



## LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA, 98229

(360) 734-9224  
Fax 738-8250

# MEMORANDUM

Date: October 8, 2020  
From: Lake Whatcom Water & Sewer District  
RE: Meeting Procedures During the Covid-19 Emergency

---

Lake Whatcom Water & Sewer District continues to operate under adjusted procedures in order to provide continuous service to our customers. That said, we are taking precautions in an effort to protect the health and safety of our staff, commissioners, and customers. Our lobby is currently closed to the public, and we are practicing social distancing guidelines as suggested by Governor Inslee and the CDC.

For the foreseeable future, Commissioners will be attending regular meetings by phone. Per Governor Inslee's [Proclamation No. 20-28.3](#) amending his Stay Home, Stay Health proclamation, the District will provide access to interested public via phone/internet utilizing the GoToMeeting platform.

If you would like to attend the October 14 regular meeting, details can be found below. In this evolving climate, we are committed to doing everything possible to provide opportunity for public comment as well as promote health and safety. As such, the District requests that if possible, public submit comments in written form by noon the day before a scheduled meeting for inclusion in the meeting discussion.

We appreciate your understanding and patience during these uncertain times. If you have any questions, please contact Administrative Assistant Rachael Hope at [rachael.hope@lwwsd.org](mailto:rachael.hope@lwwsd.org) or 360-734-9224.

### **October 14, 2020 Regular Meeting**

Thu, Oct 8, 2020 6:30 PM - 8:30 PM (PDT)

**Please join my meeting from your computer, tablet or smartphone.**

<https://global.gotomeeting.com/join/894837021>

**You can also dial in using your phone.**

United States: [+1 \(646\) 749-3122](tel:+16467493122)

**Access Code:** 894-837-021

New to GoToMeeting? Get the app now and be ready when your first meeting starts: <https://global.gotomeeting.com/install/894837021>



## LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA 98229

### REGULAR MEETING OF THE BOARD OF COMMISSIONERS

## AGENDA

*October 14, 2020*

6:30 p.m. – Regular Session

1. CALL TO ORDER
2. ROLL CALL
3. CONFIRMATION OF COMPLIANCE WITH REMOTE MEETING ATTENDANCE PROTOCOLS
4. PUBLIC COMMENT OPPORTUNITY  
At this time, members of the public may address the Board of Commissioners. Please state your name prior to making comments.
5. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
6. CONSENT AGENDA
7. SPECIFIC ITEMS OF BUSINESS
  - A. Sanitary Sewer Detention Basin Wet Weather Response Preparedness Update
  - B. Sanitary Sewer Inflow and Infiltration Public Works Contract Work Order Authorization
  - C. Geneva and Division 22 Reservoirs Impressed Current Cathodic Protection Public Work Contract Award
  - D. Electrical On-Call Unit Price Public Works Contact Award
  - E. Preliminary 2021 Budget Presentation
8. OTHER BUSINESS
9. STAFF REPORTS
  - A. General Manager
10. PUBLIC COMMENT OPPORTUNITY
11. 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*
12. ADJOURNMENT



**AGENDA  
BILL  
Item 6**

**Consent Agenda**

DATE SUBMITTED:	October 8, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL	<i>[Signature]</i>		
ATTACHED DOCUMENTS	1. See below		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**\*\*TO BE UPDATED 10.14.2020\*\***

**BACKGROUND / EXPLANATION OF IMPACT**

- Payroll for Pay Period #20 (09/19/2020 through 10/02/2020) totaling \$43,220.09
- Payroll Benefits for Pay Period #20 totaling \$50,303.12
- Accounts Payable Vouchers total to be added

**FISCAL IMPACT**

Fiscal impact is as indicated in the payroll/benefits/accounts payable quantities defined above. All costs are within the Board-approved 2020 Budget.

**RECOMMENDED BOARD ACTION**

Staff recommends the Board approve the Consent Agenda.

**PROPOSED MOTION**

A recommended motion is:

“I move to approve the Consent Agenda as presented.”

CHECK REGISTER

PAYROLL

Lake Whatcom W-S District
MCAG #: 2330

10/08/2020 To: 10/08/2020

Time: 07:36:15 Date: 10/07/2020

Page: 1

Table with columns: Trans, Date, Type, Acct #, Chk #, Claimant, Amount Memo. Rows include payroll entries for various dates and amounts, ending with fund summaries for 401 Water Fund and 402 Sewer Fund.

43,220.09 Payroll: 43,220.09

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 [Signature] Date 10/7/2020

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

**CHECK REGISTER**

Lake Whatcom W-S District  
 MCAG #: 2330

10/01/2020 To: 10/31/2020

Time: 07:42:41 Date: 10/07/2020

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3069	10/08/2020	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	208.34	Pay Cycle(s) 10/08/2020 To 10/08/2020 - SUP ENF
3086	10/08/2020	Payroll	5	EFT	UNITED STATES TREASURY	16,311.24	941 Deposit for Pay Cycle(s) 10/08/2020 - 10/08/2020
3070	10/08/2020	Payroll	5	10843	AFLAC	354.85	Pay Cycle(s) 10/08/2020 To 10/08/2020 - AFLAC Pre-Tax; Pay Cycle(s) 10/08/2020 To 10/08/2020 - AFLAC Post-Tax
3071	10/08/2020	Payroll	5	10844	AFSCME LOCAL	363.36	Pay Cycle(s) 10/08/2020 To 10/08/2020 - Union Dues; Pay Cycle(s) 10/08/2020 To 10/08/2020 - Union Fund
3072	10/08/2020	Payroll	5	10845	DEPARTMENT OF RETIREMENT SYSTEMS	4,070.03	Pay Cycle(s) 10/08/2020 To 10/08/2020 - DCP
3073	10/08/2020	Payroll	5	10846	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 10/08/2020 To 10/08/2020 - VEBA
3074	10/08/2020	Payroll	5	10847	VANTAGEPOINT TRANSFER AGENTS - 306798	100.00	Pay Cycle(s) 10/08/2020 To 10/08/2020 - ICMA
3075	10/08/2020	Payroll	5	10848	WA ST HEALTH CARE AUTHORITY	14,533.91	Pay Cycle(s) 10/08/2020 To 10/08/2020 - PEBB Medical; Pay Cycle(s) 10/08/2020 To 10/08/2020 - PEBB ADD LTD; Pay Cycle(s) 10/08/2020 To 10/08/2020 - PEBB SMK Surcharge; Pay Cycle(s) 10/08/2020 To 10/08
3076	10/08/2020	Payroll	5	10849	WA ST PUBLIC EMP RET PLAN 2	10,556.94	Pay Cycle(s) 10/08/2020 To 10/08/2020 - PERS 2
3077	10/08/2020	Payroll	5	10850	WA ST PUBLIC EMP RET PLAN 3	3,214.45	Pay Cycle(s) 10/08/2020 To 10/08/2020 - PERS 3
						401 Water Fund	37,006.94
						402 Sewer Fund	13,296.18
						<b>50,303.12 Payroll:</b>	<b>50,303.12</b>

# BENEFITS

## CHECK REGISTER

Lake Whatcom W-S District

Time: 07:42:41 Date: 10/07/2020

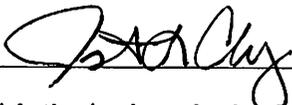
MCAG #: 2330

10/01/2020 To: 10/31/2020

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
-------	------	------	--------	-------	----------	--------	------

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 10/7/2020

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

\_\_\_\_\_  
Commisioner

\_\_\_\_\_  
Commisioner

\_\_\_\_\_  
Commisioner

\_\_\_\_\_  
Commisioner

\_\_\_\_\_  
Commisioner



**AGENDA  
BILL  
Item 7.A**

**Sanitary Sewer Detention Basin  
Wet Weather Response  
Preparedness Update**

DATE SUBMITTED:	October 8, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer / Assistant General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	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**

Staff will provide an update of ongoing efforts to prepare for the coming wet season, including reduction of inflow and infiltration (I&I), and refinement of key assumptions used in the hydraulic modeling analyses for the Lake Whatcom Boulevard Interceptor (LWBI) gravity sewer pipe.

Tasks include:

**Preparation for Wet Season**

- Pipe cleaning. During the spring and summer of 2020, District crews jetted LWBI sewer mains downstream of Manhole GT-29 (manhole located immediately downstream of the Strawberry Point sewer lift station). This action is anticipated to increase pipe capacity.
- Manhole GT-29 inspections and testing. Operations staff will include in its pump station inspections the biweekly inspection and testing of high-level alarm floats and level transmitter SCADA alarms during the wet season.
- Optimization of the 700,000 gallon detention basin by developing SCADA alarm triggers that alert staff of the need to begin partial flow diversion to the detention basin. Develop means or methods to control the rate of flow diversion to match target flow calculated through hydraulic modeling analyses.
- Update wet weather response procedures with new protocols, diversion flow rates based on the updated hydraulic modeling, and triggers for additional staff callouts.

**Reduce I&I**

- Rehabilitated Camp Firwood lift station wet well to eliminat observed infiltration.

- District executed a unit price contract for all types of I&I repairs with Olson Brothers Pro-Vac to repair system defects when found.
  - Work Order #1 executed to repair gravity sewer main with observed structural deficiencies and significant infiltration. The pipeline is located on Lake Louise Road near the Sudden Valley Campground. The contractor is anticipated to start the week of October 12.
  - Work Order #2 will be presented to the Board for authorization on October 14. It identifies an additional \$45,000 of repairs where I&I was observed.
- In-house repairs for miscellaneous manhole grouting.
- Continued installation of sewer manhole dishes as needed. During Spring 2020, the District purchased sewer manhole dishes to have ready in inventory.

**Refine LWBI Hydraulic Analysis**

- Refine peaking factors between sewer basins that have predominantly different pipe materials. Vitrified clay pipe (VCP) is the predominant pipe construction material used in the Sudden Valley collection system where joint and structural problems are frequently found and joints are spaced every 6 feet (resulting in higher peaking factor). PVC pipe is predominantly used in the Geneva collection system and tends to have less structural issues and far fewer joints (results in lower peaking factor).
- Consider different peaking factors between existing connections and new connections. New sewer infrastructure is constructed with modern, District-approved materials, installed by District-approved bonded side sewer contractors, and inspected by District prior covering. New and future connections are anticipated to have less I&I resulting in a significantly lower peaking factor than existing connections.
- Based on the above considerations, the overall system peaking factor for full build-out conditions may be smaller than previously presented. This could lessen required improvements and, therefore, associated costs.

**FISCAL IMPACT**

No fiscal impact is anticipated, this is for discussion only.

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.



**AGENDA  
BILL  
Item 7.B**

**Sanitary Sewer  
Inflow and Infiltration  
Public Works Contract  
Work Order Authorization**

DATE SUBMITTED:	October 7, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer / Assistant General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	Work Order #2 Cost 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**

The District recently executed a unit price contract with Olson Brothers Pro-Vac (District Contract #C2003-II). Staff issued Work Order #1 which included cure-in-place pipe (CIPP) repairs on a gravity sewer main located in Lake Louise Road near the Sudden Valley Campground that was within the District’s approved budget for District Project #C2003 Sewer System Rehab and Replacement.

Staff has prepared a list of additional sewer repairs that will minimize and eliminate inflow and infiltration entering the collection system. This work is packaged into Work Order #2 under the unit price contract. In order to issue Work Order #2, the Board of Commissioners needs to authorize additional funding, as the project cost exceeds the current funding allocated through approval of the 2020 Budget.

Many of the locations are pipe joints where infiltration was observed during sewer video inspections. Note the abbreviation “CG” refers to a *chemical grout* repair. The list of identified repairs includes:

- T18-6507 Whitney Street - sewer manhole for CG repair
- T19-0656 Honeycomb Lane lateral leak (200-feet) need CG
- T19-2386 Sigma Circle - 3 joints leaking—need CG with root inhibitor
- T19-3995 Creekside Lane CG at lateral connection
- T19-4001 River Ridge Loop 3 leaks for CG
- T19-4016 Polo Park Drive clean & flush, followed by CG at infiltration, lateral at 57-feet
- T19-4052 Honeycomb Lane CG at Joint
- T19-4055 Marigold Drive - CG at Joint
- T19-4059 Maple Court - CG at Joint
- T19-4061 Wisteria Lane - CG at Joint

- T20-0324 Lake Whatcom Blvd. Sewer Manhole G7-9. Water coming in at top of inlet pipe
- T20-0352 LaSalle Avenue - Sewer manhole with infiltration at joints
- T20-0353 LaSalle Ave - Sewer manhole with infiltration at joints
- T20-0470 Meadow Court - hole in pipe, repair with sectional liner
- T20-0664 Honeycomb Lane - Sewer manhole with infiltration
- T20-1360 Cold Springs Lane - Sewer manhole with rings leaking for CG
- T20-1629 Cold Springs Lane - Pipe with infiltration at joint for CG
- T20-1649 Holly View Way - hole in pipe at approx. 41 to 44-feet. - sectional liner
- T20-1679 Campground Main upstream from the complete CIPP section. Has 2 spots 1 with joint repair medium and the other with circumferential fracture
- T20-1935 Sanwick Point Court - main with multiple fractures
- T20-1963 Morgan Street - protruding lateral for CG repair
- T20-2109 Sunnyside Lane - CG at 2 locations
- T20-2143 Lake Whatcom Blvd. Sewer manhole for CG repair
- T20-2146 Fremont Street - PRV vault with infiltration for CG repair
- T20-3405 Camground Main CG-006 - Joint with Infiltration
- Various locations - Smoke Testing at previous mains with smoke coming from gutters

**FISCAL IMPACT**

All of the budgeted funds for District Project #C2003 Sewer System Rehab and Replacement have been utilized for the Camp Firwood Wet Well Rehab, Lake Whatcom Boulevard Interceptor Hydraulic Analysis, and Unit Price Work Order #1 – Sudden Valley Campground Sewer Main Cure-In-Place Pipe. The 2020 budget included \$71,460 for this type of work.

The estimated cost for Work Order #2 is approximately \$45,000 including a 10% contingency and sales tax.

Staff recommends funding the work by allocating \$45,000 from the remaining \$175,000 of unallocated sewer capital funds.

**RECOMMENDED BOARD ACTION**

Authorize additional project funds and authorize execution of Work Order #2 as presented.

**PROPOSED MOTION**

Recommended motions are:

“I move to allocate \$45,000 for sewer system repairs identified in Work Order #2 from unallocated sewer capital project funds (approximately \$172,000).”

“I move to authorize the General Manager to execute Work Order #2 under the unit price contract with Olson Brothers Pro-Vac (District Contract #C2003-II) for maximum cost of \$44,045.78 which includes a 10% contingency and 8.5% sales tax as presented.”

District Project #C2003 - Sewer System Rehab and Replacement Projects

Unit Price Contract 2020-21 Misc I&I Sewer Repairs  
Olson Brothers Pro-Vac (District Contract #C2003-II)

Work Order #2 - Quantity and Cost Estimate  
10/7/2020

Item	Description	Estimated Quantity	Unit	Unit Price	Amount
1	Mobilization and Demobilization	1	EA	\$ 3,000.00	\$ 3,000.00
2	Campground CIPP Main Repair (MH to MH) - 8" Pipe Diameter	0	LS	\$ 23,450.00	\$ -
3	Traffic Control – 1 Person Crew	13	HR	\$ 95.00	\$ 1,235.00
4	Traffic Control – 2 Person Crew	12	HR	\$ 205.00	\$ 2,460.00
5	CIPP Sectional Liner, 6"-8" Pipe Diameter x 3 ft.	0	EA	\$ 2,500.00	\$ -
6	CIPP Sectional Liner, 6" - 8" Pipe Diameter x 4 ft.	4	EA	\$ 2,500.00	\$ 10,000.00
7	Trim Protruding Lateral	1	EA	\$ 1,001.00	\$ 1,001.00
8	Lateral Reconnection & Grouting	0	EA	\$ 1,500.00	\$ -
9	Top Hat Liner	0	EA	\$ 2,700.00	\$ -
10	Testing of 6"-8" Pipe Diameter Sewer Mainline Pipe Joint	0	EA	\$ 95.00	\$ -
11	Testing of 10"-12" Pipe Diameter Sewer Mainline Pipe Joint	0	EA	\$ 95.00	\$ -
12	Chemical Grouting 6"-8" Pipe Diameter Sewer Mainline Pipe Joint & Defect	16	EA	\$ 105.00	\$ 1,680.00
13	Chemical Grouting 10"-12" Pipe Diameter Sewer Mainline Pipe Joint & Defect	1	EA	\$ 105.00	\$ 105.00
14	Chemical Grouting Other Locations	8	EA	\$ 1,500.00	\$ 12,000.00
15	Chemical Grout (Material)	98	GAL	\$ 22.00	\$ 2,156.00
16	Sewage Bypass Pumping – 8" Pipe Diameter	0	EA	\$ 1,000.00	\$ -
17	Sewage Bypass Pumping – 10" Pipe Diameter	0	EA	\$ 1,500.00	\$ -
18	Smoke Testing (Mainline Sewer, Manhole to Manhole)	7	EA	\$ 375.00	\$ 2,625.00
19	Condition Assessment - Video Inspection of Mainline Sewer (6" to 12" Pipe Diameter) per Addendum 2	0	LF	\$ 2.30	\$ -
20	Condition Assessment - Clean Mainline Sewer (6" to 12" Pipe Diameter) per Addendum 2	206	LF	\$ 3.12	\$ 642.72

Subtotal	\$	36,904.72
10% Contingency	\$	3,690.47
Subtotal with Contingency	\$	40,595.19
8.5% Sales Tax	\$	3,450.59
Total Estimate Work Order Cost	\$	44,045.78



**AGENDA  
BILL  
Item 7.C**

**Geneva and Division 22 Reservoirs  
Impressed Current Cathodic  
Protection Public Works  
Contract Award**

DATE SUBMITTED:	October 6, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer / Assistant General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	Bid Tabulation		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

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

Norton Corrosion Limited LLC's 2019 reservoir cathodic protection inspection noted that the level of corrosion in the Geneva Reservoir exceeds what the existing galvanic cathodic protection system can provide and measurements taken at the original Division 22 was close to not meeting the National Association of Corrosion Engineers (NACE) recommendations to satisfy the criteria for adequate protection.

The District solicited bids from all contractors on the Municipal Research & Services Center (MRSC) Small Works Roster under the subcategory of Cathodic Protection Installation and Maintenance on August 27, 2020. A non-mandatory pre-bid meeting was held on September 2, 2020. Bids were due on September 8, 2020. One bid was received from Norton Corrosion Limited LLC (Norton).

Staff is in the process of reviewing mandatory and supplemental bidder responsibility criteria and will make a verbal recommendation at the Board meeting.

**FISCAL IMPACT**

The approved project budget is \$40,000.

Norton and the District reviewed the bid results and identified several cost savings options. Norton performs annual cathodic inspections at other District reservoirs and was willing to reduce mobilization costs built into the bid prices. They also provided several other cost reducing options that staff does not recommend accepting due to limited District labor availability, legal requirements (bonds), and importance of project documentation and system sizing.

Staff recommends awarding the project with cost savings options as follows:

Base Bid	
Geneva Reservoir Impressed Current Cathodic Protection System	\$24,515.00
Division 22 Reservoir Impressed Current Cathodic Protection System	\$22,800.00
Optional Bid Adjustments	
Contractor to eliminate mob/demob for post install testing	(\$2,330.00)
Remove the one-year warranty inspection mob/demob and test systems with annual reservoir maintenance	(\$2,330.00)
<hr/>	
Subtotal	\$42,655.00
<u>Sales Tax (8.5%)</u>	<u>\$3,625.68</u>
Total	\$46,280.68

Staff recommends supplementing the approved project budget with an additional \$7,000 by utilizing unallocated water capital project funds (approximately \$213,000+) for a new total project budget of \$47,000.

**RECOMMENDED BOARD ACTION**

A verbal recommendation for the lowest responsible bidder will be made at the Board meeting following staff review of mandatory and supplemental bidder responsibility criteria.

Following a verbal recommendation by staff, authorize additional project funds and award the contract as presented.

**PROPOSED MOTION**

Recommended motions are:

“I move to supplement the existing \$40,000 project budget with an additional \$7,000 from unallocated water capital project funds for a new total project budget of \$47,000.”

“I move to award the Geneva & Division 22 Reservoirs Impressed Current Cathodic Protection Systems contract to Norton Corrosion Limited LLC with the mobilization/demobilizations cost savings options as presented for a total contract amount of \$46,280.68 includes sales tax.”

LAKE WHATCOM WATER & SEWER DISTRICT  
 1220 LAKEWAY DRIVE  
 BELLINGHAM, WA 982298  
 (360) 734-9224



**BID TABULATION**

PROJECT NAME	PROJECT #	BID REVIEW DATE
Geneva & Division 22 Impressed Current Cathodic Protection	C2013	9/9/2020

NAME OF FIRM
Norton Corrosion Limited LLC

Item	Description	Quantity	Unit	Unit Price	Amount
<b>BASE BID</b>					
1	Geneva Reservoir Impressed Current Cathodic Protection System	1	LS	\$ 24,515.00	\$ 24,515.00
2	Division 22 Reservoir Impressed Current Cathodic Protection System	1	LS	\$ 22,800.00	\$ 22,800.00
<b>As-Bid Sub Total Base Bid (does not include Washington State Sales Tax)</b>					<b>\$ 47,315.00</b>

**OPTIONAL BID ADJUSTMENTS PER 9-9-2020 CORRESPONDENCE**

1	Contractor to eliminate mob/demob for post install testing	1	LS	\$ (2,330.00)	\$ (2,330.00)
2	Remove the one-year warranty inspection mob/demob and test systems with annual reservoir maintenance.	1	LS	\$ (2,330.00)	\$ (2,330.00)
3	<del>District assistance w/ District supplied manlift.</del>	<del>1</del>	<del>LS</del>	<del>\$ (800.00)</del>	<del>\$ (800.00)</del>
4	<del>Option to remove performance and payment bonds.</del>	<del>1</del>	<del>LS</del>	<del>\$ (465.00)</del>	<del>\$ (465.00)</del>
5	<del>Eliminate O&amp;M Manuals</del>	<del>1</del>	<del>LS</del>	<del>\$ (1,030.00)</del>	<del>\$ (1,030.00)</del>
6	<del>Use design drawings in lieu of construction as-builts.</del>	<del>1</del>	<del>LS</del>	<del>\$ (935.00)</del>	<del>\$ (935.00)</del>
7	<del>Size rectifier box for up to 25% coating loss.</del>	<del>2</del>	<del>EA</del>	<del>\$ (1,625.00)</del>	<del>\$ (3,250.00)</del>
					\$ -
<b>Sub Total Base Bid (does not include Washington State Sales Tax)</b>					<b>\$ 42,655.00</b>



**AGENDA  
BILL  
Item 7.D**

**Electrical On-Call Unit Price  
Public Works Contact Award**

DATE SUBMITTED:	October 7, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer / Assistant General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	Bid Tabulation		
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 maintains and operates a substantial number of sewer lift stations, water booster stations, reservoirs, treatment plants, and building facilities. All of these facilities have electrical and control systems that need routine maintenance and repair. The District has one licensed electrician on staff. There is a continuous and increasing amount of electrical and control maintenance, troubleshooting, and repair tasks. Additional contracted support is recommended to assist in keeping up with the workload.

The intent is to utilize a unit price contract to order electrical work as needed to support and supplement the District’s maintenance crews. The majority of work is anticipated to be for maintenance and repair, with each work order being relatively small in value (a few thousand dollars each) and would be funded by operations and maintenance funds.

The value of work is estimated to be less than \$50,000. Per the District’s administrative code and as allowed by state law, staff solicited bids from five local electrical contractors. Three bids were received.

The contract will be in effect for 12-months from the date of contract execution with the District’s option to extend the contract for an additional one-year period (as allowed by statute).

Staff has verified JH Kelly LLC meets mandatory and supplemental bidder responsibility criteria.

**FISCAL IMPACT**

This contract is a unit price contract. The total amount listed on the Bid Tabulation is only used to determine the low bidder for contract award. It is NOT the amount of work that will be ordered by the District, nor is the District obligated in any way to order a minimum amount of work once the contract is executed.

Work will be defined and authorized by Work Order using the unit prices on the Bid Tabulation. Work Orders will be issued in accordance with the policies established in the administrative code.

It is anticipated that the majority of work using Electrical “On-Call” Unit Price Work Orders will be for regular maintenance and repair and be funded by the operations and maintenance budget.

**RECOMMENDED BOARD ACTION**

Staff recommends that the Board award the Electrical “On-Call” Unit Price Contract to JH Kelly LLC.

**PROPOSED MOTION**

Recommended motion is:

“I move to award the Electrical “On-Call” Unit Price Contract to JH Kelly LLC and authorize the general manager to execute the contract by which work will be defined and authorized by individual work orders executed in compliance with the District’s administrative code.”

LAKE WHATCOM WATER & SEWER DISTRICT  
 1220 LAKEWAY DRIVE  
 BELLINGHAM, WA 982298  
 (360) 734-9224



**BID TABULATION**

PROJECT NAME	PROJECT #	BID REVIEW DATE	PAGE # OF #	LOCATION
Electrical On-Call Unit Price Contract	C2026	9/23/2020	1 OF 1	BID PROPOSAL RECEIVED BY E-MAIL PER BIDDER INSTRUCTIONS
NAME OF FIRM	JH KELLY, LLC		SAIL ELECTRIC, INC	VECA ELECTRIC & TECHNOLOGIES, LLC

Item	Description	Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
<b>BASE BID</b>									
1	Mobilization / Demobilization	6	EA	\$109.05	\$654.30	\$200.00	\$1,200.00	\$105.00	\$630.00
2	Project Manager (Regular Hourly Rate)	20	HR	\$138.00	\$2,760.00	\$130.00	\$2,600.00	\$105.00	\$2,100.00
3	Journeyman Electrician (Regular Hourly Rate)	150	HR	\$109.05	\$16,357.50	\$125.00	\$18,750.00	\$105.00	\$15,750.00
4	Journeyman Electrician (Premium Hourly Rate)	50	HR	\$145.88	\$7,294.00	\$230.00	\$11,500.00	\$157.50	\$7,875.00
5	Electrical Trainee (Regular Hourly Rate)	50	HR	\$81.68	\$4,084.00	\$70.00	\$3,500.00	\$90.00	\$4,500.00
6	Electrical Trainee (Premium Hourly Rate)	15	HR	\$108.02	\$1,620.30	\$91.00	\$1,365.00	\$137.50	\$2,062.50
7	Electrical Service Vehicle	100	HR	\$10.00	\$1,000.00	\$45.00	\$4,500.00	\$9.44	\$944.00
8	Owner Pre-authorized Material Purchase(s)	1	LS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
<b>Sub Total Base Bid (does not include Washington State Sales Tax)</b>					\$38,770.10		\$48,415.00		\$38,861.50

BID GURANTEE FOR PROJECTS OVER \$35,000? (YES OR NO)

Not Required

Not Required

Not Required

ADDENDUM ACKNOWLEDGED? (YES OR NO)

N/A

N/A

N/A



**AGENDA  
BILL  
Item 7.E**

**Preliminary 2021  
Budget Presentation**

DATE SUBMITTED:	October 7, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager/Treasurer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Preliminary 2021 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 2020 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.

**FISCAL IMPACT**

The preliminary budget for 2021 proposes a budget of \$2,900,000 for the water utility, and budget of \$4,300,000 for the sewer utility, resulting in a total budget of approximately \$7.2 million.

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.

**LAKE WHATCOM WATER AND SEWER FUND SUMMARY 2021**



	401	402		460
	WATER	SEWER	TOTAL	BOND RESERVE (RESTRICTED)
2021 REVENUES	2,958,049	4,479,761	7,437,809	-
2021 EXPENDITURES	(2,913,439)	(4,331,471)	(7,244,910)	-
2020 OPERATING RESERVES	520,000	420,000	940,000	772,334
2020 CONTINGENCY FUNDS	460,000	796,000	1,256,000	
2020 CARRYOVER UNALLOCATED FUNDS	150,000	75,000	225,000	
<hr/>				
PROPOSED 2021 YEAR END BALANCE	\$1,174,610	\$1,439,290	2,613,899	\$772,334
2021 ALLOCATED TO OPERATING RESERVES	-\$540,000	-\$430,000	(970,000)	
2021 ALLOCATED TO CONTINGENCY FUNDS	-\$460,000	-\$815,000	(1,275,000)	
AVAILABLE 2021 YEAR END BALANCE	\$174,610	\$194,290	368,899	

## LAKE WHATCOM WATER AND SEWER DISTRICT

**DRAFT 10/1/2020**

	Description	Actual 2018	Actual 2019	Budget 2020	Projected 2020	Budget 2021	
<b>WATER - 401</b>							
<b>REVENUES</b>							
401-333-66-00-00	North Shore Sampling Interlocal Agreement			40,000			
401-333-97-00-00	FEMA Aug 2015 Storm Assistance	250					
401-343-40-10	Water Sales Metered (4% base rate increase) *	2,468,445	2,502,734	2,632,739	2,577,973.33	2,738,049	4.0%
401-343-41-10	Permits (15 new connection permits) \$6,400	162,024	175,162	90,000	205,000.00	96,000	6.7%
401-343-81-10	Combined Fees (Increase in Lien and Lock fees)	27,616	27,908	35,000	14,000.00	35,000	0.0%
401-359-90-00	Late fees	58,690	55,332	55,000	15,000.00	55,000	0.0%
401-361-11-00	Investment Interest	35,291	35,382	30,000	13,684.00	30,000	0.0%
401-369-10-00	Sale of scrap metal and surplus	1,252	4,840	3,000	153.33	3,000	0.0%
401-369-10-01	Miscellaneous	2,517	10,794	1,000	325.33	1,000	0.0%
401-369-40-00	Judgements and Settlements	23,767	-	-	-	-	
401-395-10-00	Sale of Capital Assets	7,800	5,610	-	-	-	
401-395-20-00	Deposits	-	1,500	-	-	-	
401-395-20-01	Insurance Recoveries	-	5,611	-	-	-	
	<b>TOTAL REVENUES</b>	<b>2,787,652</b>	<b>2,824,873</b>	<b>2,886,739</b>	<b>2,826,136</b>	<b>2,958,049</b>	<b>2.5%</b>
	* Per Resolution 844 effective 1/1/2020						
	Scheduled annual rate increase						

## LAKE WHATCOM WATER AND SEWER DISTRICT

**DRAFT 10/1/2020**

	Description	Actual 2018	Actual 2019	Budget 2020	Projected 2020	Budget 2021	
<b>SEWER - 402</b>							
<b>REVENUES</b>							
402-343-41-10-02	Permits (15 new connection permits) \$9,500	162,024	175,162	135,000	245,000	142,500	5.6%
402-343-50-11	Sewer Service Residential (2.5% rate increase) *	3,964,760	4,068,571	4,186,946	4,168,974.67	4,291,620	2.5%
402-343-50-19	Sewer Service Other	4,586	4,550	4,500	5,083.50	4,500	0.0%
402-343-50-80	Latecomer's Fees	6,772	-	-	-	-	
402-359-90-02	Late Fees	29,345	-	-	-	-	
402-361-11-00-02	Investment Interest	35,291	35,382	30,000	12,765.00	20,000	-33.3%
402-361-40-00-80	ULID 18 Interest/Penalties	8,889	4,822	4,000	6,000.00	3,000	-25.0%
402-368-10-00-80	ULID 18 Principal Payments	30,534	17,407	15,000	13,000.00	10,000	-33.3%
402-369-10-00-02	Sale of scrap metal and surplus	1,251	4,840	3,000	144.00	3,000	0.0%
402-369-10-00-02	Miscellaneous	2,517	10,794	1,000	499.50	1,000	0.0%
402-369-40-02	Judgements and Settlements	23,767	-	-	8,283.00	4,141	
402-395-10-00-02	Sale of Capital Assets	7,800	5,610	-	-	-	
402-395-20-02	Insurance Recoveries	-	5,611	-	-	-	
	<b>TOTAL REVENUES</b>	<b>4,277,536</b>	<b>4,332,749</b>	<b>4,379,446</b>	<b>4,459,750</b>	<b>4,479,761</b>	<b>2.3%</b>
	* Per Resolution 844 effective 1/1/2020						
	Scheduled annual rate increase						

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
<b>WATER - 401</b>							
<b>OPERATING EXPENDITURES</b>							
401-534-10-10	Admin Payroll (1.0% cola plus step increases - 2021)	301,648	331,296	353,900	360,405	349,280	-1.31%
401-534-10-20	Admin Personnel Benefits	133,169	141,907	174,250	152,109	167,360	-3.95%
401-534-10-31	Gen Admin Supplies/Equipment	11,170	15,430	35,000	23,212	25,000	-28.57%
401-534-10-31-01	Meetings/Team building	1,178	2,493	2,000	1,243	2,000	0.00%
401-534-10-40	Merchant Services Fees	20,199	20,522	10,000	11,160	10,000	0.00%
401-534-10-40-01	Bank Fees			-	795	1,000	
	Interlocal - Invasive Species (City) (8% increase)			55,000			
	Interlocal - Lake Whatcom Tributary Monitor (County)			5,000			
	North Shore Sampling (County Interlocal Agreement)			100,000			
	Mutt Mits			5,000			
401-534-10-41	Water Quality Assurance Programs (TOTAL)	55,119	59,184	165,000	165,000	65,000	-60.61%
	Master Meter annual support			2,000		2,000	
	South Whatcom Fire (hydrant maintenance)			1,000		1,000	
	County Auditor Filing Fees			3,000		3,000	
	Statement processing			12,500		12,500	
	Answering Service			750		750	
	Time clock system			750		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		20,000	
	Salary Study			-		-	
	State Audit			5,000		-	
	Records Management system			7,500		15,000	
	Employee Assistance Program					600	
	Legal Counsel			-		-	
	IT/Cyber security support			15,000		15,000	
	Anti virus subscription			500		500	
	Building security			1,000		1,000	
	Building custodial			5,000		5,000	
	Pest control			500		500	

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
	Landscaping service			3,000		4,000	
	Scada System Software Maintenance - Operations			3,750		5,000	
	Engineering Consultant			-		-	
	Safety software			5,000		5,000	
	Hearing/Drug/Employee Testing					750	
	SCADA/PLC Support - Engineering/Operations			5,000		5,000	
	Cartegraph - Engineering/Operations			2,500		8,500	
	Auto Desk - Engineering			500		500	
	GIS Partnership (County)			500		-	
	Rockwell - Engineering/Operations			250		250	
	IT Pipes			750		-	
	ESRI - ARC GIS			750		750	
	Innovyze - Engineering			1,250		-	
	Cyberlock software			500		-	
	Whatcom County Emergency Management			10,000		10,000	
	Misc (Bid notices etc.)			2,500		2,500	130,350
401-534-10-41-01	Professional Services (TOTAL)	296,727	158,742	100,250	117,385	130,350	30.02%
401-534-10-41-02	Engineering Services			21,000	20,691	20,000	
401-534-10-41-03	Legal Services			20,000	17,484	20,000	
401-534-10-41-04	DEA Expenditures				2,933	-	
401-534-10-41-25	20 Year Sudden Valley Water Treatment Plant Study				58,240		
401-534-10-42	Communication	25,601	26,706	30,000	31,403	30,000	0.00%
401-534-10-45	Admin Lease (copy/printers)	4,198	5,078	5,000	5,317	5,000	0.00%
401-534-10-46	Property Insurance	66,404	71,480	72,000	72,000	75,000	4.17%
401-534-10-49	Admin Misc.	795	40	500	33	500	0.00%
401-534-10-49-01	Memberships/Dues/Permits	9,443	8,601	10,000	17,652	15,000	50.00%
401-534-10-49-02	WA State Dept of Revenue Taxes/County Stormwater fees	113,994	115,871	115,000	109,056	115,000	0.00%
401-534-40-43	Administration and Board Training/Travel/Certification	16,743	17,744	17,500	6,712	10,000	-42.86%
401-534-40-43-01	Tuition reimbursement		-	500	-	500	0.00%
401-534-50-31	Operations/Maintenance Supplies	117,834	104,079	75,000	141,187	120,000	60.00%
401-534-50-31-01	Small Assets/tools	2,158	21,346	25,000	43,159	40,000	60.00%
401-534-50-48	Operations Repair/Maint contracted work	75,421	58,687	60,000	48,331	50,000	-16.67%
401-534-50-49	Insurance Claims	1,183	-	2,500	-	2,500	0.00%
401-534-60-41	Operations Contracted (water testing)	5,418	6,619	12,500	11,863	12,500	0.00%

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
401-534-60-47	Water City of Bellingham	61,592	42,224	40,000	21,336	40,000	0.00%
401-534-80-10	Operations Payroll (1.0% cola plus step increases - 2021)	546,976	580,184	575,561	602,145	564,065	-2.00%
401-534-80-20	Operations Personnel Benefits (Medical, Retirement etc)	238,647	255,323	247,590	254,212	251,040	1.39%
401-534-80-32	Fuel	14,814	13,584	15,000	9,605	15,000	0.00%
401-534-80-35	Safety Supplies	8,668	11,340	10,000	6,432	10,000	0.00%
401-534-80-35-01	Safety Supplies Boots	928	816	1,250	672	1,250	0.00%
401-534-80-35-02	Emergency Preparedness	319	5,169	5,000	3,304	5,000	0.00%
401-534-80-43-00	Operations Training/Travel/Certifications			-	400	10,000	
401-534-80-47	General Utilities (Electric, gas, water, garbage)	111,942	101,725	110,000	115,469	120,000	9.09%
401-534-80-49	Laundry	2,053	1,943	2,000	1,580	2,000	0.00%
	<b>WATER OPERATING EXPENDITURES</b>	<b>2,244,341</b>	<b>2,178,133</b>	<b>2,313,301</b>	<b>2,432,524</b>	<b>2,284,345</b>	<b>-1.25%</b>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
<b><i>DEBT SERVICE</i></b>							
401-591-34-77-01	Redemption of Long Term Debt Geneva AC Mains	119,938	119,938	119,938	119,937	119,937	
401-591-34-77-02	Redemption of Long Term Debt Div 22 Reservoir	53,831	65,475	65,475	65,475	65,475	
401-591-34-77-73	Redemption of Long Term Debt Loan 064	236,260	-	-	-		
401-592-34-83-01	Debt Service Interest Geneva AC Mains	32,383	30,584	28,785	28,785	26,986	
401-592-34-83-02	Debt Service Interest Div 22 Reservoir	30,982	18,660	17,678	17,678	16,696	
401-592-34-83-03	Debt Service Interest Loan 064	3,321	-	-	-		
<b><i>SYSTEM REINVESTMENT</i></b>							
	Water System Reinvestment Projects	470,687	336,883	562,400	430,000	-	
	Water System Reinvestment Projects 2021			-	-	240,000	
	Water System Reinvestment 2020 Carryover Projects					160,000	
<b><i>TRANSFERS</i></b>							
	Transfers out to Water Contingency Fund			-			
<b>WATER FUND</b>	<b>TOTAL WATER REVENUES</b>	<b>2,787,652</b>	<b>2,824,873</b>	<b>2,886,739</b>	<b>2,826,136</b>	<b>2,958,049</b>	2.47%
	<b>TOTAL WATER EXPENDITURES</b>	<b>(3,191,743)</b>	<b>(2,749,673)</b>	<b>(3,107,577)</b>	<b>(3,094,399)</b>	<b>(2,913,439)</b>	-6.25%
	<b>2020 BALANCE CARRYOVER (520,000 reserves/460,000 contingency)</b>					<b>980,000</b>	
	<b>2020 BALANCE CARRYOVER UNALLOCATED</b>					<b>150,000</b>	
	<b>2021 ALLOCATED TO OPERATING RESERVES</b>					<b>(540,000)</b>	
	<b>2021 ALLOCATED TO WATER CONTINGENCY (FUND 426)</b>					<b>(460,000)</b>	
	<b>PROPOSED AVAILABLE 2021 YEAR END BALANCE</b>					<b>174,610</b>	

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
	<b>SEWER - 402</b>						
	<b>OPERATING EXPENDITURES</b>						
402-535-10-10	Admin Payroll (1.0% cola plus step increases - 2021)	301,897	331,295	353,900	360,404	349,280	-1.31%
402-535-10-20	Admin Personnel Benefits	132,376	142,020	174,250	152,105	147,775	-15.19%
402-535-10-31	Gen Admin Supplies/Equipment	12,535	16,069	20,000	26,497	25,000	25.00%
402-535-10-31-01	Meetings/Team building	1,693	2,833	2,000	1,416	2,000	0.00%
402-535-10-40	Merchant Services Fees	20,195	20,546	10,000	11,160	10,000	0.00%
402-535-10-40-01	Bank Fees			-	648	1,000	
	Camera Van Software annual support			1,500		1,500	
	County Auditor Filing Fees			3,000		3,000	
	Statement processing			12,500		12,500	
	Answering Service			750		750	
	Time clock system			750		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		20,000	
	Salary Study			-		-	
	State Audit			5,000		-	
	Records Management system			7,500		7,500	
	Employee Assistance Program					600	
	Legal Counsel			20,000		-	
	IT/Cyber security support			15,000		15,000	
	Anti virus subscription			500		500	
	Building security			1,000		1,000	
	Building custodial			5,000		5,000	
	Pest control			500		500	

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
	Landscaping service			3,000		4,000	
	Scada System Software Maintenance - Operations			3,750		5,000	
	Engineering Consultant			5,000		-	
	Safety software			5,000		5,000	
	Hearing/Drug/Employee Testing					750	
	SCADA/PLC Support - Engineering/Operations			5,000		5,000	
	Cartegraph - Engineering/Operations			2,500		8,500	
	Auto Desk - Engineering			500		500	
	GIS Partnership (County)			500		-	
	Rockwell - Engineering/Operations			250		250	
	IT Pipes			750		1,500	
	ESRI - ARC GIS			750		750	
	Innovyze - Engineering			1,250		-	
	Cyberlock software			500		-	
	Whatcom County Emergency Management			10,000		10,000	
	Misc (Bid notices etc.)			2,500		2,500	122,850
402-535-10-41-01	Professional Services (TOTAL)	224,840	130,953	100,750	113,051	122,850	21.94%
402-535-10-41-02	Engineering Services			19,000	15,115	20,000	
402-535-10-41-03	Legal Services			20,000	22,672	20,000	
402535-10-41-04	DEA Expenditures				-	-	
402-535-10-41-25	Sewer Comp Plan				30,768	-	
402-535-10-42	Communication	25,600	26,705	30,000	31,452	30,000	0.00%
402-535-10-45	Admin Lease (copy/printers)	4,200	5,078	5,000	5,317	5,000	0.00%
402-535-10-46	Property Insurance	66,403	71,480	72,000	1,701	75,000	4.17%
402-535-10-49	Admin Misc.	353	417	500	80	500	0.00%
402-535-10-49-01	Memberships/Dues/Permits	6,545	6,045	8,000	9,845	10,000	25.00%
402-535-10-49-02	WA State Dept of Revenue Taxes/County Sormwater fees	108,063	109,349	115,000	109,056	115,000	0.00%
402-535-40-43	Administration and Board Training/Travel/Certification	9,549	13,602	17,500	5,216	10,000	-42.86%
402-535-40-43-01	Tuition reimbursement	-	-	500	-	500	0.00%
402-535-50-31	Operations/Maintenance Supplies	52,213	40,332	75,000	34,699	50,000	-33.33%
402-535-50-31-01	Small Assets/tools	2,544	16,505	25,000	24,583	30,000	20.00%
402-535-50-48	Operations Repair/Maint contracted work	74,355	57,617	60,000	81,563	90,000	50.00%
402-535-50-49	Insurance Claims	1,183	5,000	2,500	1,087	2,500	0.00%

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	<b>Description</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Projected 2020</b>	<b>Budget 2021</b>	
402-535-60-41	Operations Contracted (generator load testing)	-	-	15,000	1,313	15,000	0.00%
402-535-60-47	Sewer City of Bellingham Treatment Fee	589,677	614,936	680,000	760,000	700,000	2.94%
402-535-80-10	Operations Payroll (1.0% cola plus step increases - 2021)	442,355	472,156	483,494	483,883	471,728	-2.43%
402-535-80-20	Operations Personnel Benefits (Medical,Retirement etc)	191,170	206,813	247,590	202,761	221,663	-10.47%
402-535-80-32	Fuel	14,770	11,898	13,000	11,460	13,000	0.00%
402-535-80-35	Safety Supplies	8,686	9,552	10,000	6,381	10,000	0.00%
402-535-80-35-01	Safety Supplies Boots	887	964	1,250	672	1,250	0.00%
402-535-80-35-02	Emergency Preparedness	467	374	5,000	3,304	5,000	0.00%
402-535-80-43-00	Operations Training/Travel/Certifications				1,135	10,000	
402-535-80-47	General Utilities (Electric, gas, water, garbage)	101,163	92,329	100,000	106,767	110,000	10.00%
402-535-80-49	Laundry	2,052	2,144	2,000	2,381	2,000	0.00%
	<b>SEWER OPERATING EXPENDITURES</b>	<b>2,395,771</b>	<b>2,407,012</b>	<b>2,668,234</b>	<b>2,618,491</b>	<b>2,676,046</b>	<b>0.29%</b>

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	Description	Actual 2018	Actual 2019	Budget 2020	Projected 2020	Budget 2021	
<b><i>DEBT SERVICE</i></b>							
402-591-35-72-50	2009 Bond Principal Payments	275,000	285,000	-	-		
402-591-35-72-03	2016 Bond Principal Payments	130,000	130,000	425,000	425,000	435,000	
402-592-35-83-50	2009 Bond Interest Payments	20,300	10,331	-	-		
402-592-35-83-03	2016 Bond Interest Payments	224,675	222,075	218,176	218,175	205,425	
<b><i>SYSTEM REINVESTMENT</i></b>							
402-594-35-62-02	Sewer System Reinvestment Projects	470,687	1,970,079	1,167,900	1,090,000		
	Sewer System Reinvestment Projects 2021			-	-	800,000	
	Sewer System Reinvestment 2020 Carryover Projects					215,000	
402-594-35-64-02	Sewer Equipment (Flush/Vac Truck)			525,000	525,000		
<b><i>TRANSFERS</i></b>							
	Transfers Out to Sewer/Storm Water Contingency Fund 425	25,000		-	-	-	
<b>SEWER FUND</b>	<b>TOTAL SEWER REVENUES</b>	<b>4,277,536</b>	<b>4,332,749</b>	<b>4,379,446</b>	<b>4,459,750</b>	<b>4,479,761</b>	2.29%
	<b>TOTAL SEWER EXPENDITURES</b>	<b>(3,541,433)</b>	<b>(5,024,497)</b>	<b>(5,004,310)</b>	<b>(4,876,666)</b>	<b>(4,331,471)</b>	-13.45%
	<b>2020 BALANCE CARRYOVER (420,000 reserves/796,000 contingency)</b>					<b>1,216,000</b>	
	<b>2020 BALANCE CARRYOVER UNALLOCATED</b>					<b>75,000</b>	
	<b>2021 ALLOCATED TO SEWER OPERATING RESERVES</b>					<b>(430,000)</b>	
	<b>2021 ALLOCATED TO SEWER CONTINGENCY (FUND 425)</b>					<b>(815,000)</b>	
	<b>PROPOSED AVAILABLE 2021 YEAR END BALANCE</b>					<b>194,290</b>	

**LAKE WHATCOM WATER AND SEWER DISTRICT**

<b>DRAFT 10/1/2020</b>	Description	Actual 2018	Actual 2019	Budget 2020	Projected 2020	Budget 2021	
	<b><i>BOND RESERVE - 460</i></b>						
460-361-11-00	Investment Interest (to Operating Fund)			-	-		
	<b>TOTAL REVENUES</b>			<b>0</b>	<b>0</b>	<b>0</b>	
460-535-10-41	Investment Service Charges			-	-		
	<b>TOTAL EXPENDITURES</b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>BOND RESERVE FUND</b>	<b>REVENUES</b>			<b>0</b>	<b>0</b>	<b>0</b>	
	<b>EXPENDITURES</b>			<b>0</b>	<b>0</b>	<b>0</b>	
	<b>CASH/INVESTMENTS BALANCE CARRYOVER</b>			<b>772,334</b>		<b>772,334</b>	
	<b>PROPOSED 2020 YEAR END BALANCE</b>			<b>772,334</b>		<b>772,334</b>	

## **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
- Estimated carryover funds \$150,000 to Water and \$75,000 to Sewer

## **EXPENDITURE ASSUMPTIONS:**

- Payroll 1.0% COLA plus step increases
- Benefits 2% increase
- Additional .5 FTE budgeted for succession (Finance Manager)
- Additional .3 FTE budgeted for Summer Operations Intern
- Project 2020 expenditures to year end utilizing 9/30/2020
- City of Bellingham wastewater treatment cost increase per contract
- 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 2021 the District has budgeted system reinvestment at \$240,000 into water projects and \$800,000 into sewer projects for a total system reinvestment of \$1,040,000.

- Operating reserve maintained per rate study recommendations at \$970,000

Water -	90 days \$540,000
Sewer-	60 days \$430,000

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 2021 budget our operating reserve goal is \$970,000. 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 -	\$815,000

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 2021 budget we have \$815,000 sewer reserve and \$460,000 water reserve.



**AGENDA  
BILL  
Item 9.A**

**General Manager's  
Report**

DATE SUBMITTED:	October 8, 2020	MEETING DATE:	October 14, 2020
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL	<i>Justin Clary</i>		
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, October 14, 2020 – 6:30 p.m.

**Important Upcoming Dates**

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Oct 28, 2020	8:00 a.m.	Remote Attendance
Employee Staff Meeting	Thu Oct 15, 2020	8:00 a.m.	Remote Attendance Commissioner Abele to attend
Investment Comm. Meeting	Wed Oct 28, 2020	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Wed Oct 22, 2020	7:30 a.m.	Remote Attendance
Lake Whatcom Management Program			
Data Group Meeting	Thu Nov 12, 2020	9:00 a.m.	Remote Attendance
Policy Group Meeting	Wed Dec 2, 2020	3:00 p.m.	Remote Attendance
Joint Councils Meeting	2020 Meeting Cancelled	-	-
Other Meetings			
WASWD Section III Meeting	Tue Nov 10, 2020	7:00 p.m.	Remote Attendance
Whatcom Water Districts Caucus Meeting	Wed Oct 21, 2020	1:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed Oct 14, 2020	3:00 p.m.	Remote Attendance

**Committee Meeting Reports**

Safety Committee:

- No committee meeting has been held since last board meeting.

Investment Committee:

- No committee meeting has been held since last board meeting.

**Upcoming Important Board Meeting Topics**

- Rate Study Personal Services Contract Award
- Sewer Lift Station PLC/UPS Improvement Public Work Contract Award
- General Manager Performance Evaluation
- 2021 Budget Development/Approval

## 2020 Initiatives Status

### Administration and Operations

#### Level-of-Service Analysis

- Facilitate Board development of level-of-service standards for District operations.  
*The initial step in completing the Effective Utility Management process is to conduct a self-assessment at varying levels of the organization, which was completed by the board, management team and staff. Results were presented during the August 26 board meeting.*

#### Six-Year Business Plan

- Develop department-specific business plans that define staffing, facility, and equipment needs necessary to meet level-of-service standards over the six-year planning horizon.  
*The management team has initiated plan development taking into consideration the results of the Effective Utility Management self-assessment.*

#### Rate Study

- Conduct rate study for the water and sewer utilities for the five-year planning horizon.  
*The District has advertised for and is in the process of awarding the contract for a comprehensive rate study; however, the overall schedule for conducting the study requires extension into next year (current rates are approved through December 31, 2021) to allow for incorporating information to be gathered relative to large future capital projects (Post Point Wastewater Treatment Plant biosolids handling and nutrient removal projects, Sudden Valley Water Treatment Plant 20-year facility plan, and Lake Whatcom Boulevard Sewer Interceptor Rehabilitation project).*

#### Biennial Budget

- Facilitate Board consideration of shifting from an annual to a biennial budget.  
*The board discussed the pros and cons of operating under a biennial budget during the August 26 board meeting.*

#### Bond Rating Review

- Pursue a higher bond rating.  
*The most recent bond rating review of the District was completed in December of 2017 and resulted in a AA- (stable) rating. While the sole factor noted in the review that would allow for an increase in the rating remains outside of the District's control (strengthening of the service area's economy), the District has taken a number of steps to strengthen its financial position, including increasing the operating reserves of the Water Utility from 60 to 90 days and the Sewer Utility from 45 to 60 days, implementing issuance of quarterly financial reports, and fortifying the District's fiscal management policies.*

#### Staffing Succession Plan

- Develop a staffing succession plan to address anticipated retirements over the next five years.  
*The plan was submitted to the board on August 21.*

#### Job Description Review

- Update all District job descriptions that have not been revised in the last three years.  
*Review of job descriptions has been broken into departments and the management team. Review of management team job descriptions are complete, and review of Finance and Engineering department descriptions is underway.*

## Emergency Response/System Security

### Risk and Resilience Assessment

- Develop an America's Water Infrastructure Act-compliant Risk and Resilience Assessment. *Plan is under development with assistance from the Whatcom County Sheriff's Office under the District's interlocal agreement for emergency planning services.*

### Cybersecurity Assessment

- Conduct a cybersecurity assessment of the District's IT infrastructure. *Through the District's insurance provider, implemented ongoing staff/board cybersecurity training platform in November 2019. As a component of the Risk and Resilience Assessment, staff have mapped the District's IT system so that it may be assessed under the cybersecurity component of the Risk and Resilience Assessment process.*

### Emergency Vendor Contracts

- Pursue contracts with applicable vendors for on-call contracts, including contracts for support during periods of emergency response. *A public works contract template specific to unit-priced contracting has been developed.*

## Community/Public Relations

### General

- Website *The District's web content is being updated on a regular basis, including regular posts specific to District operations in response to the COVID-19 pandemic.*
- Social Media *Posts are being made to District Facebook and LinkedIn pages regularly; Nextdoor is regularly monitored for District-related posts.*
- Press Releases *Press releases were issued on March 16, 18, 20, and 25 specific to District operations relative to the COVID-19 pandemic. A press release recognizing Drinking Water Week was issued on May 5, and one summarizing the results of the District's 2018-19 audit was issued May 20.*

### Intergovernmental Relations

- *J. Clary attended a (virtual) presentation on October 1 regarding the findings of the I-5 Corridor Infrastructure Economic Analysis that was prepared by the Port of Bellingham that the District participated in earlier in the year.*
- *J Clary continues to represent WASWD at various convenings of the Washington's Growth Policy Framework Update.*
- *J. Clary attended the Whatcom Land Trust Business Leaders' Breakfast (virtual) on October 7.*
- *J. Clary attended the WASWD Governmental Affairs Committee meeting on October 8.*
- *J Clary scheduled to attend the WASWD Section III meeting on October 13.*

### EnviroStars Certification

- Gain EnviroStars Green Business certification. *The District has completed 11 of 20 required core measures and earned a total of 205 points (core and elective measures) in the certification process. Once all core measures are complete, the District will be certified at the Tier 1-Leader level (300 points are required for Tier 2-Partner).*

## Lake Whatcom Water Quality

### Management Program

- Attend meetings of Lake Whatcom Management Program partners.  
*J. Clary attended a meeting scoping the next Tributary Monitoring contract (September 29) and the Data Group meeting (October 8), and is scheduled to attend the Interjurisdictional Coordinating Team meeting (October 15).*

### Onsite Septic System Impact Assessment

- Lead effort in water quality monitoring to assess the impacts of septic systems on the lake.  
*Herrera issued the final revision of the findings report (September 30), and presented the results during the September 9 board meeting and September 23 Lake Whatcom Management Program policy group meeting.*

### Onsite Septic System Conversion Program

- Pursue connection of septic-served parcels within 200 feet of District sewer system.  
*As of September 24, all three properties noticed in 2019 have connected to the District's collection system. No noticed-properties are outstanding.  
A white paper to facilitate analysis of the District's septic conversion policy was issued to the Board on April 9; during its meeting on July 29, the Board elected not to revise the program.*



**AGENDA  
BILL  
Item 11**

**Executive Session  
General Manager Annual  
Performance Evaluation**

DATE SUBMITTED:	October 7, 2019	MEETING DATE:	October 14, 2019
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. 2019-2020 Performance 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**

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. Consistent with the prior year’s evaluation process, Mr. Clary has prepared an annual report summarizing District achievements over the past year, as well as proposed initiatives for 2021 (attached).

**FISCAL IMPACT**

No impact is anticipated.

**RECOMMENDED BOARD ACTION**

No action is recommended at this time.

**PROPOSED MOTION**

Not applicable.



## LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA, 98229

(360) 734-9224  
Fax 738-8250

# MEMORANDUM

To: Board of Commissioners  
Lake Whatcom Water & Sewer District

Date: October 1, 2020

From: Justin Clary, General Manager

RE: 2019-2020 Performance Report

---

I have been honored to work with the Board of Commissioners (Board) and staff in serving the customers of the Lake Whatcom Water and Sewer District (District) over the past two years. The purpose of this memorandum is to provide the status of Board-approved 2020 initiatives and other self-assigned objectives that have been completed in spite of constraints created by the COVID-19 pandemic, as well as to propose a new set of initiatives for 2021 for Board consideration. Of note, the accomplishments highlighted below would not have been attained but for the tremendous support of both Board and staff.

### 2019-2020 Accomplishments

#### Administration and Operations:

- **Level-of-Service Analysis.** Facilitated work sessions with Board, management, and staff to assess the District's performance within and prioritization of ten attributes of a water/sewer utility through the Effective Utility Management (EUM) process, and conducted a work session discussion of the assessment findings with the Board.
- **Six-Year Business Plan.** Taking into consideration the results of the EUM self-assessment, District management has initiated development of a strategic business plan with the goal of completing by yearend.
- **Rate Study.** The District has advertised for and is in the process of awarding the contract for a comprehensive rate study; however, the overall schedule for conducting the study requires extension into next year (current rates are approved through December 31, 2021) to allow for incorporating information to be gathered relative to large future capital projects (Post Point Wastewater Treatment Plant biosolids handling and nutrient removal projects, Sudden Valley Water Treatment Plant 20-year facility plan, and Lake Whatcom Boulevard Sewer Interceptor Rehabilitation project).
- **Biennial Budget.** The Board was presented with a white paper analysis and discussed the pros and cons of converting from an annual to a biennial budget. This

initiative was intended to information only, and may be further discussed during future Board meetings.

- **Bond Rating Review.** The most recent bond rating review of the District was completed in December of 2017 and resulted in an AA- (stable) rating. While the sole factor noted in the review that would allow for an increase in the rating remains outside of the District's control (strengthening of the service area's economy), the District has taken a number of steps to strengthen its financial position, including increasing the operating reserves of the Water Utility from 60 to 90 days and the Sewer Utility from 45 to 60 days, implementing issuance of quarterly financial reports, and fortifying the District's fiscal management policies.
- **Staffing Succession Plan.** An updated staffing succession plan was submitted to the Board on August 21.
- **Job Description Review.** Review of job descriptions has been broken into departments and the management team. Review of the management team descriptions are complete, and review of the Finance and Engineering department descriptions is underway. All descriptions are on track to be updated by yearend.
- **Employee Relations.** Continued employee appreciation programs including issuance of an employee-specific recognition email on each employee's District anniversary; weekly emails to all staff recognizing one employee for implementing one of the District's operating norms; and held the 2<sup>nd</sup> annual District staff chili cook-off (the bake-off and pumpkin carving contests held in 2019 were cancelled due to the pandemic).
- **Health & Safety Program.** Working with the Health and Safety Committee, continued a systematic, multi-year effort to update all District safety programs. Programs updated in 2020 included the workplace violence protection, lockout/tagout energy control, and confined space safety programs.
- **Geneva Urban Growth Area Sewer Service Analysis.** Understanding the city of Bellingham's recent study recommends removal of the UGA designation from Geneva, conducted a comprehensive analysis of the implications associated with the District's ability to require connection of new development in Geneva should the UGA designation be removed.

Emergency Response/Security:

- **Risk and Resilience Assessment.** Though the allocation of resources towards the COVID-19 pandemic delayed the start of this assessment, the District and Whatcom County Sheriff's Office is proceeding with the assessment with goal of completing by yearend (the assessment is not due until June 30, 2021 per the America's Water Infrastructure Act).

- **Cybersecurity Assessment.** As a component of the Risk and Resilience Assessment, staff mapped the District's IT system to enable its assessment under the cybersecurity component of the Risk and Resilience Assessment process.
- **Emergency Vendor Contracts.** The District has developed a template for and successfully implemented unit price contracting, as now allowed at state law. It is envisioned that unit price contracting would be the applicable mechanism for executing various emergency vendor contracts; however, staff workload and pandemic response have limited pursuit of such contracts this year.

#### Community/Public Relations:

- **Website.** Maintained the District website, including regular updates relative to District response to the COVID-19 pandemic and associated revisions to District customer assistance programs.
- **Social Media.** Continued with posting regular updates to District Facebook and LinkedIn pages, as well as regular review of postings (and response to, as appropriate) on NextDoor "neighborhoods" that overlap District service area.
- **Press Releases.** Issued six press releases over the past year (four associated with District response to the COVID-19 pandemic, one celebrating national Drinking Water Week, and one providing notice of the District's clean audit).
- **Intergovernmental Relations.** Regularly attended Whatcom Water Alliance, Lake Whatcom Management Program, Whatcom Water Districts Caucus, and WASWD Section III meetings; served as primary WASWD representative during the statewide Growth Policy Framework Update stakeholder group convenings; presented District updates at a Sudden Valley Community Association meeting; held individual calls with City/County public works directors and management staff; and currently coordinating legislative outreach activities in advance of the 2021 session.
- **EnviroStars Certification.** The District has completed 11 of 20 required core measures and earned a total of 205 points (core and elective measures) in the certification process. The District remains on track to complete all core measures by yearend to qualify for Tier 1-Leader certification.

#### Lake Whatcom Water Quality:

- **Management Program.** Regularly attended policy group, data group, interjurisdictional coordinating team, and executive team meetings.
- **Onsite Sewage System Impact Assessment.** Led the effort, including securing a \$30,000 grant through the Department of Health, in completing an update to the assessment of impacts of septic systems on lake water quality monitoring.
- **Onsite Sewage System Conversion Program.** Facilitated the connection of the three septic-served parcels within 200 feet of District sewer system that were issued notices to connect in 2019.

- Onsite Sewage System Policy Analysis. Developed a comprehensive review of the District's historical and current policy associated with requiring connection of existing septic systems to District sewer as it relates to state laws and regulations.

#### Capital Improvement Program:

- To assist the Engineering Department in completing 2020 capital projects, the general manager took on management of a few District projects (Comprehensive Sewer Plan Update, Design and Construction Standards Update, Agate Creek Streambed Restoration, Onsite Sewage System Impact Assessment, and Eagleridge Booster Station Conversion).

#### 2021 Initiatives

Similar to this past year's initiatives, the initiatives proposed for 2021 are intended to supplement District day-to-day operational and capital improvement obligations with minimal fiscal impact. Following are the management team's proposed initiatives.

##### **1) Administration/Operations**

- Rate Study. As indicated above, the rate study identified as a 2020 initiative will extend into 2021 to allow for incorporation of significant capital improvements whose costs and timeline for completion are not yet defined. This will also include development of funding strategies related to some of these significant projects to lessen the impact of these costs on rates.
- Fill Anticipated Finance Manager Position Vacancy. With the retirement of the District's Finance manager anticipated in July 2021, the District will engage in a recruitment and hiring process in advance of the retirement that allows for a seamless transition of leadership in the Finance Department.
- Negotiate Successor District-AFSCME Agreement. With the current labor agreement between the District and AFSCME Local 114D scheduled to expire on December 31, 2021, District management will negotiate a successor agreement that aligns with District financial capacity and Board goals.
- Investment Policy. Recognizing the need to optimize the District's return on investments while protecting this essential resource, the general manager will conduct a comprehensive review of the District's investment policy first with the Investment Committee, and ultimately with the Board.
- Capital Improvement Program Support. Similar to 2020, the general manager will provide support to the Engineering Department through management of specific capital improvement program projects.

##### **2) Emergency Response/System Security**

- America's Water Infrastructure Act-compliant Risk Management Program. America's Water Infrastructure Act of 2018 is a federal law that provides for water infrastructure

improvements throughout the country. Through the provisions of this Act, the District is required to conduct a U.S. Environmental Protection Agency-compliant risk and resilience assessment by June 30, 2021, and develop an emergency response plan by December 31, 2021 (based upon the current customer base). With the assessment currently underway, the District will then develop the risk management program in 2021 to meet this federal requirement.

**3) Community/Public Relations**

- General Public Relations. Staff will continue to complete regular updates to the District website, and Facebook and LinkedIn pages, continue to track District-related comments on Nextdoor, and issue press releases, as applicable.
- Intergovernmental Relations. The general manager will continue to regularly engage in meetings with local, regional, and state partners consistent with the past year.
- Public Works Board. The Public Works Board is a statewide position that is responsible for administering the Public Works Assistance Account. WASWD is currently represented on the Public Works Board by two seats: an elected official and a general manager/public works director. The current general manager position is held by Diane Pottinger, manager of the North City Water District. With this seat set to expire in the coming year, Ms. Pottinger has reached out to Justin Clary regarding interest in appointment to this position. If appointed to this position, the general manager would elevate District recognition at the state level, as well as maintain a close understanding to the status of and opportunities through the Public Works Assistance Account.

**4) Lake Whatcom Water Quality**

- Management Program. The general manager will continue to regularly participate in policy group, data group, interjurisdictional coordinating team, executive team, and joint councils meetings.
- Onsite Sewage System Conversion Program. The District will pursue connection of the one remaining septic-served parcel located within 200 feet of District sewer system identified in the memorandum to the Board dated April 9, 2020.