402-535-10-40	Web pay/Bank Fees	16,625	20,195	20,000	16,060	19,272	10,000
	County Auditor Filing Fees			3,250			3,000
	Statement processing			12,500			12,500
	Answering Service			1,000			750
	Time clock system			1,000			750
	Financial Software Maintenance			5,000			5,000
	Web Check services			2,500			2,500
	CPA (Internal audit and Financial statements)			3,000			3,000
	Rate study			-			15,000
	State audit			-			5,000
	Docuware maintenance and upgrade			7,500			7,500
	Legal Counsel			30,000			20,000
	Computer support			12,500			15,000
	Anti virus subscription			500			500
	Building security for offices			1,000			1,000
	Building custodial			5,000			5,000
	Pest control			250			500
	Landscaping service			2,000			3,000
	Scada System Software Maintenance - Operations			3,750			3,750
	Engineering Consultant			10,000			5,000
	Camera Van Software			1,500			1,500
	SCADA/PLC Support - Engineering/Operations			2,500			5,000
	Cartegraph - Engineering/Operations			15,000			2,500
	Auto Desk - Engineering			500			500
	GIS Partnership (County)			500			500
	Rockwell - Engineering/Operations			250			250
	IT Pipes			750			750
	ESRI - ARC GIS			750			750
	Innovyze - Engineering			1,250			1,250
	Cyberlock software			500			500
	Whatcom County Emergency Management			10,000			10,000

# LAKE WHATCOM WATER AND SEWER DISTRICT

<b>DRAFT 11-05-2019</b>	<b>Description</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>10/30/2019</b>	<b>Projected 2019</b>	<b>Budget 2020</b>
	Misc (Bid notices etc.)			2,500			2,500
402-535-10-41-01	Professional Services (TOTAL)	108,695	224,840	145,000	111,674	134,009	134,750
402-535-10-42	Communication	24,731	25,600	25,000	22,830	27,396	30,000
402-535-10-45	Admin Lease (copy/printers)	910	4,200	3,500	4,282	5,138	5,000
402-535-10-46	Property Insurance	67,595	66,403	67,000	71,480	71,480	72,000
402-535-10-49	Admin Misc.	510	353	500	417	500	500
402-535-10-49-01	Memberships/Dues/Permits	5,898	6,545	7,000	6,045	7,254	8,000
402-535-10-49-02	WA State Dept of RevenueTaxes/County Sormwater fees	97,504	108,063	105,000	90,369	108,443	115,000
402-535-40-43	Training & Travel	7,924	9,549	17,500	11,195	13,434	17,500
402-535-40-43-01	Tuition reimbursement	102	-	500	-	-	500
402-535-50-31	Operations/Maintenance Supplies	51,805	52,213	75,000	32,535	39,042	75,000
402-535-50-31-01	Small Assets/tools	-	2,544	35,000	14,718	17,662	25,000
402-535-50-48	Operations Repair/Maint contracted work	144,487	74,355	60,000	51,041	61,249	60,000
402-535-50-49	Insurance Claims	-	1,183	2,500	5,000	5,000	2,500
402-535-60-41	Operations Contracted (generator load testing)	6,869	-	15,000	-	-	15,000
402-535-60-47	Sewer City of Bellingham Treatment Fee	643,912	589,677	650,000	558,996	670,795	680,000
402-535-80-10	Operations Payroll (3% cola plus step increases - 2020)	413,138	442,355	533,190	396,293	468,346	486,985
402-535-80-20	Operations Personnel Benefits (Medical,Retirement etc)	179,101	191,170	251,500	174,612	206,360	248,312
402-535-80-32	Fuel	13,759	14,770	13,000	9,851	11,821	13,000
402-535-80-35	Safety Supplies (Ergonomic Assessment)	6,280	8,686	5,000	8,955	10,746	10,000
402-535-80-35-01	Safety Supplies Boots	1,048	887	1,250	847	1,016	1,250
402-535-80-35-02	Emergency Preparedness	279	467	5,000	374	449	5,000
402-535-80-47	General Utilities (Electric, gas, water, garbage)	92,793	101,163	110,000	76,756	92,107	100,000
402-535-80-49	Laundry	1,950	2,052	2,000	1,733	2,080	2,000
	<b>SEWER OPERATING EXPENDITURES</b>	<b>2,344,697</b>	<b>2,395,771</b>	<b>2,645,270</b>	<b>2,082,641</b>	<b>2,466,216</b>	<b>2,690,758</b>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 11-05-2019</b>	Description	Actual 2017	Actual 2018	Budget 2019	10/30/2019	Projected 2019	Budget 2020
<b><i>DEBT SERVICE</i></b>							
402-591-35-72-50	2009 Bond Principal Payments	265,000	275,000	285,000	285,000	285,000	-
402-591-35-72-03	2016 Bond Principal Payments	125,000	130,000	130,000	130,000	130,000	425,000
402-592-35-83-50	2009 Bond Interest Payments	30,900	20,300	10,332	10,332	10,331	-
402-592-35-83-03	2016 Bond Interest Payments	227,175	224,675	222,074	222,076	222,075	218,176
<b><i>SYSTEM REINVESTMENT</i></b>							
	2019 System Reinvestment Projects						770,000
402-594-35-62-02	Sewer System Reinvestment Projects	337,296	470,687	2,600,000	1,804,195	2,000,000	191,900
402-594-35-64-02	2020 Sewer Equipment (Flush/Vac Truck)						525,000
<b><i>TRANSFERS</i></b>							
	Transfers Out to Sewer/Storm Water Contingency Fund 425	149,000	25,000	15,000	15,000	15,000	-
<b>SEWER FUND</b>	<b>TOTAL SEWER REVENUES</b>	<b>4,062,980</b>	<b>4,277,536</b>	<b>4,246,102</b>	<b>3,629,826</b>	<b>4,321,448</b>	<b>4,375,640</b>
	<b>TOTAL SEWER EXPENDITURES</b>	<b>(3,479,068)</b>	<b>(3,541,433)</b>	<b>(5,907,676)</b>	<b>(4,549,244)</b>	<b>(5,128,622)</b>	<b>(4,820,834)</b>
	<b>2019 BALANCE CARRYOVER (60%) of \$1,700,000</b>						<b>1,020,000</b>
	<b>2019 FUND 425 TRANSFER IN</b>						<b>787,000</b>
	<b>2020 ALLOCATED TO SEWER OPERATING RESERVES</b>						<b>(420,000)</b>
	<b>2020 ALLOCATED TO SEWER CONTINGENCY</b>						<b>(796,000)</b>
	<b>PROPOSED AVAILABLE 2020 YEAR END BALANCE</b>						<b>145,806</b>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 11-05-2019</b>	Description	Actual 2017	Actual 2018	Budget 2019	10/30/2019	Projected 2019	Budget 2020
<b>BOND RESERVE - 460</b>							
460-361-11-00	Investment Interest (to Operating Fund)	9,870		-	-	-	-
460-397-10-00-60	Transfers In from Operating Fund 401	-		-	-	-	-
	<b>TOTAL REVENUES</b>	<b>9,870</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
460-535-10-41	Investment Service Charges	765		-	-	-	-
	<b>TOTAL EXPENDITURES</b>	<b>765</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BOND RESERVE FUND</b>	<b>REVENUES</b>	<b>9,870</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
	<b>EXPENDITURES</b>	<b>(765)</b>			<b>-</b>	<b>-</b>	<b>0</b>
	<b>CASH/INVESTMENTS BALANCE CARRYOVER</b>						<b>772,334</b>
	<b>PROPOSED 2020 YEAR END BALANCE</b>						<b>772,334</b>

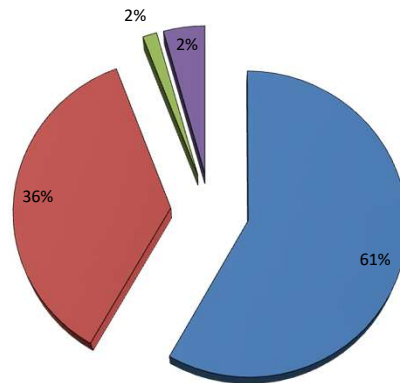


LAKE WHATCOM WATER AND SEWER DISTRICT							
<b>DRAFT 11-5-2019</b>							
	<b>Description</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>10/30/2019</b>	<b>Projected 2019</b>	<b>Budget 2020</b>
<b>WATER - 401</b>							
<b>REVENUES</b>							
401-333-66-00-00	North Shore Sampling Interlocal Agreement						40,000
401-333-66-00-01	North Shore Consolidation Feasibility Study	29,986					
401-333-97-00-00	FEMA Aug 2015 Storm Assistance	14,280	250				
401-343-40-10	Water Sales Metered (4% base rate increase) *	2,269,645	2,468,445	2,526,043	2,080,016	2,496,019.20	2,595,860
401-343-41-10	Permits (15 new connection permits) \$6,000	85,915	162,024	87,000	171,241	175,000	90,000
401-343-81-10	Combined Fees (Increase in Lien and Lock fees)	27,211	27,616	30,000	21,459	25,750.80	35,000
401-359-90-00	Late fees	56,798	58,690	50,000	46,683	56,019.60	55,000
401-361-11-00	Investment Interest	5,582	35,291	25,000	29,743	35,691.19	30,000
401-369-10-00	Sale of scrap metal and surplus	224	1,252	2,000	2,602	3,122.40	3,000
401-369-10-01	Miscellaneous	1,378	2,517	1,000	833	999.60	1,000
401-369-40-00	Judgements and Settlements	-	23,767	-	-	-	-
401-395-10-00	Sale of Capital Assets	-	7,800	-	-	-	-
401-395-20-00	Insurance Recoveries	2,042	-	-	-	-	-
	<b>TOTAL REVENUES</b>	<b>2,493,061</b>	<b>2,787,652</b>	<b>2,721,043</b>	<b>2,352,577</b>	<b>2,792,603</b>	<b>2,849,860</b>
	* Per Resolution 844 effective 1/1/2020						
	Scheduled annual rate increase						

LAKE WHATCOM WATER AND SEWER DISTRICT							
<b>DRAFT 11-5-2019</b>							
	<b>Description</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>10/30/2019</b>	<b>Projected 2019</b>	<b>Budget 2020</b>
<b>SEWER - 402</b>							
<b>REVENUES</b>							
402-343-41-10-02	Permits (15 new connection permits) \$9,000	85,915	162,024	123,000	171,241	175,000	135,000
402-343-50-11	Sewer Service Residential (2.5% rate increase) *	3,849,280	3,964,760	4,058,102	3,400,927	4,081,112.40	4,183,140
402-343-50-19	Sewer Service Other	3,961	4,586	4,000	3,787	4,544.40	4,500
402-343-50-80	Latecomer's Fees	6,772	6,772	-	-	-	-
402-359-90-02	Late Fees	28,399	29,345	-	-	-	-
402-361-11-00-02	Investment Interest	5,582	35,291	25,000	29,743	35,691.60	30,000
402-361-40-00-80	ULID 18 Interest/Penalties	18,631	8,889	5,000	4,503	4,500	4,000
402-368-10-00-80	ULID 18 Principal Payments	60,796	30,534	30,000	16,190	17,000	15,000
402-369-10-00-02	Sale of scrap metal and surplus	224	1,251	1,000	2,602	2,700	3,000
402-369-10-00-02	Miscellaneous	1,378	2,517	-	833	900	1,000
402-369-40-02	Judgements and Settlements	-	23,767	-	-	-	-
402-395-10-00-02	Sale of Capital Assets	-	7,800	-	-	-	-
402-395-20-02	Insurance Recoveries	2,042	-	-	-	-	-
	<b>TOTAL REVENUES</b>	<b>4,062,980</b>	<b>4,277,536</b>	<b>4,246,102</b>	<b>3,629,826</b>	<b>4,321,448</b>	<b>4,375,640</b>
		6,556,041	7,065,188	6,967,145	5,982,403	7,114,051	7,225,500
	* Per Resolution 844 effective 1/1/2020						
	Scheduled annual rate increase						

## LAKE WHATCOM WATER AND SEWER DISTRICT

**DRAFT 11-5-2019**



Legend:

61% Sewer Service  
36% Water Sales  
2% Fees/Permits  
1% Other

**DRAFT 11-5-2019**

## LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2020



	401	402	460	
	WATER	SEWER	BOND RESERVE (RESTRICTED)	TOTAL
2020 REVENUES	2,849,860	4,375,640	-	7,225,500
2020 EXPENDITURES	(3,070,822)	(4,820,834)	-	(7,891,656)
CASH/INVESTMENTS 2019 CARRYOVER \$1,700,000	680,000	1,020,000	772,334	2,472,334
CONTINGENCY FUNDS TRANSFER IN	\$460,000	\$787,000		\$1,247,000
	-----	-----	-----	-----
PROPOSED 2020 YEAR END BALANCE	\$919,038	\$1,361,806	\$772,334	\$3,053,178
2020 ALLOCATED TO OPERATING RESERVES	-\$520,000	-\$420,000		-\$940,000
2020 ALLOCATED TO CONTINGENCY	-\$460,000	-\$796,000		-\$1,256,000
AVAILABLE 2020 YEAR END BALANCE	-\$60,962	\$145,806		\$84,844

# **Lake Whatcom Water and Sewer District**

## **2020 Capital Improvement Plan**

District Administrative Code Section 2.3 – Capital Improvement Plan Policy provides a policy framework to plan and implement capital policies and programs that preserve, maintain, and improve capital facilities, equipment, and assets with the goal of avoiding fiscal emergencies and unplanned capital costs.

The 6-year capital improvement plan (CIP) is updated annually during budgeting efforts for the following year. The CIP coordinates projects identified in the current Water System Comprehensive Plan and Sewer Comprehensive Plan with facility, equipment, and asset needs identified during the trailing 12 months. The current Water System Comprehensive Plan was approved by the Washington State Department of Health on October 3, 2018 and is valid until October 3, 2028 (10-years). The current Comprehensive Sewer Plan was approved by the Washington State Department of Ecology on June 6, 2014.

Capital projects are financed to the greatest extent possible through user fees when direct benefit to users results from the construction of the project. The District utilizes revenue bonds and applicable state and federal loans and grants to assist in capital funding whenever necessary. Each capital project that may be funded by a loan is evaluated within the context of the District's capital improvement program and the capital budget. The funding strategy is reviewed and updated approximately every two to three years as part of the District's period rate study that considers revenues, expenses, CIP needs, and debt. Projects are scheduled to fit within the funding strategy contained in the most current rate study.

Projects are prioritized and scheduled considering the following criteria:

- Impact on the operating budget through increases or reductions in revenues and expenses.
- Identified and scheduled in the water and sewer comprehensive plans.
- Can be realistically accomplished during the year that they are scheduled.
- Implement previous Board-approved reports and strategies.
- Renewal and replacement schedules identified in the asset management system's comprehensive inventory of all capital assets which includes estimates of actual value, replacement cost and remaining useful life.
- Business risk exposure index that factors consequence of failure and probability of failure of the subject asset.

Capital projects that are not completed during the fiscal year are carried over to the next fiscal year. These projects are listed on the page titled "Active Capital Improvement Project".

Active Capital Improvement Projects							
2020 Budget Worksheet							
10/23/2019							
			Projected Budget	Spent to Date	Projected Spending	Amt Remaining	
Category	Project #	Project Title / Tasks	to Completion	(as of 10/23/2019)	Thru 2019	to include in 2020 Budget	Notes
Rate Funded Projects							
Sewer	C1611	Country Club Sewer Pump Station - HDD					
		Permits, Advertisements, Printing, Testing, Etc.	\$ 9,333.44	\$ 9,333.44	\$ 9,333.44	\$ -	
		BHC Design, Permitting, Bidding	\$ 198,642.65	\$ 198,642.65	\$ 198,642.65	\$ -	
		BHC Services During Construction	\$ 72,000.00	\$ 54,222.92	\$ 72,000.00	\$ -	
		Construction Contract	\$ 683,170.36	\$ 513,047.68	\$ 683,170.36	\$ -	original construction contract price \$760,585
Sewer	C1705	Geneva and Par Sewer Pump Stations					
		Permits, PSE, Advertisements, Printing, Testing, Etc.	\$ 59,310.74	\$ 59,310.74	\$ 59,310.74	\$ -	
		RH2	\$ 419,019.00	\$ 368,497.89	\$ 419,019.00	\$ -	thru amendment #5
		Par Construction Contract	\$ 438,263.69	\$ 438,263.69	\$ 438,263.69	\$ -	
		Geneva Construction Contract	\$ 717,836.00	\$ 607,545.00	\$ 717,836.00	\$ -	
Sewer	C1708	Ball Check Valves at Austin and Beaver Sewer Pump Stations	\$ 8,518.57	\$ 8,518.57	\$ 8,518.57	\$ -	
Water	C1716A	Dead End Blowoffs	\$ 20,000.00	\$ 13,311.47	\$ 15,000.00	\$ 5,000.00	
Water	C1716B	Geneva Booster Station - PRV's,Backflow, Roof	\$ 40,000.00	\$ 16,916.79	\$ 40,000.00	\$ -	
Sewer	C1802	Dellesta, Edgewater & Euclid Sewer Pump Stations					
		Euclid					
		RH2 Design, Permitting, Bidding	\$ 93,512.00	\$ 71,520.37	\$ 71,520.37	\$ 21,991.63	original agreement, phase 1a
		RH2 Euclid Mitigation Plan	\$ 18,867.00	\$ 18,867.00	\$ 18,867.00	\$ -	amendment 2, phase 1a
		Permits, Advertisements, Printing, Testing, Etc.	\$ 25,000.00	\$ 16,690.66	\$ 18,000.00	\$ 7,000.00	includes dellesta & edgewater & euclid
		Dellesta & Edgewater					
		RH2 Predesign, Shoreline Permitting	\$ 99,490.00	\$ 99,490.00	\$ 99,490.00	\$ -	original agreement, phase 1b
		RH2 Edgewater Supplemental Surveying	\$ 3,393.00	\$ 3,393.00	\$ 3,393.00	\$ -	amendment 1, phase 1b
		RH2 Design, Permitting, Bidding	\$ 62,210.00	\$ -	\$ 40,000.00	\$ 22,210.00	amendment 3
		RH2 Services During Construction - Estimate	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	estimate based on par and geneva ps
		Construction - Estimate	\$ 450,000.00			\$ 450,000.00	based on planning level estimate from RH2 9/30/2019
		PSE Electrical Service Changes	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	
Sewer	C1810	Airport PS Generator and Lakewood PS Access Esmt	\$ 57,692.93	\$ 57,692.93	\$ 57,692.93	\$ -	
Sewer	M1811	North Shore Sewer FM Stream Crossing Protection					
		Wilson Design, Permitting, Services During Construction	\$ 38,703.25	\$ 38,703.25	\$ 38,703.25	\$ -	
		Construction Contract	\$ 49,254.33	\$ 49,254.33	\$ 49,254.33	\$ -	
Water	C1813	Div 7 Reservoir - Seismic FEMA Grant Application	\$ 17,569.00	\$ 17,569.00	\$ 17,569.00	\$ -	
Water	C1814	Agate Heights WTP and Opal Booster Upgrades					
		Wilson Predesign, Pilot Test, Permitting, DOH Project Report	\$ 45,546.00	\$ 34,268.00	\$ 45,546.00	\$ -	wilson task order #2018-01
	A1901	Whatcom County Region GIS Imagery Partnership 2019 Flight	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	
Sewer	A1902	Compulsory Sewer Connections	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	
	C1903	District Office Misc Facility Improvements (\$60k budget)					
		Irrigation System, Front Concrete Steps	\$ 13,478.80	\$ 13,478.80	\$ 13,478.80	\$ -	
		2019 Asphalt Patching - WRS Contract	\$ 43,093.00	\$ -	\$ 43,093.00	\$ -	will increase due to more patching areas
Sewer	C1904	Comprehensive Sewer Plan Update	\$ 69,950.00	\$ 5,926.50	\$ 50,000.00	\$ 19,950.00	wilson task order #2019-001 (target by November 2019)
Sewer	C1905	Sewer Rehabilitation and Replacement Projects	\$ 40,000.00	\$ 28,539.83	\$ 40,000.00	\$ -	
Water	C1906	Water Meters and Replacement Registers	\$ 19,177.89	\$ 19,177.89	\$ 19,177.89	\$ -	
Water	C1907	Fire Flow Improvements - Remove FH #22-122	\$ 2,000.00	\$ -	\$ 2,000.00	\$ -	
Water	C1908	Fire Flow Improvements - Hydraulic Model Calibration	\$ 15,000.00	\$ 4,284.50	\$ 15,000.00	\$ -	wilson task order #2019-002 (target by October 2019)
Water	C1909	Little Strawberry Bridge Water Main Predesign & Estimate	\$ 20,000.00	\$ -	\$ 5,000.00	\$ 15,000.00	
Water	C1910	SVWTP and AHWTP Misc Component Replacement	\$ 72,000.00	\$ 29,588.91	\$ 72,000.00	\$ -	
Water	C1911	Field CL2 Injection System	\$ 5,000.00	\$ -	\$ 5,000.00	\$ -	
Water	C1913	SVWTP 20-Year Facility Plan	\$ 100,000.00	\$ -	\$ 10,000.00	\$ 90,000.00	
Water	C1914	Water Rehabilitation and Replacement Projects	\$ 62,493.59	\$ 62,493.59	\$ 62,493.59	\$ -	svwtp xfmr fire, svwtp intake check valve
Sewer	M1916	Flat Car Impellers, Volutes, and Wear Rings	\$ 28,583.24	\$ -	\$ 28,583.24	\$ -	po #475 \$28,583.24
	M1917	AB PLC-5 Replacements and UPS Improvements	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	
		Total	\$ 4,364,108.48	\$ 2,858,549.40	\$ 3,487,956.85	\$ 876,151.63	

# Lake Whatcom Water and Sewer District - Capital Improvement Plan 2020 thru 2025

Program Area / CIP Project # / CIP Project Name		Fund	Total	2020	2021	2022	2023	2024	2025
<b>Maintenance - General</b>									
0210	8	Johnson Well Storage Building - New Siding and Paint	27,500	27,500					
A0011	1	Annual Asphalt Patching	210,000	35,000	35,000	35,000	35,000	35,000	35,000
A0012	2	Annual Tree Trimming	60,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Subtotal</b>			<b>297,500</b>	<b>72,500</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
<b>Maintenance - Water</b>									
W0005	35	Reservoirs - Inspection & Maintenance	31,827				31,827		
<b>Subtotal</b>			<b>31,827</b>				<b>31,827</b>		
<b>System Reinvestment - General</b>									
0207	1	Quick connect fitting kit for new CAT backhoe	4,000	4,000					
0208	1	Used Fork Lift for Shop	20,000	20,000					
0209	18	SCADA Telemetry - Install and Configure Managed Ethernet Switches	20,000	20,000					
0218		Snowplow Blade and Sander Attachment for Tool Truck	14,300	14,300					
A0005	50	Accounting & Administration Server - Replace/Update Hardware, Network Security, & OS	50,000	25,000			25,000		
E0002	10	Replace 5-yard Dump Truck	131,127					131,127	
E0007	12	Replace Mini Excavator	71,027						71,027
E0008	18	Replace Flush and Vac Truck	525,000	525,000					
V0001	18	Replace Tool Truck (7 tool trucks in fleet)	216,000	72,000		72,000		72,000	
V0002	9	Replace Administrative Staff Vehicle (4 cars in fleet)	55,167		27,583				27,583
<b>Subtotal</b>			<b>1,106,621</b>	<b>680,300</b>	<b>27,583</b>	<b>72,000</b>	<b>25,000</b>	<b>203,127</b>	<b>98,611</b>
<b>System Reinvestment - Sewer</b>									
0032a	36	Agate Bay Sewer Pump Station - Predesign and Shorelines Permitting	103,000			103,000			
0032b	36	Agate Bay Sewer Pump Station - Design and Bidding	128,750				128,750		
0032c	36	Agate Bay Sewer Pump Station - Construction	540,750					540,750	
0055a	30	Rocky Ridge Pump Station - Predesign and Shorelines Permitting (with Lakewood)	51,500		51,500				
0055b	30	Rocky Ridge Pump Station - Design and Bidding	103,000			103,000			
0055c	30	Rocky Ridge Pump Station - Construction	300,000				300,000		
0056a	30	Lakewood Pump Station - Predesign and Shorelines Permitting (with Rocky Ridge)	51,500		51,500				
0056b	30	Lakewood Pump Station - Design and Bidding	103,000			103,000			
0056c	30	Lakewood Pump Station - Construction	300,000				300,000		
0124a	42	Flat Car Reverse Flow to SVPS Piping and Valves - Design & Permitting	50,000		50,000				
0124b	42	Flat Car Reverse Flow to SVPS Piping and Valves - Construction	100,000			100,000			
0157	12	Install Ball Check Valves at Cable, Ranch House, Flat Car, Beaver	112,551			112,551			
0161	30	Stationary Generator Closed Loop Cooling Retrofit - North Point, SV, Flat Car, Beaver	225,102				225,102		
0163		Euclid Electrical Controls Replacement and New Stationary Generator	415,090		415,090				
0171	18	Sudden Valley Sewer Pump Station - Recondition Electrical Controls	168,826					168,826	

Program Area / CIP Project # / CIP Project Name		Fund	Total	2020	2021	2022	2023	2024	2025
0172	16	Flat Car Sewer Pump Station - Recondition Electrical Controls	168,826						168,826
0193	100	COB Post Point WWTP Biosolids Handling (LWWSD Cost Share 4.8%) - Construction 2023	10,000,000			10,000,000			
0206a	18	Beaver, Flat Car, SVPS Motor Leads (replace 3 at \$6k/each)	18,000	18,000					
0206b	18	Beaver, Flat Car, SVPS Motor Leads (replace 2 at \$6k/each)	12,000		12,000				
A0010	35	Update Sewer Comprehensive Plan (Current Plan under revision as of 11/6/2019)	87,550						87,550
E0003	14	Replace Sewer Camera Vehicle	82,340			82,340			
E0004	8	Replace Camera Equipment	41,524			41,524			
S0001a	15	Sewer System Rehab and Replacement Projects	60,000	60,000					
S0001b	15	Sewer System Rehab and Replacement Projects	660,000		165,000	165,000	165,000	165,000	
S0001c	15	Sewer System Rehab and Replacement Projects	600,000						600,000
Subtotal			14,483,309	78,000	745,090	810,415	11,118,852	874,576	856,376

#### System Reinvestment - Water

0084a	40	Agate Heights Water System - Phase 1 WTP Upgrade 1/3 capacity (from 30gpm to 60gpm) - Design, Bid, SDC	80,000	80,000					
0084b	40	Agate Heights Water System - Phase 1 WTP Upgrade 1/3 capacity (from 30gpm to 60gpm) - Construction	190,000		190,000				
0144a	70	South Shore Water System - 1992 SVWTP 0.235MG Chlorine Contact Tank Seismic Retrofit - Priority 2 - Design	84,413			84,413			
0144b	70	South Shore Water System - 1992 SVWTP 0.235MG Chlorine Contact Tank Seismic Retrofit - Priority 2 - Construction	175,579				175,579		
0145a	70	South Shore Water System - 1971 Division 7 1.0MG Reservoir Seismic Retrofit and Coatings - Priority 1 - Design & Permitting	200,000					200,000	
0164	30	Demolish Old Concrete Reservoir at 1010 Lakeview Street	55,000	55,000					
0166	1	South Shore Water System - SVWTP - Convert from Chlorine Gas to Liquid	103,000			103,000			
0201	2	Convert Eagleridge Booster to Metering Station	30,000	30,000					
0203	36	PRV-AUS at Fremont and Austin - Rebuild Vault, replace 3inch and 1.5inch PRVs, Piping, and Hardware	10,000	10,000					
0204	36	Geneva and Division 22 Reservoir Impressed Current Cathodic Protection Systems	40,000	40,000					
0205		Water Meters and Registers	13,000	13,000					
0211	1	Fire Hydrant Flow Testing Kit for Hydraulic Model Calibration Testing	3,500	3,500					
0212	6	SVWTP Misc Component Replacement	40,000	40,000					
0213	1	Dutch Harbor Water Meter - Add to Telemetry/SCADA Historian	20,000		20,000				
0214	4	SVWTP Raw Water Intake - Emergency Pumps (water only portable pump)	50,000				50,000		
0215	6	1237 Lakeview St - Replace 2" PVC with 2" HDPE	50,000			50,000			
0216	10	Fire Hydrant Adapters	12,000	12,000					
W0002a	18	Water System Rehab and Replacement Projects	40,000		40,000				
W0002b	18	Water System Rehab and Replacement Projects	50,000					50,000	
W0002c	18	Water System Rehab and Replacement Projects	226,600						226,600
W0003	35	SVWTP Filter 3&4 Media - Replace	25,714						25,714
Subtotal			1,498,807	283,500	250,000	237,413	225,579	250,000	252,314

\* Note: Cost Estimates in 2020 Dollars

<b>Grand Total</b>	<b>17,418,064</b>	<b>1,114,300</b>	<b>1,067,673</b>	<b>1,164,828</b>	<b>11,446,258</b>	<b>1,372,704</b>	<b>1,252,301</b>
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## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Demolish Old Concrete Reservoir at 1010 Lakeview Street
<b>CIP #:</b>	0164

Asset Register:	LWWSD → Water → Reservoirs				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	n/a	= _ x _ x _ (PoF x CoF x Redundancy)			
Remaining Life:	n/a	Consumed Life:		Effective Life:	

### **PURPOSE and DESCRIPTION OF THE PROJECT**

Demolish old concrete reservoir across the street from the Shop at 1010 Lakeview Street. The concrete structure was built in the 1930's and has been out of service since the late 1940's. The reservoir is weathered, structurally deteriorating and does not meet current building codes, and is not suitable for reuse or salvage by the District.

The District owns the 100' x 50' parcel at this site. The District may be able to repurpose this site as a gravel parking or staging area, as was once envisioned by the Board of Commissioners. As this project is developed, the desired site restoration will also need to be determined.

Work will require a Whatcom County Demolition Permit. The District hired CAZ Environmental in October 2019 to test and report on whether the existing structure contains asbestos. The report concluded that materials tested did not detect asbestos and therefore the project is not expected to fall under regulations governing the handling of building materials containing asbestos beyond allowable limits. The CAZ Environmental report will be provided with the Whatcom County Demolition Permit application.

Budget Estimate: \$55,000

Cost estimate in 2020 dollars.

Estimate is based on information from WRS in November 2019. The estimate includes reservoir removal and haul away of materials and an estimate for replacement of fencing, landscape restoration caused by damage to neighboring property during the demolition process and any final site restoration to accommodate a possible parking area.

For further information about this project contact Kristin Hemenway.

#### Revision History

- Created 11/17/2017 by BH.
- Edited 11/5/2019 by KH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Convert Eagleridge Booster to Metering Station
<b>CIP #:</b>	0201

Asset Register:	LWWSD → Water → Distribution System				
Failure Mode:	Capacity	<u>Level of Service</u>	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	2	= 7 x 3 x 0.1 (PoF x CoF x Redundancy)			
Remaining Life:	10	Consumed Life:	30	Effective Life:	40

### **PURPOSE and DESCRIPTION OF THE PROJECT**

The purpose of this project is to convert the Eagleridge Booster Station to a Metering Station. The 2018 Water System Comprehensive Plan determined that the 3 smaller residential flow pumps are no longer needed since the City source water pressure has increased from when the booster station was put into service in 1989.

If the residential pumps were decommissioned, the District will benefit by eliminating ongoing operational and maintenance costs as well as avoiding replacement costs for the 30-year old pump system and controls. However, without the pumps home owners experience approximately 15 to 19 psi less pressure than they are used to, but still be delivered the District's minimum standard 30 psi at the meter. Neighborhood and customer outreach will be important to convey the benefits to the system as a whole, and avoid a surprise by the drop in normal operating pressure.

Preliminary analyses performed as part of the 2018 Water System Comprehensive Plan indicate that the fire suppression pumps may no longer be needed, but a more detailed investigation is needed.

A phased approach is proposed for this project as follows:

Phase A – 2020:       \$30,000

Detailed hydraulic analysis and field verification to determine whether the fire suppression pumps can be decommissioned. Begin public outreach to neighborhood for plan to decommission residential flow pumps that will result in less pressure than the community is accustomed to.

Develop Project Report (design) for submittal and review by Department of Health

Phase B – 2021 or 2022       Cost to be determined in Phase A

Construction. Probable that work can be performed by District field crew. This will depend on workload and the final scope of construction work.

## CAPITAL PROJECT NARRATIVE

Information from 2018 Water System Comprehensive Plan:

*It has recently been found that the pressure from the City source has increased since the pump station was constructed. Now the City source has a pressure that is only slightly less than that of the Eagleridge system. The City source pressure at the pump station was measured by the District on a chart recorder for one week starting October 30, 2017. The pressure varied from approximately 86-90 psi. The pumps currently increase the pressure to approximately 105 psi. A pressure of 86 psi at the pump station elevation is sufficient to provide greater than 30 psi to all connections under peak hour demand, which suggests that the residential pumps may be taken out of service and that the City source pressure could serve residential demand. Analysis indicates that the two large pumps to provide fire suppression flow may not be necessary but require a more detailed investigation before decommissioning.*

*The Eagleridge water system model includes all pipes and pumps. The model demands were updated to reflect a MDD of 800 gpd/ERU and a system PHD of 150 gpm (based on MDD, build-out of 85 ERUs). Pump curves were updated based on available information. Elevations were updated to all be based on NAVD88 (current datum adopted by the City of Bellingham).*

*The source from the City of Bellingham was updated to reflect current operating conditions. The connection from the City is at a hydraulic grade of 519 ft.*

### Summary Analysis Results

*The model was analyzed based on the existing configuration with domestic and fire flow pumps. Results indicate that the existing system can provide sufficient pressure and flow to meet Peak Hour Demand for the projected build-out while maintaining the required minimum system pressure of 30 psi. Results also indicate that the existing system can provide 750 gpm at all fire hydrants under MDD while maintaining the required minimum system pressure of 20 psi.*

*Because of the increase in the source (City) pressure from the previous analysis, the possibility of bypassing or eliminating the pump station was investigated. The model indicates that with the three residential flow pumps bypassed and served by the pressure of the City source, 30 psi can be provided to all connections under peak hour demand.*

*Additional data is needed to analyze whether the City pressure can provide sufficient fire flow without the fire flow pumps.*

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

### Revision History

- Created 11/5/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Replace PRV-AUS Pressure Reducing Valve Station
<b>CIP #:</b>	0203

Asset Register:	LWWSD → Water → Distribution System				
Failure Mode:	Capacity	Level of Service	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### PURPOSE and DESCRIPTION OF THE PROJECT

Replace aging pressure reducing valve station (PRV-AUS) located at the intersection of Austin and Fremont. The station currently has 3" and 1.5" pressure reducing valves. The vault needs to be reconfigured and all the hardware including the valves needs replacing.

Piping and site constraints at the intersection require a topographic survey on which to base a replacement design. The project will be phased.

Phase A – Survey/Design: 2020 \$10,000

Phase B - Construction: 2021 Cost to be determined following design

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

#### Revision History

- Created 11/4/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Geneva and Division 22 Reservoirs Impressed Current Cathodic Protection Systems
<b>CIP #:</b>	0204

Asset Register:	LWWSD → Water → Reservoirs				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	NA	= _ x _ x _ (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:		Effective Life:	

### PURPOSE and DESCRIPTION OF THE PROJECT

This project includes installation of impressed current cathodic protection system at both the Geneva Reservoir and original of the two Division 22 Reservoirs.

Norton Corrosion's 2019 reservoir cathodic protection inspection noted that the level of corrosion in the Geneva Reservoir exceeds what the galvanic cathodic protection system can provide. Geneva has 60-75% coating failure (interior floor and walls). The options are to: 1) recoat the structure, 2) change from galvanic cathodic protection to an impressed system (estimated \$17,000 to \$19,000 each system) or 3) continue operation without sufficient cathodic protection in place.

Norton Corrosion's report also notes that measurements taken at Division 7, 22 and 30 were *close* to not meeting the NACE requirement to satisfy the criteria for adequate protection.

Budget Estimate: \$40,000

Cost estimate in 2020 dollars.

For further information about this project contact Kristin Hemenway or Bill Hunter.

#### Revision History

- Created 11/4/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Water Meters and Registers
<b>CIP #:</b>	0205

Asset Register:	LWWSD → Water → Distribution System → Services				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	2	= 2 x 1 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	15	Consumed Life:	5	Effective Life:	20

### PURPOSE and DESCRIPTION OF THE PROJECT

Over the last several years there was a wave in the number of water meter registers that came up on their 10-year battery life. These were replaced with newer model registers that have a 20-year battery life. It is anticipate that there will be another wave of older 10-year battery life registers that were installed in 2011-2013. This next wave will probably start around 2022.

The number of register replacements for 2020 is anticipated to be minimal.

Staff is estimating about 30 new meters should be stocked for new development.

#### Budget Estimate

30 New Registers x \$175/ea	\$5,250
30 New Meters x \$225/ea	<u>\$6,750</u>
Subtotal	\$12,000
8.7% Sales Tax	\$1,044
Total	\$13,000

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

#### Revision History

- Created 8/2/2006.
- Revised 1/5/2010 by BH: Adjusted materials cost to closer match recent brass bids. Deleted labor since it is already in the general budget.
- Revised 10/26/2011 by BH: Reduced annual budget from \$30k (85 rebuilds/year) to 15k (40-50 rebuilds/year) to better match available District labor resources.
- Revised 11/20/2013 by BH. Updated number of remaining rebuilds and annual budget.
- Revised 10/25/2017 by RM: Updated purpose, description and budget estimate
- Revised 11/6/2018 by BH. Updated description and budget estimate.
- Revised 11/4/2019 by BH. Updated description and budget estimate.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Beaver, Flat Car, SVPS Motor Leads
<b>CIP #:</b>	0206

Asset Register:	LWWSD → Sewer → Pump Stations				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	20	= 10 x 2 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	2 years	Consumed Life:	18 years	Effective Life:	20 years

### PURPOSE and DESCRIPTION OF THE PROJECT

Five motor leads, from the soft start to the motor in the wet well, tested low on wire insulation resistance (low megger value).

Staff recommends replacement should begin soon with 3 cables budgeted for 2020, and 2 more in 2021.

Budget Estimate:

Phase A

2020 Replace 3 cables x \$6,000 each = \$18,000

Phase B

2021 Replace 2 cables x \$6,000 each = \$12,000

Estimate from verbal budget quote from pump vendor.

Cost estimate in 2020 dollars.

Revision History

- Created 11/4/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Quick Connect Kit for CAT Backhoe
<b>CIP #:</b>	0207

Asset Register:	LWWSD → Resources → Equipment				
Failure Mode:	Capacity	Level of Service	Mortality	<u>Efficiency</u>	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

Purchase bucket quick connect kit for Caterpillar backhoe. The kit will make changing different width buckets safer and quicker.

Estimate is \$4,000

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

#### Revision History

- Created 11/4/2019 by BH.



## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Used Forklift for Shop
<b>CIP #:</b>	0208

Asset Register:	LWWSD → Resources → Equipment				
Failure Mode:	Capacity	Level of Service	Mortality	<u>Efficiency</u>	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

Purchase a used forklift for 1010 Lakeview Street facility (Shop). Staff is looking for a unit that is capable of operating on pavement and gravel surfaces to move, load, and unload supplies and equipment in the yard.

The District's safety committee discussed the pros and cons of a forklift. There was consensus that a forklift would improve safety for moving, loading, and unloading various materials and heavy components. The District will need to add a Forklift Safety Program as well as provide operator training for certification that are ongoing operational expenses.

Once a forklift is available for use at the Shop, the District will surplus the old backhoe fitted with forks on the front bucket.

Estimate is \$20,000

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

#### Revision History

- Created 11/4/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	SCADA Telemetry – Install & Configure Managed Ethernet Switches
<b>CIP #:</b>	0209

Asset Register:	LWWSD → General Facilities				
Failure Mode:	<u>Capacity</u>	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	1	= 2 x 4 x 0.1 (PoF x CoF x Redundancy)			
Remaining Life:	2 years	Consumed Life:	8 years	Effective Life:	10 years

### **PURPOSE and DESCRIPTION OF THE PROJECT**

The District's telemetry system is comprised of multiple communications mediums: Fiber, Leased Phone Lines, Radio, and Internet VPN's. As more and more devices are brought online, there is more and more bandwidth that is utilized. At the central hub of the telemetry system are Ethernet switches that connect everything together.

Managed Ethernet switches are needed which can be configured to isolate network devices from others. The goal is to utilize existing bandwidths as efficiently as possible by limiting unnecessary network traffic between devices and network segments.

The estimated budget is \$20,000. This will allow for procurement of the hardware as well as assistance from consultants for configuration and deployment.

#### Revision History

- Created 11/4/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Johnson Well Storage Building – New Siding and Paint
<b>CIP #:</b>	0210

Asset Register:	LWWSD → General Facilities				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	10	= 10 x 1 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	0 Years	Consumed Life:	30 Years	Effective Life:	30 Years

### **PURPOSE and DESCRIPTION OF THE PROJECT**

The Johnson Well storage building is an existing plywood-sided building that is used for Operations & Maintenance Dept. storage. The plywood siding is directly exposed to the weather and is showing signs of warping and deteriorating. The purpose of this project is to extend the building life by removing and replacing the existing plywood, adding a weatherproofing underlayment and replacing the siding with either metal or cement board siding. A secondary purpose is to improve the ability to store and access materials and equipment within the building by installing a roll-up garage door.

Budget Estimate: \$27,500.00

Cost estimate in 2020 dollars.

Estimate based on an engineer's estimate of a contractor's labor costs, material costs and projected overhead and markup.

For further information about this project contact Kristin Hemenway.

#### Revision History

- Created 11/05/2019 by KH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Fire Hydrant Flow Testing Kit
<b>CIP #:</b>	0211

Asset Register:	LWWSD → Water → Equipment				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

The water model shows fire hydrant flows that need to be confirmed due to unusually high flow. The District needs to procure fire hydrant flow testing equipment to confirm the model numbers.

Budget Estimate:      \$3,500

Cost estimate in 2020 dollars.

For further information about this project call Rich Munson.

#### Revision History

- Created 11/5/2019 by RM.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	SVWTP Misc Component Replacement
<b>CIP #:</b>	0212

Asset Register:	LWWSD → Water → Water Treatment Plants				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	18	= 9 x 2 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

Replace worn out components at Sudden Valley Water Treatment Plant (SVWTP).

Norton Corrosion's 2019 reservoir cathodic protection inspection noted that the level of corrosion in the chlorine contact reservoir exceeds what the galvanic cathodic protection system can provide. The steel interior ladder and cage seem to be the issue. A budget item is included to remove the steel ladder/cage and replace it with a fiberglass system.

Planned replacements include:

\$17k	Chlorine Contact Reservoir Replace Steel Ladder with Fiberglass Ladder
\$4k	Spare 300 Amp Breakers (2 spares x \$2k each)
\$8k	Division 22 Finish Water Flow Meter Replacement
\$6k	Raw Water Flow Meter Replacement
\$2k	Differential Pressure Transmitter (Chlorine Contact Reservoir Water Level)
<u>\$3k</u>	Intake Pipe Anchorage Warning Signs on Morning Beach
\$40k	Total Budget

Cost estimate in 2020 dollars.

For further information about this project call Kevin Cook or Bill Hunter.

#### Revision History

- Created 11/04/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Fire Hydrant Adapters
<b>CIP #:</b>	0216

Asset Register:	LWWSD → Water → Distribution System				
Failure Mode:	Capacity	<u>Level of Service</u>	Mortality	Efficiency	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### PURPOSE and DESCRIPTION OF THE PROJECT

South Whatcom Fire Authority had a fire at Wall St. and Lakewood Lane that needed mutual aid from the city of Bellingham. The city fire department engines could not connect to the hydrant at that location. SWFA discovered that the hydrant threads where not a common type.

During SWFA's annual maintenance they did an inventory of hydrants with this non-standard thread and found 57 of them throughout the District.

Staff recommends replacing all 57 hydrants with a 5" Storz to 4" PCT adapter.

Budget Estimate is \$ 12,000 including tax

Cost estimate in 2020 dollars.

For further information about this project call Rich Munson.

#### Revision History

- Created 11/5/2019 by RM.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Snowplow Blade and Sander Attachment for Tool Truck
<b>CIP #:</b>	0218

Asset Register:	LWWSD → Resources → Equipment				
Failure Mode:	Capacity	Level of Service	Mortality	<u>Efficiency</u>	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

During last year's winter snow storms, the road leading to the 1010 Lakeview Street Shop Facility was not plowed by Whatcom County public works until many days into the storms. If we had an emergency and needed use of our heavy equipment and generators, staff would have been unable to drive down Lakeview Street due to snow and ice.

Staff recommends the purchase of a snow plow and sander for Truck #24.

Estimate is \$ 14,300 including tax and labor to install

Cost estimate in provided by Northend Truck

For further information about this project call Rich Munson.

#### Revision History

- Created 11/5/2019 by RM.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Accounting & Administrative Server – Replace/Update Hardware, Network Security, & OS
<b>CIP #:</b>	A0005

Asset Register:	LWWSD → General Facilities				
Failure Mode:	Capacity	<u>Level of Service</u>	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	30	= 10 x 3 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	0 years	Consumed Life:	3 years	Effective Life:	3 years

### PURPOSE and DESCRIPTION OF THE PROJECT

Replace/update accounting and administrative server, network security firewalls, and operating systems. Information technology professionals typically recommend a server hardware refresh cycle every 3 to 4 years as best practice.

The District currently utilizes a single server running several virtualized servers. The servers are essential to daily operations including accounting and customer service (BIAS), electronic document management of district archive files (Docuware), computerize maintenance management system (Cartegraph), geographic information system (GIS), data files, and shared calendars.

District customers, Board of Commissioners, and management expect a very high level of service delivered by the server. Continuous service with no more than one 4-hour or longer unplanned outage during business hours per year is management's level of service goal. To meet this level of service, replacement of server hardware should follow industry best practice of a 3-year replacement cycle.

Microsoft will no longer update or support the Windows 7 operating system after January 14, 2020. The District has several workstations that are running Windows 7. This project will replace Windows 7 workstations.

Budget Estimate: \$25,000

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

#### Revision History

- Created 7/19/2006.
- Update 8/2/2006.
- Update description 11/7/2012. Bill Hunter.
- Updated 12/5/2016 by BH. Updated budget estimate.
- Updated 11/4/2019 by BH. Updated description and budget estimate.



## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Annual Asphalt Patching
<b>CIP #:</b>	A0011

Asset Register:	LWWSD → General Facilities				
Failure Mode:	Capacity	<u>Level of Service</u>	Mortality	Efficiency	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

During the course of regular maintenance and repair the District excavates underground infrastructure at numerous locations. Many of these locations are within asphalt pavement owned by Whatcom County, Sudden Valley Community Association, or private parties.

A temporary “cold” patch applied until a permanent “hot” patch is installed. To minimize cost, the District contracts all the patching work in one contract each fall.

2020 Budget Estimate:       \$35,000

With a \$20/SF unit price that is equivalent to 1,750 square feet. Less asphalt patching area is projected for 2020 since both 2018 and 2019 had unusual extra areas.

Cost estimate in 2020 dollars.

The 2018 Asphalt Patching project was about \$20 per square foot (including tax) for excavation and disposal of asphalt, prep with crushed rock and compaction, 2” of asphalt and hot asphalt seal at edges (not including saw cutting). The total area was 2,100 square feet of patched asphalt area.

The 2019 Asphalt Patching project was about \$16 per square foot for the same and included saw cutting. The total area was 3,576 square feet of patched asphalt area

For further information about this project call Bill Hunter

#### Revision History

- Created 11/04/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Annual Tree Trimming
<b>CIP #:</b>	A0012

Asset Register:	LWWSD → General Facilities				
Failure Mode:	Capacity	Level of Service	Mortality	Efficiency	
Business Risk Exposure:	NA	= __ x __ x 1 (PoF x CoF x Redundancy)			
Remaining Life:	NA	Consumed Life:	NA	Effective Life:	NA

### **PURPOSE and DESCRIPTION OF THE PROJECT**

During the course of regular maintenance and repair the District routinely finds trees that need to be trimmed or cut down to protect District infrastructure.

2020 Budget Estimate:        \$10,000

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter

#### Revision History

- Created 11/04/2019 by BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Replace Flush and Vac Truck
<b>CIP #:</b>	E0008

Asset Register:	LWWSD → Resources → Equipment				
Failure Mode:	Capacity	<u>Level of Service</u>	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	8	= 4 x 2 x 1 (PoF x CoF x Redundancy)			
Remaining Life:	2	Consumed Life:	18	Effective Life:	20

### PURPOSE and DESCRIPTION OF THE PROJECT

The District's 2005 Vac-Con Vacuum Truck is reaching the end of its effective life. The vehicle has needed several major repairs. The function of a vac truck is essential to the District's operations and maintenance program.

The District's vacuum truck has 3 main uses:

- Flushing and vacuuming sewer mains.
- Exposing underground utilities
- Excavation of water and sewer main breaks
- Cleanup of sewer spills

Staff recommends purchasing a full size replacement vacuum truck.

Budget Estimate:

New Truck	\$482k
<u>Sale Tax</u>	<u>\$43k</u>
Net Total Expense	\$525k

#### Revision History

- Created 9/20/2010. BH.
- Revised 11/8/2012. BH. Added truck descriptions and adjusted total budget.
- Revised 10/24/2017 by RM: Modified purpose and description and project cost.
- Revised 11/5/2019 by RM: Updates with 2020 prices. Exact quote will be available 11/6/19

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Sewer System Rehabilitation and Replacement Projects
<b>CIP #:</b>	S0001

Asset Register:	LWWSD → Sewer → Collection System				
Failure Mode:	<u>Capacity</u>	Level of Service	Mortality	<u>Efficiency</u>	
Business Risk Exposure:	15	= 3 x 5 x 1 (PoF x CoF x Redundancy)			
Remaining Life:		Consumed Life:		Effective Life:	

### **PURPOSE and DESCRIPTION OF THE PROJECT**

Combines several separate District projects into one annual project. The goal is to find and repair inflow and infiltration (I&I) sources. District crews camera sewer mains during wet season months searching for I&I.

The annual project scope and focus will vary based on the type of high priority items discovered during the previous wet season. Types of work include: sewer main slip lining (spot repairs and full lengths), pressure grouting service tees, pressure grouting manhole leaks/voids, rebuild/seal manholes, smoke testing, and other efforts to reduce I&I.

Engineering (Plans, Specs & Est.):	District Staff
Bid & Contract Administration:	District Staff
Construction:	\$165,000 (annual target)

2020 budget includes \$60,000 for minor sewer system rehab and replacement projects that are not identified as specific CIP projects. Some of the work identified to date includes:

- Flow monitoring of gravity pipe basins
- Sewer camera high I&I areas
- Manhole / wet well grouting
- Pipe slip lining and spot repairs (Ream and slip line last 200 LF of LWB Interceptor at gravity transition)
- Misc repairs and I&I

Cost estimate in 2020 dollars.

For further information about this project call Bill Hunter.

#### **Revision History**

- 10/26/2011. Combined separate I&I related projects into one annual project budget. Bill Hunter. Footnote: October 2011 Pro-Vac Estimate (Hank) for Smoke Testing: \$0.65/LF and can test approximately 10,000 LF per day.
- 11/18/2013. Minor budget updates. Bill Hunter.
- 12/6/2016. Updated budget for year 2017. BH.

## **CAPITAL PROJECT NARRATIVE**

- 11/6/2018. Updated budget for year 2019. BH.
- 11/4/2019. Updated budget for year 2020. BH.

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Replace Tool Trucks
<b>CIP #:</b>	V0001

Asset Register:	LWWSD → Resources→ Equipment				
Failure Mode:	Capacity	<u>Level of Service</u>	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	N/A	= _ x _ x _ (PoF x CoF x Redundancy)			
Remaining Life:	N/A	Consumed Life:	N/A	Effective Life:	N/A

### PURPOSE and DESCRIPTION OF THE PROJECT

Project includes replacing a Tool Truck approximately every 2 years. There are 7 Tool trucks currently in the fleet.

The District has targeted a 12 to 15 year replacement schedule. The trucks are well maintained and should last their targeted service life. The replacement cycle assumes trucks may need to have a few major repairs but the overall cost is less than purchasing trucks on a more frequent schedule.

Existing tool trucks average 12,000 – 15,000 miles per year. After 15-years of service a truck would have 180,000 to 225,000 miles.

	Age	Mileage as of 11/5/2019	Average Annual Mileage
1998 VEH23 Ford F-250	21	180,648	8,602
1999 VEH24 Ford F-350	20	158,157	7,908
2006 VEH31 Chevrolet 3500	13	146,306	11,254
2010 VEH41 Ford F-350	9	65,905	7,323
2012 VEH47 Chevrolet 3500	7	71,291	10,184
2017 VEH51 Ford F-350	2	17,445	8,723
2018 VEH52 Ford F-350	1	7,360	7,360

### **Budget Estimate: \$72,000 Including Tax (2019 dollars)**

#### Revision History

- Updated 12/5/2016 by BH. Updated description and budget estimate based on current state bid prices.
- Updated 10/24/2017 by RM. Updated description and vehicle mileages.
- Updated 11/5/2019 by RM: Updated vehicle age, mileage and annual mileage and 2020 estimated budget cost

## CAPITAL PROJECT NARRATIVE

<b>Project Name:</b>	Water System Rehabilitation and Replacement Projects
<b>CIP #:</b>	W0002

Asset Register:	LWWSD → Water → Distribution System				
Failure Mode:	Capacity	<u>Level of Service</u>	<u>Mortality</u>	Efficiency	
Business Risk Exposure:	18	= 9 x 2 x 1 (PoF x CoF x Redundancy)			
Remaining Life:		Consumed Life:		Effective Life:	

### PURPOSE and DESCRIPTION OF THE PROJECT

Combines several separate District projects into one recurring annual project. The intent is to rehabilitate or replace aging water distribution system mains, service lines, hydrants, and valves.

As infrastructure is assessed and found nearing end of useful life, it will be scheduled for renewal using this annual project budget. The annual project scope and focus will vary based on the type of high priority items discovered during the previous year.

Target Water System Reinvestment (per 2016 Water & Sewer Rate Update dated 1/24/2017)

2017	\$200k	
2018	\$210k	
2019	\$220k	**Note that the 2019 budget includes \$259k of capital water projects, of which \$25k is set aside for the miscellaneous water system rehab and replacement projects (CIP #W0002a) identified below
2020	\$230k	
2021	\$240k	
2022	\$250k	

Miscellaneous water system rehab and replacement projects identified for 2019 include:

- Installing PRV vault drains at 5 PRV sites (Cascade, Rock Ridge, Hillside, Dutch Harbor, & Fremont)

Cost estimates in 2019 dollars.

For further information about this project call Bill Hunter.


#### Revision History

- Created 8/2/2006.
- 11/20/2013. Combined separate water related projects into one recurring annual project budget. Bill Hunter.
- Updated 12/5/2016 by BH. Revised target amounts and updated scope for 2017.
- Updated 11/17/2017 by BH.
- Updated 11/5/2018 by BH.



**AGENDA  
BILL  
Item 7.A.**

**General Manager's Report**

DATE SUBMITTED:	November 7, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. General Manager's Report	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

Updated information from the General Manager in advance of the Board meeting.

**FISCAL IMPACT**

None.

**RECOMMENDED BOARD ACTION**

None required.

**PROPOSED MOTION**

None.





## LAKE WHATCOM WATER AND SEWER DISTRICT

### General Manager's Report

#### Upcoming Dates & Announcements

Regular Meeting – Wednesday, November 13, 2019 – 6:30 p.m.

#### Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Nov 27, 2019	8:00 a.m.	Board Room
Employee Staff Meeting	Thu Nov 14, 2019	8:00 a.m.	Board Room Commissioner Carter to Attend
Investment Comm Meeting	Wed Nov 13, 2019	6:00 p.m.	Small Conference Room
Safety Committee Meeting	Mon Nov 18, 2019	1:00 p.m.	Small Conference Room
Lake Whatcom Management Program			
Data Group Meeting	Thu Nov 14, 2019	9:00 a.m.	City of Bellingham PW Offices 2221 Pacific Street
Policy Group Meeting	Mon Feb 24, 2020	3:00 p.m.	City of Bellingham Fireplace Room 625 Halleck Street
Joint Councils Meeting	March 2020	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Tue Dec 10, 2019	6:15 p.m.	Bob's Burgers, 8822 Quil Ceda Pkwy, Tulalip, WA
Whatcom Water Districts Caucus Meeting	Wed Nov 20, 2019	1:00 p.m.	Board Room
Whatcom County Council of Governments Board Meeting	Wed Dec 11, 2019	3:30 p.m.	Council of Governments Offices 314 E Champion Street

#### Committee Meeting Reports

##### Safety Committee:

- No meeting has been conducted since last report.

##### Investment Committee:

- No meeting has been conducted since the last report.

#### Upcoming Important Agenda Topics and Meetings

- 2020 Budget Adoption (November 27)
- Sewer Comprehensive Plan Approval for Distribution for Agency Review (November 27)
- District-Bellingham Wastewater Treatment Agreement Discussion (December 11)
- Contract with Whatcom County for Emergency Response Planning Services (December 11)

## 2019 Initiatives Status

### Administration and Organizational Document Review/Revision

#### Personnel Policies Manual

- Workplace Violence Policy Update  
*Approved by the Board during February 27 meeting.*
- Drug Testing Policy Update  
*Approved by the Board during February 27 meeting.*
- Paid Family & Medical Leave Act Policy Addition  
*Approved by the Board during February 27 meeting.*

#### Administrative Code

- Board Meeting Dates/Times  
*Adopted by the Board during January 30 meeting (Resolution No. 854).*
- Purchasing Policy  
*Adopted by the Board during March 13 meeting (Resolution No. 857).*
- Master Fees and Charges Schedule  
*Adopted by the Board during September 11 meeting (Resolution No. 860).*
- Fiscal Management Policies  
*Adopted by the Board during September 25 meeting (Resolution No. 861).*
- Bonded Side Sewer Contractor Policies  
*Adopted by the Board during October 30 meeting (Resolution No. 862).*

#### Commissioner Protocol Manual

- Work session to review/revise  
*Adopted by the Board during April 10 meeting.*

#### Health & Safety Program

- Review programs  
*Ongoing. Safety Committee has updated the District's Employee Safety Manual, and Return to Work, Respirator, Chlorine Safety, Confined Space, Vehicle Operation, Fire Safety, and Meter Reader Safety programs.*

#### File Management System

- Electronic file management structure revision  
*File management structure has been revised and migration of documents is complete.*
- Digitize applicable hard copies and file in DocuWare  
*Staff attended DocuWare training on June 13; R Hope developing process for ensuring digitalization of applicable documents in accordance with State regulations.*

### Community/Public Relations Enhancement

#### Website

- Reconfigured the layout of the *About* dropdown menu to make more user friendly.
- Expanded content for the *Board of Commissioners* page (commissioner bios and photos).
- Routinely providing alerts, as appropriate, on page (e.g., water main flushing notice).

#### Intergovernmental Relations

- J. Clary attended WASWD Managers' meeting on November 5.
- J. Clary and R. Munson attended the WSRMP semi-annual meeting on November 7.
- J. Clary scheduled to attend WASWD Section III meeting on November 12.

### Social Media Program

- Develop/implement social media program  
*Program implemented February 14.*
- Create/manage District LinkedIn account  
*LinkedIn account is live ([www.linkedin.com/company/lake-whatcom-water-and-sewer-district](http://www.linkedin.com/company/lake-whatcom-water-and-sewer-district)) with new information posted regularly.*
- Create/manage District Facebook account  
*Facebook account is live (<https://www.facebook.com/Lake-Whatcom-Water-Sewer-District-455872278278848>) with new information posted regularly.*
- Create/manage District NextDoor account  
*NextDoor currently limits public agency pages to only emergency response agencies, J. Clary registered individually to monitor “neighborhoods” within District service area.*

### Press Releases

- District staff recognition press release issued on January 14.
- ShakeAlert implementation press release issued on July 23.
- Department of Health Treatment Optimization Program Platinum Award press release issued on November 5.

### 50-Year Anniversary

- Press release/logo  
*Release issued November 21, 2018; logo developed November 20, 2018.*
- Banner  
*Installed January 10.*
- Commissioner/employee jackets with 50<sup>th</sup> anniversary logo  
*Jackets distributed to staff during March 14 staff meeting.*
- Celebration  
*Completed during the annual employee banquet on January 11.*

### Fact Sheets

- Develop District fact sheets  
*General informational fact sheet on the District created on April 15.*  
*Water conservation fact sheet created in June and distributed with July/August utility bills.*  
*Winter Readiness fact sheet under development to be distributed with the November/December utility bills.*

## **Lake Whatcom Water Quality**

### Management Program

- Attend organized meetings; initiate additional meetings/discussions outside of program  
*J. Clary participating on the Interjurisdictional Coordinating Team (ICT) in the development of the Lake Whatcom Management Program 2020-2024 Work Plan (next meeting held scheduled for November 21).*

### Onsite Septic System Impact Assessment

- North shore monitoring  
*An interlocal agreement between the District and County for conducting an assessment during the winter of 2019-2020 was approved by the Board on October 30; County Council is scheduled to consider the agreement on November 19.*

#### Onsite Septic System Conversion Program

- Identify applicable lots  
*Staff identified lots to pursue connection to District collection system.*
- Implement conversion notification process  
*Notice of requirement to connect to District sewer system sent to three property owners on February 21. District staff issued a reminder to each property owner on September 4.*
- Complete conversion  
*Of the three properties, one has been issued a requirement to connect by November 27 by the Whatcom County Health Department, one has submitted a request to the Board for policy revision regarding the financial burden of the connection, and one has not responded to-date.*

#### Watershed Stormwater Utility

- Participate in utility development process  
*J Clary attended multiple meetings of the citizen advisory committee, the April 30 public meeting; and multiple County Council meetings.  
County Council held a public hearing and adopted (vote of 5-2) the rate structure during its July 23 meeting; the utility will become effective (begin assessing rates) January 1, 2020.*

### **Board Technology Upgrades**

#### Board-issued Tablets

- Identify/implement appropriate systems to board  
*Tablets have been issued to each commissioner.*

#### Electronic Board Packets

- Implement electronic-only packet production process  
*District has converted to electronic-only packet production.*

### **Asset Management**

#### Asset Location

- GPS District infrastructure in Sudden Valley  
*The project has largely been completed (a few manholes located in forested areas remain to be located when GPS reception improves).*

#### Preventative Maintenance

- Develop/refine automatic work order notification process in Cartegraph  
*District staff have developed the hierarchy of assets for the system with Cartegraph and are testing the system on a pilot scale. Anticipate full implementation by the end of November.*

### **O&M Workload Capacity Analysis**

- Implement process in Cartegraph for tracking resource use  
*Engineering and operations staff are tracking resources specific to utilities.*
- Analyze resource allocation data  
*Staff are analyzing data; for example, the data enabled an update to the District's master fees and charges schedule (adopted by the Board during its September 11 meeting).*

### **New Development Process Refinement**


- Revise/implement new development permit/inspection/approval process  
*The District issued a letter in May to all individuals that have obtained a Water Availability determination from the District over the past 12 months, notifying them of District limited resources for side sewer inspections and water service installations, and first come-first serve*

*policy relative to the Lake Whatcom land disturbance window (June 1 – September 30). This letter is also being issued with water/sewer availability requests received since May.*



**AGENDA  
BILL  
Item 09**

**Executive Session  
To Discuss  
Potential Litigation**

DATE SUBMITTED:	October 31, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. none	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

This Executive Session is for the purposes of discussing potential litigation with legal counsel per RCW 42.30.110(1)(i)(ii) and is expected to last 15 minutes.

**FISCAL IMPACT**

No impact is anticipated.

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.



**AGENDA  
BILL  
Item 10**

**Executive Session  
General Manager Annual  
Performance Evaluation**

DATE SUBMITTED:	October 31, 2019	MEETING DATE:	November 13, 2019
TO: BOARD OF COMMISSIONERS		FROM: Justin Clary, General Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. none	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

The District entered into an employment agreement on August 29, 2018, with Justin Clary to serve as the District's general manager. Mr. Clary's first day of employment with the District was October 1, 2018. Per Section 10, Performance Evaluation, of the agreement, the Board of Commissioners is to evaluate Mr. Clary's performance annually, on or about the anniversary of appointment. During its September 25 meeting, the Board defined an approach and schedule for conducting the performance evaluation. The Board also requested that Mr. Clary submit an annual report summarizing District achievements over the past year, as well as proposed initiatives for 2020. The requested document was included in the packet of the Board's October 9<sup>th</sup> regularly scheduled meeting.

This Executive Session is for the purposes of evaluating the performance of a public employee per RCW 42.30.110(1)(g) and is expected to last 30 minutes.

**FISCAL IMPACT**

No impact is anticipated.

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.