



## LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA, 98229

(360) 734-9224  
Fax 738-8250

# MEMORANDUM

Date: October 22, 2020

From: Lake Whatcom Water & Sewer District

RE: Meeting Procedures During the Covid-19 Emergency

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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 28 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 28 Regular Board Meeting**

Wed, Oct 28, 2020 8:00 AM - 10:00 AM (PDT)

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

<https://global.gotomeeting.com/join/681649045>

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

United States: [+1 \(872\) 240-3212](tel:+18722403212)

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## LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA 98229

### REGULAR MEETING OF THE BOARD OF COMMISSIONERS

## AGENDA

*October 28, 2020*


8:00 a.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. Beaver and Flat Car Sewer Lift Stations PLC/UPS Improvements Public Works Contract Award
8. OTHER BUSINESS
9. STAFF REPORTS
  - A. General Manager
  - B. Engineering Department
  - C. Finance Department
  - D. Operations Department
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 22, 2020	MEETING DATE:	October 28, 2020
TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL			
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 10.27.2020\*\***

**BACKGROUND / EXPLANATION OF IMPACT**

- Minutes for the September 30, 2020 Regular Board Meeting
- Minutes for the October 14, 2020 Regular Board Meeting
- Payroll for Pay Period #21 (10/03/2020 through 10/16/2020) totaling \$47,692.37
- Payroll Benefits for Pay Period #21 totaling \$52,214.52
- 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."



## LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA 98229

### REGULAR SESSION OF THE BOARD OF COMMISSIONERS

## Minutes

*September 30, 2020*

Board President Laura Abele called the Regular Session to order at 8:00 a.m.

**Attendees:** Commissioner Laura Abele  
Commissioner Todd Citron  
Commissioner Bruce Ford  
Commissioner John Carter  
Commissioner Leslie McRoberts  
Recording Secretary Rachael Hope  
General Manager Justin Clary  
District Engineer/Assistant GM Bill Hunter  
Finance Manager/Treasurer Debi Denton  
Operations & Maintenance Manager Brent Winters  
District Consulting Engineer Melanie Mankamyer

Also present were Keith Stewart and Russ Porter of Gray & Osborne, Inc., Kristin Hemenway, District Construction Engineer, and Kevin Cook, District Water Treatment Plant Operator.

All attendees participated remotely by phone or video conferencing.

#### **Roll Call**

General Manager Justin Clary performed a roll call to identify those in attendance, and then verbally confirmed that the meeting was noticed in accordance with Resolution No. 859 allowing remote meeting attendance as well as in compliance with current statutory requirements. It was confirmed that all participants were able to be heard and hear each other clearly.

#### **Consent Agenda**

##### **Action Taken**

**Citron moved, McRoberts seconded, approval of:**

- **Minutes for the 8/26/20 Regular Board Meeting**
- **Minutes for the 9/09/20 Regular Board Meeting**
- **Payroll for Pay Period #19 (09/05/2020 through 09/18/2020) totaling \$45,705.84**
- **Payroll Benefits for Pay Period #19 totaling \$51,124.07**
- **Accounts Payable Vouchers totaling \$694,684.16**

**Motion passed.**

#### **Sudden Valley Water Treatment Plant Alternatives Analysis Briefing #1**

Hunter reminded the Board that In July 2020, Gray & Osborne, Inc. (G&O) completed a condition assessment in which engineers evaluated the SVWTP from a process, structural/architectural, mechanical, and electrical

perspective. The assessment identified both high and low priority items that should be completed to maintain current and reliable function of the SVWTP into the future.

Hunter then introduced Keith Stewart and Russ Porter of G&O explaining that over the next few months, the consultants will be presenting a series of technical memo presentations to be rolled into a complete package of recommendations next spring. Stewart and Porter presented an overview of the project description and purpose, G&O's approach to the project, and a summary of findings and recommendations relating to Pump Performance Testing and Chlorine Contact Basin Coating. Discussion followed.

#### **November 11, 2020 Board Meeting Date Change**

Clary explained that as codified in Section 3.8.1 of the District Administrative Code, the first Board meeting of the month occurs on the second Wednesday. However, the first regularly scheduled meeting of November falls on a federal holiday (Veterans Day). Staff recommendation was to move the Board meeting to Thursday, November 12.

#### **Action Taken**

**Citron moved, McRoberts seconded, to reschedule the date of the first regularly scheduled meeting of the Board of Commissioners during the month of November 2020 to be held at 6:30 p.m. on Thursday, November 12. Motion passed.**

#### **Agate Creek Restoration Contract Closeout**

Clary recalled that the Board of Commissioners approved the contract award of the Agate Creek Streambed Restoration Contract to P&P Excavating LLC during its regularly scheduled meeting on August 26, 2020. P&P Excavating LLC has completed all contract requirements, a brief overview of repairs was given.

#### **Action Taken**

**Citron moved, McRoberts seconded, accept the Agate Creek Streambed Restoration Project as complete and authorize staff to close-out the public works project. Motion passed.**

#### **On-site Sewage System Impact Assessment Findings Discussion**

Clary recounted that Rob Zisette of Herrera Environmental Consulting provided a presentation to the Board on the results and conclusions of the 2020 monitoring effort during the Board's September 9, 2020, meeting, as well as to the Lake Whatcom Management Program Policy Group during its September 23 meeting. The presentation included results of a series of monitoring events along the shores of Lake Whatcom to assess the impact of existing on-site sewage (septic) systems in comparison to areas with sewer service and areas with no septic or sewer. The purpose of including the discussion in the September 30 board agenda is to illicit further discussion regarding the assessment findings. Discussion followed.

#### **General Manager's Report**

Clary updated the Board on several topics, including the District's continued response to the COVID-19 pandemic, a short report on the Washington Association of Sewer & Water Districts fall conference, and completion of the compelled sewer connection at 1313 Oriental Avenue. He also updated the Board on progress in the Puget Sound Nutrient Loading wastewater treatment plant permit process and progress toward an updated tributary monitoring contract in partnership with the City of Bellingham and Whatcom County. Discussion followed.

### **Engineering Department Report**

Hunter highlighted several projects, including work with Puget Sound Energy on power utility improvements at the Dellesta sewer lift station, the first work order issues under the new Inflow & Infiltration unit-oprice contract, and fire hydrant adapter installation in Geneva. Discussion followed.

### **Finance Department Report**

Denton reported that revenues are tracking closely to budget, and highlighted the new process in customer service of entering communication requests in the Cartegraph system. She also reported that a recommendation would be made at a meeting in October to award the contract for the upcoming rate study. Discussion followed.

### **Operations & Maintenance Department Report**

Winters gave a brief report on ongoing projects and development in the Operations Department, including installation of eight new services and work with 19 contractors. Clary recognized Winters for diligence throughout the challenges of open construction season in the watershed. Discussion followed.

With no further business, Abele adjourned the Regular Session 9:34 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



## LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA 98229

### REGULAR SESSION OF THE BOARD OF COMMISSIONERS

## Minutes

*October 14, 2020*

Board President Laura Abele called the Regular Session to order at 6:30 p.m.

<b>Attendees:</b> Commissioner Laura Abele	General Manager Justin Clary
Commissioner Todd Citron	Finance Manager/Treasurer Debi Denton
Commissioner Bruce Ford	Operations & Maintenance Manager Brent Winters
Commissioner Leslie McRoberts	Consulting Engineer Melanie Mankamyer
Recording Secretary Rachael Hope	District Legal Counsel Bob Carmichael

**Excused Absences:** Commissioner John Carter

All attendees participated remotely by phone or video conferencing. No public were in attendance.

#### Roll Call

General Manager Justin Clary performed a roll call to identify those in attendance, and then verbally confirmed that the meeting was noticed in accordance with Resolution No. 859 allowing remote meeting attendance as well as in compliance with current statutory requirements. It was confirmed that all participants were able to be heard and hear each other clearly.

#### Consent Agenda

##### Action Taken

**Citron moved, Ford seconded, approval of:**

- 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 totaling \$206,593.94

**Motion passed.**

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

Hunter updated the Board on the District's 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 gravity sewer pipe. Discussion followed.

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

Hunter explained that the District recently executed a unit price contract with Olson Brothers Pro-Vac (District Contract #C2003-II). Staff previously 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 2020 Budget for District Project #C2003 Sewer System Rehab and Replacement. Staff then 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, it was necessary for the Board to authorize additional funding, as the project cost exceeds the current funding allocated in the 2020 Budget. Discussion followed.

#### **Action Taken**

**Citron moved, Ford seconded, to allocate \$45,000 for sewer system repairs identified in Work Order #2 from unallocated sewer capital project funds (approximately \$172,000). Motion passed.**

Commissioner Abele exited the meeting at 7:18 pm and Commissioner Citron presided over the remainder of the meeting.

**McRoberts moved, Ford seconded, 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. Motion passed.**

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

Hunter informed the Board that Norton Corrosion Limited LLC was the sole bidder on this project, which 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. Discussion followed.

#### **Action Taken**

**Ford moved, McRoberts seconded, 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. Motion passed.**

**Contingent upon the contractor resolving Washington State Department of Labor and Industries requirements with regard to insurance, Ford moved, McRoberts seconded , 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. Motion passed.**



### **Electrical On-Call Unit Price Public Works Contract Award**

Hunter apprised the Board that 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 require 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 unit price contract states a term of 12-months from the date of execution with the District's option to extend the contract for an additional one-year period (as allowed by statute). Work will be defined and authorized by Work Order using the unit prices on the Bid Tabulation. Discussion followed.

### **Action Taken**

**Ford moved, McRoberts seconded, 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. Motion passed.**

### **Preliminary 2021 Budget Presentation**

Denton indicated that through the powers granted under Revised Code of Washington Title 57 (Water-Sewer Districts) and codified under the District's Administrative Code; 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.

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 baseline budget for Board discussion. 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. Discussion followed.

### **Other Business**

Commissioners McRoberts and Ford requested to move item 11: Executive Session to review the performance of a public employee (General Manager) to the next Board Meeting when all commissioners are present. The Board agreed.

### **General Manager's Report**

Clary provided the Board with updates on several areas of business, including the District's ongoing response to the COVID-19 pandemic and Governor Inslee's extension of no lock-offs and no late fees to December 31. He also reported on the recent WASWD General Managers Meeting, impending delivery of the District's new vac truck, and delivery of the 2021 proposed management initiatives given to the Board for review. Discussion followed.

With no further business, Citron adjourned the Regular Session 8:10 p.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

# PAYROLL

Lake Whatcom W-S District

Time: 14:34:16 Date: 10/19/2020

MCAG #: 2330

10/22/2020 To: 10/22/2020

Page: 1


Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3198	10/22/2020	Payroll	5	EFT		224.40	10/03/2020 - 10/16/2020 PR 22
3199	10/22/2020	Payroll	5	EFT		353.07	10/03/2020 - 10/16/2020 PR 22
3200	10/22/2020	Payroll	5	EFT		823.83	10/03/2020 - 10/16/2020 PR 22
3201	10/22/2020	Payroll	5	EFT		3,671.29	10/03/2020 - 10/16/2020 PR 22
3202	10/22/2020	Payroll	5	EFT		2,749.60	10/03/2020 - 10/16/2020 PR 22
3203	10/22/2020	Payroll	5	EFT		4,512.78	10/03/2020 - 10/16/2020 PR 22
3204	10/22/2020	Payroll	5	EFT		3,497.53	10/03/2020 - 10/16/2020 PR 22
3206	10/22/2020	Payroll	5	EFT		2,748.93	10/03/2020 - 10/16/2020 PR 22
3208	10/22/2020	Payroll	5	EFT		1,258.12	10/03/2020 - 10/16/2020 PR 22
3209	10/22/2020	Payroll	5	EFT		2,860.10	10/03/2020 - 10/16/2020 PR 22
3210	10/22/2020	Payroll	5	EFT		1,997.29	10/03/2020 - 10/16/2020 PR 22
3211	10/22/2020	Payroll	5	EFT		3,161.98	10/03/2020 - 10/16/2020 PR 22
3212	10/22/2020	Payroll	5	EFT		2,376.84	10/03/2020 - 10/16/2020 PR 22
3213	10/22/2020	Payroll	5	EFT		2,086.29	10/03/2020 - 10/16/2020 PR 22
3214	10/22/2020	Payroll	5	EFT		353.07	10/03/2020 - 10/16/2020 PR 22
3215	10/22/2020	Payroll	5	EFT		2,433.15	10/03/2020 - 10/16/2020 PR 22
3216	10/22/2020	Payroll	5	EFT		1,622.77	10/03/2020 - 10/16/2020 PR 22
3217	10/22/2020	Payroll	5	EFT		1,743.23	10/03/2020 - 10/16/2020 PR 22
3218	10/22/2020	Payroll	5	EFT		2,144.86	10/03/2020 - 10/16/2020 PR 22
3219	10/22/2020	Payroll	5	EFT		2,744.88	10/03/2020 - 10/16/2020 PR 22
3220	10/22/2020	Payroll	5	EFT		2,477.04	10/03/2020 - 10/16/2020 PR 22
3205	10/22/2020	Payroll	5	10891		470.76	10/03/2020 - 10/16/2020 PR 22
3207	10/22/2020	Payroll	5	10892		1,380.56	10/03/2020 - 10/16/2020 PR 22

401 Water Fund  
402 Sewer Fund

14,140.02  
33,552.35

47,692.37 Payroll: 47,692.37

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 10/19/2020

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

# BENEFITS

## CHECK REGISTER

Lake Whatcom W-S District  
MCAG #: 2330

10/22/2020 To: 10/22/2020

Time: 14:56:16 Date: 10/19/2020

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3221	10/22/2020	Payroll	5	EFT	UNITED STATES TREASURY	17,596.31	941 Deposit for Pay Cycle(s) 10/22/2020 - 10/22/2020
3222	10/22/2020	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	208.34	Pay Cycle(s) 10/22/2020 To 10/22/2020 - SUP ENF
3223	10/22/2020	Payroll	5	10893	AFLAC	354.85	Pay Cycle(s) 10/22/2020 To 10/22/2020 - AFLAC Pre-Tax; Pay Cycle(s) 10/22/2020 To 10/22/2020 - AFLAC Post-Tax
3224	10/22/2020	Payroll	5	10894	AFSCME LOCAL	363.24	Pay Cycle(s) 10/22/2020 To 10/22/2020 - Union Dues; Pay Cycle(s) 10/22/2020 To 10/22/2020 - Union Fund
3225	10/22/2020	Payroll	5	10895	DEPARTMENT OF RETIREMENT SYSTEMS	4,070.03	Pay Cycle(s) 10/22/2020 To 10/22/2020 - DCP
3226	10/22/2020	Payroll	5	10896	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 10/22/2020 To 10/22/2020 - VEBA
3227	10/22/2020	Payroll	5	10897	VANTAGEPOINT TRANSFER AGENTS - 306798	100.00	Pay Cycle(s) 10/22/2020 To 10/22/2020 - ICMA
3228	10/22/2020	Payroll	5	10898	WA ST HEALTH CARE AUTHORITY	14,533.67	Pay Cycle(s) 10/22/2020 To 10/22/2020 - PEBB Medical; Pay Cycle(s) 10/22/2020 To 10/22/2020 - PEBB ADD LTD; Pay Cycle(s) 10/22/2020 To 10/22/2020 - PEBB SMK Surcharge; Pay Cycle(s) 10/22/2020 To 10/22/2020
3229	10/22/2020	Payroll	5	10899	WA ST PUBLIC EMP RET PLAN 2	11,237.69	Pay Cycle(s) 10/22/2020 To 10/22/2020 - PERS 2
3230	10/22/2020	Payroll	5	10900	WA ST PUBLIC EMP RET PLAN 3	3,160.39	Pay Cycle(s) 10/22/2020 To 10/22/2020 - PERS 3
401 Water Fund						38,558.62	
402 Sewer Fund						13,655.90	

52,214.52 Payroll: 52,214.52

# CHECK REGISTER

# BENEFITS

Lake Whatcom W-S District

Time: 14:56:16 Date: 10/19/2020

MCAG #: 2330

10/22/2020 To: 10/22/2020

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 10/19/2020

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



**AGENDA  
BILL  
Item 7.A**

**Beaver and Flat Car  
PLC and UPS Improvements  
Contact Award**

DATE SUBMITTED:	October 21, 2020	MEETING DATE:	October 28, 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**

In June 2017, the Allen Bradley PLC-5 (Programmable Logic Controller) Control System was discontinued by the manufacturer, Rockwell Automation, and is no longer available or supported. Since Rockwell Automation's suspension of supplying replacement parts for these systems, many users are experiencing increased competition for used or surplus parts, which has resulted in making parts hard to find, expensive, and with no manufacturer guaranty. Rockwell is encouraging customers to migrate from the PLC-5 Control System to the ControlLogix/CompactLogix PLC platform, for which, hardware components and support are readily available.

The District has several facilities that use these older style PLCs:

- Sudden Valley Sewer Lift Station
- Flat Car Sewer Lift Station
- Beaver Sewer Lift Station
- Division 30 Booster Pump Station

District Capital Improvement Project No. M1917 is intended to begin the replacement of discontinued PLCs, as well as to make uninterruptable power supply (UPS) improvements for better reliability. As part of this project, the District retained RH2 Engineering through an architectural/engineering professional services agreement that was executed on June 1, 2020 and expires December 31, 2025.

Staff, with the assistance of RH2 Engineering, identified Beaver and Flat Car sewer lift stations PLC and UPS Improvements as a first project to undertake in a progression of several future projects to complete all of the replacements. The two stations were selected because they are very similar stations that allow for duplication of cost efficiencies, PLC

and UPS improvements will provide the biggest impact on overall system resiliency, and conceptual cost estimates were close to keeping within the 2020 budgeted amount.

The District executed the first task order on July 1, 2020 with RH2 that includes design, services during bidding, and services during construction, startup, and programming.

The District published an Advertisement for Bids in the Bellingham Herald on October 2, 2020 for the actual system improvements. A non-mandatory pre-bid meeting was held on October 13, 2020. Bids were due on October 20, 2020 with one bid received. The bid tabulation is attached.

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

### **FISCAL IMPACT**

The 2020 budget includes \$100,000 to start the replacement process, with the intent of additional future funding as costs are developed while working through the initial project scope.

Current estimated total projects costs are:

RH2 Engineering Task Order	\$48,145.00
QCC Quality Controls Corp. Bid, incl. sales Tax	\$65,045.75
<u>QCC SCADA Integration and Commissioning Support Estimate</u>	<u>\$5,000.00</u>
Estimated Project Cost	\$118,190.75

Staff recommends supplementing the approved project budget with an additional \$18,190.75 by utilizing unallocated sewer capital project funds (approximately \$127,000) for a new total project budget of \$118,190.75.

### **RECOMMENDED BOARD ACTION**

Staff recommends that the Board award the contract as presented.

### **PROPOSED MOTION**

Recommended motions are:

“I move to allocate \$18,190.75 from unallocated sewer capital project funds to District Project No. M1917 for a new total budget of \$118,190.75.”

“I move to award the Beaver and Flat Car PLC and UPS Improvements public works contract to QCC Quality Controls Corporation for a total contract price of \$65,045.75, including 8.5% sales tax, and authorize the general manager to execute the contract.”

LAKE WHATCOM WATER & SEWER DISTRICT  
 1220 LAKEWAY DRIVE  
 BELLINGHAM, WA 98229  
 (360) 734-9224



### BID TABULATION

PROJECT NAME	PROJECT #	BID REVIEW DATE	PAGE # OF #	LOCATION		
Beaver and Flat Car PLC and UPS Improvements	20-0070 (aka M1917)	10/20/2020	1 OF 1	1220 Lakeway Drive, Bellingham, WA 98229		
NAME OF FIRM	Engineer's Estimate		QCC Quality Controls Corp	Bidder 2	Bidder 3	Bidder 4

Item	Description	Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
<b>BASE BID</b>													
1	Mobilization, Demobilization, Site Preparation, and Cleanup	1	LS	\$5,000.00	\$5,000.00	\$5,500.00	\$5,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	Flat Car Sewer Pump Station Automatic Control	1	LS	\$30,000.00	\$30,000.00	\$27,225.00	\$27,225.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	Beaver Sewer Pump Station Automatic Control	1	LS	\$31,000.00	\$31,000.00	\$27,225.00	\$27,225.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Trench Excavation Safety and Shoring	1	LS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal					\$ 66,000.00		\$ 59,950.00		\$ -		\$ -		\$ -
Sales Tax (8.5%)					\$ 5,610.000		\$ 5,095.750		\$ -		\$ -		\$ -
<b>Total</b>					<b>\$ 71,610.000</b>		<b>\$ 65,045.750</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>

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

N/A

Yes

ADDENDUM ACKNOWLEDGED? (YES OR NO)

Yes (1 Addendum)


Yes





**AGENDA  
BILL  
Item 9.A**

**General Manager's  
Report**

DATE SUBMITTED:	October 22, 2020	MEETING DATE:	October 28, 2020
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
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, October 28, 2020 – 8:00 a.m.

### Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Thu Nov 12, 2020	6:30 p.m.	Remote Attendance
Employee Staff Meeting	Thu Nov 12, 2020	8:00 a.m.	Remote Attendance Commissioner Carter to attend
Investment Comm. Meeting	Wed Oct 28, 2020	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Wed Oct 29, 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 Nov 18, 2020	1:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed Dec 9, 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
- Late Fee/Shut-off suspension extension
- Sudden Valley water treatment plant master plan alternatives presentation
- 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 Effective Utility Management self-assessment process was completed at varying levels of the organization that included 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 is in the process of negotiating 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 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 improve 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 staffing succession 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 continues to represent WASWD at various (virtual) convenings of the Washington's Growth Policy Framework Update.
- J Clary attended the (virtual) WASWD Section III meeting on October 13.
- J Clary attended the (virtual) WASWD Managers' quarterly meeting on October 14.
- J Clary attended a (virtual) WASWD Puget Sound Nutrient Permit meeting on October 19.
- J Clary attended various sessions of the (virtual) Infrastructure Assistance Coordinating Council conference on October 20-22.
- J Clary and R Munson attended the (virtual) Water Sewer Risk Management Pool semi-annual meeting on October 22.
- J Clary has been engaged with Whatcom County Councilmember Byrd and County staff regarding securing CARES Act funding for District customers impacted by the COVID-19 pandemic.

### 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 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 9.B**

**Engineering Department  
Report**

DATE SUBMITTED:	October 22, 2020	MEETING DATE:	October 28, 2020
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Engineering Department Report		
	2.		
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 regarding District projects and current priorities in advance of the Board meeting.

**FISCAL IMPACT**

None.

**RECOMMENDED BOARD ACTION**

None required.

**PROPOSED MOTION**

None.



# Lake Whatcom Water & Sewer District Engineering Department Report

Prepared for the October 28, 2020 Board Meeting  
Data Compiled 10/22/20 by RH, BH, RM, KH

Status of Water and System Capacities				
	South Shore ID# 95910	Eagleridge ID# 08118	Agate Heights ID# 52957	Johnson Well ID# 04782
DOH Approved ERUs	**	85	57	2
Connected ERUs	3881	70	44	2
Remaining Capacity (ERUs)	**	15	13	0
Permitted ERUs Under Construction	36	0	0	0
Pre-paid Connection Certificates & Expired Permit	14	0	5	0
Water Availabilities (trailing 12 months)	44	0	0	0
Subtotal - Commitments not yet connected	94	0	5	0
<b>Available ERUs</b>	<b>**</b>	<b>15</b>	<b>8</b>	<b>0</b>

\*\* Per DOH, water system capacity is sufficient for buildout. Oct 2018

Annual Reports		
Name Of Report	Deadline	Completed
Report Number of Sewer ERUs to City of Bellingham Prepared by: Bill	January 15	March 3, 2020
Other Reports		
Name Of Report	Deadline	Last Completed
Water Right Permit No. G1-22681 Development Extension	Due Every 5 Years Next Due Feb 15, 2023	March 20, 2018
Water Right Permit No. S1-25121 Development Extension	Due Every 5 Years Next Due March 30, 2023	March 20, 2018

Developer Extension Agreements			
D1801	Sudden Valley Community Association - Area Z Fire Hydrant		
Scope	Installation of Fire Hydrant		
Sign Date	8/16/2018	Expiration Date	8/16/2021 (3 years)
Prior to Commencing Construction		Prior to Final Acceptance	
<input checked="" type="checkbox"/> 1. District Engineer approves design <input checked="" type="checkbox"/> 2. Reimbursement of District Engineer review costs <input checked="" type="checkbox"/> 3. Copy of insurance policy <input checked="" type="checkbox"/> 4. <del>Copies of recorded easement</del> <i>n/a: to be recorded prior to final acceptance, property owned by Sudden Valley Community Association</i> <input checked="" type="checkbox"/> 5. Copies of permits <input checked="" type="checkbox"/> 6. Pay Developer Conformance Deposit <i>Receipt #16291 8/14/18</i> <input checked="" type="checkbox"/> 7. Developer delivers performance bond  <i>Assignment of savings account received in the amount of \$135,798 and dated 8/14/2018. This will cover up to \$90,532 of constructed facilities</i> <input checked="" type="checkbox"/> 8. Pays 25% of total amount of general facilities connection fees due to District <i>n/a: no new connection</i> <input checked="" type="checkbox"/> 9. Pays District Administration, Legal Services, and Inspection Deposit <i>Receipt #16291 8/14/18</i> <input checked="" type="checkbox"/> 10. District Issues Notice to Proceed w/Construction		<input checked="" type="checkbox"/> 1. District inspects & approves facilities as complete <input type="checkbox"/> N/A 2. District receives water meters for each service <input checked="" type="checkbox"/> 3. District accepts record drawings <input checked="" type="checkbox"/> 4. District accepts easements & title insurance <input type="checkbox"/> 5. District receives warranty bond or like security <input type="checkbox"/> 6. District receives maintenance bond <input checked="" type="checkbox"/> 7. District receives and approves Bill of Sale <input type="checkbox"/> N/A 8. District receives a copy of recorded plat or legal description <input checked="" type="checkbox"/> 9. District receives legal description of property <input type="checkbox"/> N/A 10. District receives Latecomers Reimbursement fees due to other Developers (if applicable) <input checked="" type="checkbox"/> 11. Developer pays any applicable Supplemental DEA Processing/General Administrative fees <input type="checkbox"/> N/A 12. District receives signed and notarized Latecomers Reimbursement Agreement (when applicable) <input type="checkbox"/> 13. Developer has reimbursed the District for all incurred costs associated with DEA <input type="checkbox"/> 14. Developer has met and completed all local, state, and federal permit requirements <input checked="" type="checkbox"/> 15. Copies of recorded easement on file with District	
Tasks/Notes			
<ul style="list-style-type: none"> <li>7/3/2018 DEA Application Received</li> <li>7/25/2018 Board Authorizes DEA with Conditions</li> <li>8/7/2018 SVCA Submits Hydraulic Analysis</li> <li>8/14/2018 SVCA submits drawings, DEA, assignment of savings, insurance certificate, check for \$6,750 (\$5,000 deposit for review &amp; inspection, \$1,000 conformance deposit, and \$750 for processing fee), and shallow pipe depth memo.</li> <li>9/5/2018 District completes review of hydraulic analysis. 1,250 GPM for 90 minutes is available.</li> <li>9/5/2018 SVCA submits revised plans. Review on hold until SVCA makes another deposit of \$5,329.66 to cover legal and engineering review.</li> </ul>			
Continued on next page			




Developer Extension Agreements (cont'd)	
<b>D1801</b>	<b>Sudden Valley Community Association - Area Z Fire Hydrant</b>
Tasks/Notes (cont'd)	
<ul style="list-style-type: none"> <li>• 12/17/2018 Deposit of \$5,329.66 received</li> <li>• 1/23/2019 Meeting with SVCA to review revised plans received 1/9/2019</li> <li>• 2/26/2019 SVCA submits revised plans</li> <li>• 3/20/2019 District returns plan review comments to Wilson Engineering</li> <li>• 4/1/2019 Deposit of \$2031.91 received.</li> <li>• 4/9/2019 District approves plans and issues notice to proceed.</li> <li>• 6/3/2019 Preconstruction meeting with SVCA, contractor, and Wilson to coordinate construct and inspections. Contractor will be starting work soon.</li> <li>• 8/5/2019 Punch list inspection</li> <li>• 8/15/2019 Final acceptance checklist/punch list sent to SVCA</li> <li>• 9/19/2019 Deposit of \$13,842.73 received.</li> <li>• 10/22/2019 District Preparing Bill of Sale, Easement, and Supplemental Conditions agreemnt</li> <li>• 11/7/2019 District receives record drawings</li> <li>• 11/18/2019 Supplemental conditions and municipal utility easement sent to SVCA</li> <li>• 11/18/2019 Deposit of \$2,136.39 received.</li> <li>• 12/16/2019 District reviewing SVCA's proposed changes to bill of sale and supplemental conditions and municipality utility easement agreement received 12/16/19</li> <li>• 1/15/2020 District receives signed supplemental conditions and municipality utility easement agreement</li> <li>• 2/11/2020 District receives and signs bill of sale</li> <li>• 3/6/2020 Bill of Sale Recorded</li> <li>• 3/17/2020 Sent status letter to SVCA for final acceptance, need maintenance bond &amp; ecology permit documentation to close out project</li> </ul>	



**AGENDA  
BILL  
Item 9.C**

**Finance Department  
Report**

DATE SUBMITTED:	October 22, 2020	MEETING DATE:	October 28, 2020
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Monthly Revenue & Expenditures		
	2. Investment Report		
	3. 3 <sup>rd</sup> Quarter 2020 Financial 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 regarding District finances in advance of the Board meeting.

**FISCAL IMPACT**

None.

**RECOMMENDED BOARD ACTION**

None required.

**PROPOSED MOTION**

None.

LAKE WHATCOM WATER AND SEWER DISTRICT				
	<b>Description</b>	<b>Budget 2020</b>	<b>9/30/2020</b>	<b>75%</b>
<b>WATER - 401</b>				
<b>REVENUES</b>				
	EPA Grant Water Quality			
401-333-66-00-00	North Shore Sampling Interlocal Agreement	40,000		
401-343-40-10	Water Sales Metered (4% base rate increase) *	2,632,739	1,933,484	73.44%
401-343-40-20	DEA Permits		(9,311)	
401-343-41-10	Permits (15 new connection permits) \$6,000	90,000	204,425	227.14%
401-343-81-10	Combined Fees (Increase in Lien and Lock fees)	35,000	13,364	38.18%
401-359-90-00	Late fees	55,000	14,573	26.50%
401-361-11-00	Investment Interest	30,000	10,370	34.57%
401-369-10-00	Sale of scrap metal and surplus	3,000	115	0.038333
401-369-10-01	Miscellaneous	1,000	333	33.30%
401-369-40-00	Judgements and Settlements	-	-	
401-395-10-00	Sale of Capital Assets	-	-	
401-395-20-00	Insurance Recoveries	-	-	
	<b>TOTAL REVENUES</b>	<b>2,886,739</b>	<b>2,167,353</b>	<b>75.08%</b>
	* Per Resolution 844 effective 1/1/2020			
	Scheduled annual rate increase			

LAKE WHATCOM WATER AND SEWER DISTRICT				
	<b>Description</b>	<b>Budget 2020</b>	<b>9/30/2020</b>	<b>75%</b>
<b>SEWER - 402</b>				
<b>REVENUES</b>				
402-343-41-10-02	Permits (15 new connection permits) \$9,000	135,000	244,827	181.35%
402-343-50-11	Sewer Service Residential (2.5% rate increase) *	4,186,946	3,126,782	74.68%
402-343-50-19	Sewer Service Other	4,500	3,389	75.31%
402-343-50-80	Latecomer's Fees	-	-	0
402-361-11-00-02	Investment Interest	30,000	8,619	28.73%
402-361-40-00-80	ULID 18 Interest/Penalties	4,000	5,894	147.35%
402-368-10-00-80	ULID 18 Principal Payments	15,000	12,817	85.45%
402-369-10-00-02	Sale of scrap metal and surplus	3,000	96	0.032
402-369-10-00-02	Miscellaneous	1,000	333	33.30%
402-369-40-02	Judgements and Settlements	-	8,282	0
402-395-10-00-02	Sale of Capital Assets	-	-	0
402-395-20-02	Insurance Recoveries	-	-	0
	<b>TOTAL REVENUES</b>	<b>4,379,446</b>	<b>3,411,039</b>	<b>77.89%</b>
	* Per Resolution 844 effective 1/1/2020			
	Scheduled annual rate increase			

# LAKE WHATCOM WATER AND SEWER DISTRICT

	Description	Budget	9/30/2020	75%
<b>WATER - 401</b>	<b>OPERATING EXPENDITURES</b>			
401-534-10-10	Admin Payroll (2.2% cola plus step increases - 2020)	353,900	266,967	75.44%
401-534-10-20	Admin Personnel Benefits	174,250	112,673	64.66%
401-534-10-31	Gen Admin Supplies/Equipment (Master Meter Software)	35,000	17,409	49.74%
401-534-10-31-01	Meetings/Team building	2,000	932	46.60%
401-534-10-40	Merchant Services Fees	10,000	8,370	83.70%
401-534-10-40-01	Bank Fees		596	
	Interlocal - Invasive Species (City) (8% increase)	55,000	50,000	
	Interlocal - Lake Whatcom Tributary Monitor (County)	5,000	6,276	
	North Shore Sampling (County Interlocal Agreement)	100,000	97,475	
	Mutt Mits	5,000	5,575	
401-534-10-41	Water Quality Assurance Programs (TOTAL)	165,000	159,326	
	County Auditor Filing Fees	3,000		
	Statement processing	12,500		
	Answering Service	750		
	Time clock system	750		
	Financial Software Maintenance	5,000		
	Web Check services	2,500		
	CPA (Financial statements)	3,000		
	Rate Study	15,000		
	State Audit	8,000		
	Ergonomic Assessment	1,000		
	Docuware maintenance and upgrade	4,500		
	Computer support	15,000		
	Anti virus subscription	500		
	Building security	1,000		
	Building custodial	5,000		
	Pest control	500		
	Landscaping service	3,000		
	South Whatcom Fire (hydrant maintenance)	1,000		
	Scada System Software Maintenance - Operations	3,750		
	Cyber Security AWIA Assessment	5,000		
	SCADA/PLC Support - Engineering/Operations	5,000		
	Cartegraph - Engineering/Operations	2,500		
	Auto Desk - Engineering	500		
	GIS Partnership (County)	500		
	Rockwell - Engineering/Operations	250		
	IT Pipes	750		

# LAKE WHATCOM WATER AND SEWER DISTRICT

	Description	Budget	9/30/2020	75%
	ESRI - ARC GIS	750		
	Innovyze - Engineering	1,250		
	Master Meter	2,000		
	Cyberlock software	500		
	Whatcom County Emergency Management	10,000		
	Misc (Bid notices etc.)	2,500		
401-534-10-41-01	Professional Services (TOTAL)	117,250	88,094	75.13%
401-534-10-41-02	Water Engineering Services	21,000	15,518	73.90%
401-534-10-41-03	Water Legal Services	20,000	13,113	65.57%
401-534-10-41-04	DEA expenditures	-	2,200	
401-534-10-42	Communication	30,000	23,552	78.51%
401-534-10-45	Admin Lease (copy/printers)	5,000	3,988	79.76%
401-534-10-46	Property Insurance	72,000	1,276	1.77%
401-534-10-49	Admin Misc.	500	30	6.00%
401-534-10-49-01	Memberships/Dues/Permits	10,000	13,239	132.39%
401-534-10-49-02	WA State Dept of RevenueTaxes/County Stormwater fees	115,000	81,792	71.12%
401-534-40-43	Training & Travel	17,500	5,034	28.77%
401-534-40-43-01	Tuition reimbursement	500	-	0.00%
401-534-50-31	Operations/Maintenance Supplies	95,000	105,890	111.46%
401-534-50-31-01	Small Assets/tools	30,000	32,369	107.90%
401-534-50-48	Operations Repair/Maint contracted work	35,000	36,248	103.57%
401-534-50-49	Insurance Claims	2,500	-	0.00%
401-534-60-41	Operations Contracted (water testing)	12,500	8,897	71.18%
401-534-60-47	Water City of Bellingham	40,000	16,002	40.01%
401-534-80-10	Operations Payroll (2.2% cola plus step increases - 2020)	575,561	446,033	77.50%
401-534-80-20	Operations Personnel Benefits (Medical,Retirement etc)	247,590	188,305	76.06%
401-534-80-32	Fuel	15,000	7,204	48.03%
401-534-80-35	Safety Supplies	9,000	4,824	53.60%
401-534-80-35-01	Safety Supplies Boots	1,250	504	40.32%
401-534-80-35-02	Emergency Preparedness	5,000	2,478	49.56%
401-534-80-43-00	Water - Operatoins Training/Travel/Certification		300	
401-534-80-47	General Utilities (Electric, gas, water, garbage)	110,000	86,602	78.73%
401-534-80-49	Laundry	2,000	1,185	59.25%
	Payroll liability		(1,353)	
	<b>WATER OPERATING EXPENDITURES</b>	<b>2,329,301</b>	<b>1,749,597</b>	<b>75.11%</b>
<b>DEBT SERVICE</b>				

# LAKE WHATCOM WATER AND SEWER DISTRICT

	Description	Budget	9/30/2020	75%
401-591-34-77-01	Redemption of Long Term Debt Geneva AC Mains	119,938	119,938	
401-591-34-77-02	Redemption of Long Term Debt Div 22 Reservoir	65,475	65,475	
401-592-34-83-01	Debt Service Interest Geneva AC Mains	28,785	28,785	
401-592-34-83-02	Debt Service Interest Div 22 Reservoir	17,678	17,678	100%
<b>SYSTEM REINVESTMENT</b>				
	2019 System Reinvestment Projects	105,000		
	2020 System Reinvestment Projects	457,400		
401-534-10-41-20	20 Year Plan for SVWTP C19-13		43,679	
401-594-34-62-01	Water Structures		75,942	
401-594-34-63-01	Water System		35,920	
401-594-34-64-01	Water Equipment		13,558	30.07%
<b>WATER FUND</b>	<b>TOTAL WATER REVENUES</b>	<b>2,886,739</b>	<b>2,167,353</b>	
	<b>TOTAL WATER EXPENDITURES</b>	<b>(3,123,577)</b>	<b>(2,150,572)</b>	<b>68.85%</b>
	<b>2019 BALANCE CARRYOVER</b>	<b>987,272</b>	<b>987,272</b>	
	<b>2019 CONTINGENCY CARRYOVER</b>	<b>460,000</b>	<b>460,000</b>	
	<b>2020 ALLOCATED TO OPERATING RESERVES</b>	<b>(520,000)</b>	<b>(520,000)</b>	
	<b>2020 ALLOCATED TO WATER CONTINGENCY</b>	<b>(460,000)</b>	<b>(460,000)</b>	
	<b>AVAILABLE 2020 YEAR END BALANCE</b>	<b>230,434</b>	<b>484,053</b>	

# LAKE WHATCOM WATER AND SEWER DISTRICT

	Description	Budget	9/30/2020	75%
<b>SEWER - 402</b>				
<b>OPERATING EXPENDITURES</b>				
402-535-10-10	Admin Payroll (2.2% cola plus step increases - 2020)	353,900	266,966	75.44%
402-535-10-20	Admin Personnel Benefits	174,250	112,670	64.66%
402-535-10-31	Gen Admin Supplies/Equipment	20,000	19,873	99.37%
402-535-10-31-01	Meetings/Team building	2,000	1,062	53.10%
402-535-10-40	Merchant Services Fees	10,000	8,370	83.70%
402-535-10-40-01	Bank Fees	-	486	
	County Auditor Filing Fees	3,000		
	Statement processing	12,500		
	Answering Service	750		
	Time clock system	750		
	Financial Software Maintenance	5,000		
	Web Check services	2,500		
	CPA (Internal audit and Financial statements)	3,000		
	Rate study	15,000		
	State audit	8,000		
	Ergonomic Assessment	1,000		
	Docuware maintenance and upgrade	4,500		
	Computer support	15,000		
	Cyber Security AWIA Assessment	5,000		
	Anti virus subscription	500		
	Building security for offices	1,000		
	Building custodial	5,000		
	Pest control	500		
	Landscaping service	3,000		
	Scada System Software Maintenance - Operations	3,750		
	Camera Van Software	1,500		
	SCADA/PLC Support - Engineering/Operations	5,000		
	Cartegraph - Engineering/Operations	2,500		
	Auto Desk - Engineering	500		
	GIS Partnership (County)	500		
	Rockwell - Engineering/Operations	250		
	IT Pipes	750		
	ESRI - ARC GIS	750		
	Innovyze - Engineering	1,250		



# LAKE WHATCOM WATER AND SEWER DISTRICT

	Description	Budget	9/30/2020	75%
	Cyberlock software	500		
	Whatcom County Emergency Management	10,000		
	Misc (Bid notices etc.)	2,500		
402-535-10-41-01	Professional Services (TOTAL)	115,750	84,844	73.30%
402-535-10-41-02	Engineering Services	19,000	11,336	59.66%
402-535-10-41-03	Legal Services	20,000	17,004	85.02%
402-535-10-41-04	DEA expenditures		-	
402-535-10-42	Communication	30,000	23,589	78.63%
402-535-10-45	Admin Lease (copy/printers)	5,000	3,988	79.76%
402-535-10-46	Property Insurance	72,000	1,276	1.77%
402-535-10-49	Admin Misc.	500	65	13.00%
402-535-10-49-01	Memberships/Dues/Permits	8,000	7,384	92.30%
402-535-10-49-02	WA State Dept of RevenueTaxes/County Stormwater fees	115,000	81,792	71.12%
402-535-40-43	Training & Travel	17,500	3,912	22.35%
402-535-40-43-01	Tuition reimbursement	500	-	0.00%
402-535-50-31	Operations/Maintenance Supplies	55,000	26,024	47.32%
402-535-50-31-01	Small Assets/tools	25,000	18,437	73.75%
402-535-50-48	Operations Repair/Maint contracted work	80,000	61,172	76.47%
402-535-50-49	Insurance Claims	2,500	815	32.60%
402-535-60-41	Operations Contracted (generator load testing)	15,000	985	6.57%
402-535-60-47	Sewer City of Bellingham Treatment Fee	680,000	611,508	89.93%
402-535-80-10	Operations Payroll (2.2% cola plus step increases - 2020)	483,494	358,432	74.13%
402-535-80-20	Operations Personnel Benefits (Medical,Retirement etc)	247,590	150,193	60.66%
402-535-80-32	Fuel	13,000	8,594	66.11%
402-535-80-35	Safety Supplies	9,000	4,786	53.18%
402-535-80-35-01	Safety Supplies Boots	1,250	504	40.32%
402-535-80-35-02	Emergency Preparedness	5,000	2,478	49.56%
402-535-80-43-00	Operations Training/Travel/Certification		851	
402-535-80-47	General Utilities (Electric, gas, water, garbage)	100,000	80,075	80.08%
402-535-80-49	Laundry	2,000	1,786	89.30%
	<b>SEWER OPERATING EXPENDITURES</b>	<b>2,682,234</b>	<b>1,971,257</b>	<b>73.49%</b>

# LAKE WHATCOM WATER AND SEWER DISTRICT

	Description	Budget	9/30/2020	75%
<b><i>DEBT SERVICE</i></b>				
402-591-35-72-03	2016 Bond Principal Payments	425,000	425,000	
402-592-35-83-03	2016 Bond Interest Payments	218,176	218,175	100.00%
<b><i>SYSTEM REINVESTMENT</i></b>				
	2019 Sewer System Reinvestment Projects	770,000		
	2020 Sewer System Reinvestment Projects	397,900		
	Sewer Comp Plan C19-04		23,076	
402-594-35-62-02	Sewer Structures		195,752	
402-594-35-63-02	Sewer System		80,765	
402-594-35-64-02	Sewer Equipment		22,984	
402-594-35-64-02	Sewer Equipment (Flush/Vac Truck)	525,000		19.05%
<b>SEWER FUND</b>	<b>TOTAL SEWER REVENUES</b>	<b>4,379,446</b>	<b>3,411,039</b>	
	<b>TOTAL SEWER EXPENDITURES</b>	<b>(5,018,310)</b>	<b>(2,937,009)</b>	<b>58.53%</b>
	<b>2019 BALANCE CARRYOVER</b>	<b>1,363,375</b>	<b>1,363,375</b>	
	<b>2019 CONTINGENCY CARRYOVER</b>	<b>787,000</b>	<b>787,000</b>	
	<b>2020 ALLOCATED TO SEWER OPERATING RESERVES</b>	<b>(420,000)</b>	<b>(420,000)</b>	
	<b>2020 ALLOCATED TO SEWER CONTINGENCY</b>	<b>(796,000)</b>	<b>(796,088)</b>	
	<b>AVAILABLE 2020 YEAR END BALANCE</b>	<b>295,511</b>	<b>1,408,317</b>	



## LAKE WHATCOM WATER AND SEWER

### INVESTMENTS/CASH AS OF 9/30/2020

Petty Cash	\$	1,600	
Cash	\$	495,141	0.35%
Public Funds Account	\$	502,563	0.10%
LGIP	\$	1,035,804	0.31%
		-----	
	\$	2,035,108	

		PAR VALUE		YIELD
RFCO-ProEquity	Non-callable	\$ 1,071,488	Jan-21	2.71%
FHLB - Pro equity	Callable	\$ 1,002,619	Nov-22	1.55%
FHLB - Pro equity	Non-callable	\$ 751,663	Apr-23	0.80%
		-----		

US Bank	\$	2,825,770
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<b>TOTAL</b>	<b>\$</b>	<b>4,860,878</b>
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#### USE OF FUNDS:

Reserved	\$	772,334
Contingency	\$	1,256,088
Unrestricted	\$	2,832,456

	<b>\$</b>	<b>4,860,878</b>
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## **Quarterly Financial Report Third Quarter 2020**

Lake Whatcom Water and Sewer District  
Bellingham, Washington

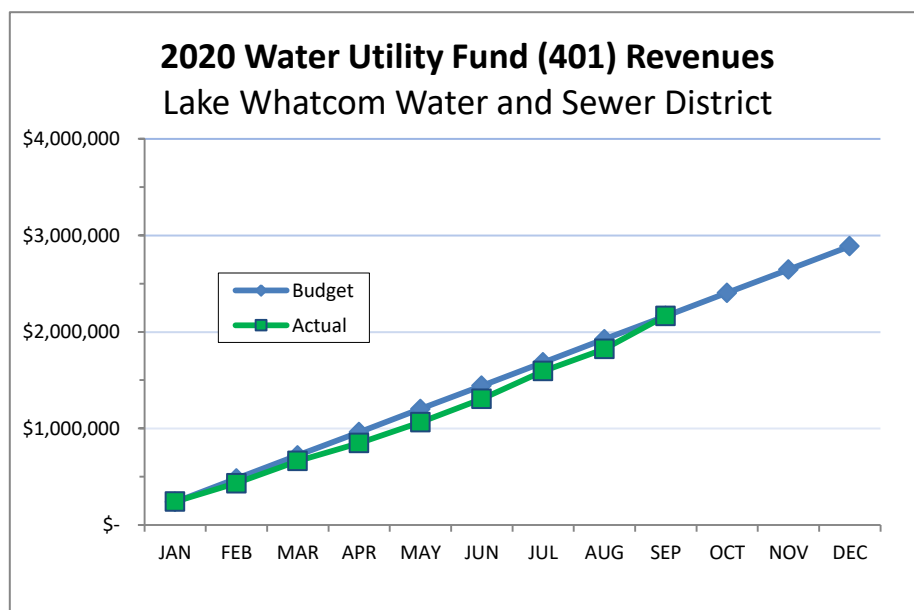
## Summary

Through the first three quarters of 2020, the Lake Whatcom Water and Sewer District (District), like the world, has faced many significant and unanticipated challenges resulting from the COVID-19 pandemic. While the pandemic has forced the District to implement many operational and service-related adjustments to ensure continuous function of our infrastructure while protecting both District staff and customers, the District has been fortunate in incurring relatively little impact to its finances. Unlike our general purpose government partners (city, county, and state agencies) that rely heavily on taxes to fund operations, the District's primary revenue stream is from its rates for water and sewer services. At the pandemic's outset, the District Board took action to provide support to District customers through the suspension of late fees and shut-offs for failure to pay utility bills. While a number of customers have been aided through this policy, these programs have had limited impact on actual revenues. Whether this is due to the socio-economic makeup of the District, the likelihood that the full economic impacts of the pandemic have yet to be realized, or a combination thereof, only time will tell. As a result, the District remains financially sound, with its operating and contingency reserves associated with both its water and sewer utilities fully funded, and operating fund balances remaining strong.

In summary, through the first three quarters of 2020, expenditures and revenues associated with the District's Water Utility Fund (Fund 401) and Sewer Utility Fund (Fund 402), which serve as the primary operational funds for the District's water and sewer utilities, respectively, largely followed financial projections reflected in the 2020 Budget. The one notable divergence is that Sewer Utility Fund expenditures continue to lag behind projections (by approximately \$650,000) due to impacts created by the COVID-19 pandemic that have delayed the completion of some capital projects and large equipment purchases.

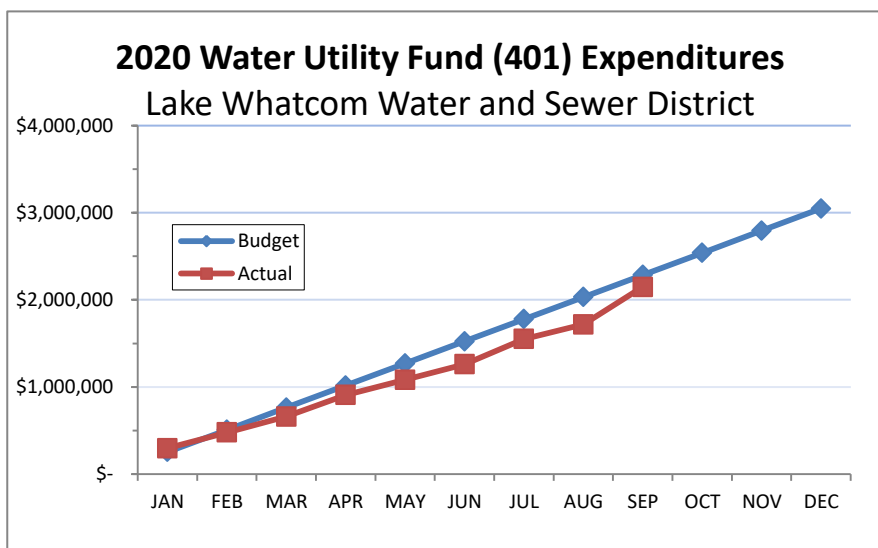
### Water Utility Fund (Fund 401)

Consistent with historical trends of higher usage during summer months, Water Utility Fund revenues received during the third quarter effectively erased the \$136,000 shortfall that had been reported through the first half of the year. As a result, through September 30, 2020, revenues were \$2,166,725, which are essentially equal to revenues projected



through the first three quarters of the year in the 2020 Budget (\$2,165,058). This is in spite of lower water consumption than prior years' due to the relatively mild summer, and the elimination of late fees and shut-offs to support customers impacted by the COVID-19 pandemic. A large revenue component that offset these impacts was in the form of greater than projected connection fees (associated with new construction). However, with water consumption and connection fees expected to drop sharply with cooler weather and the closure of the construction land disturbance window, respectively, as well as a growing number of customer accounts with significant balances, yearend revenues will likely end below the total revenue projections for the year (\$2,886,744).

With the increase in expenditures during the third quarter associated with large capital improvement projects completed during the Lake Whatcom land disturbance window (June 1 through September 30), overall Water Utility Fund expenditures also increased relative to the end of the first half of the year. This resulted in Fund

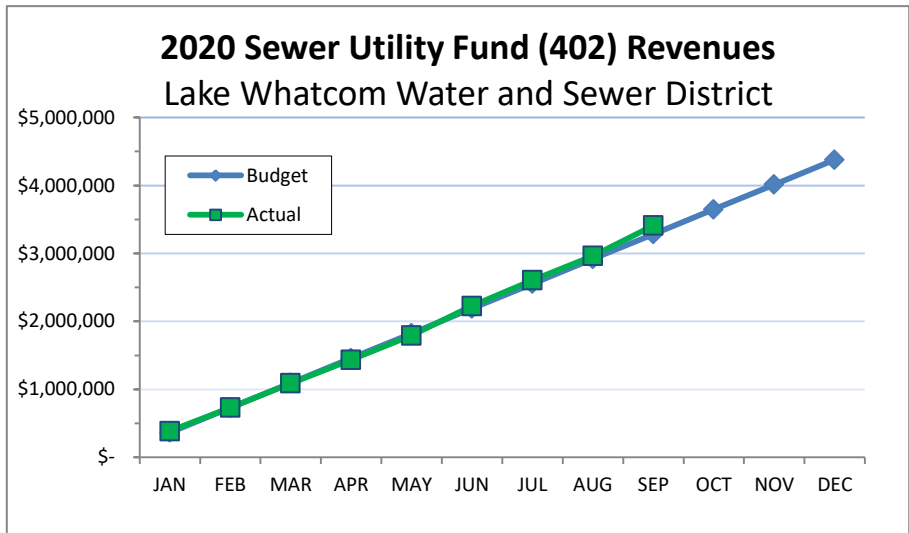


expenditures through September 30 reflecting 71% of the total 2020 budget. With capital project expenditures anticipated to carry into the final quarter, as well as large equipment purchases (e.g., vac truck and utility truck) ordered in the first half of the year that will be delivered in the fourth quarter, Water Utility Fund expenditures are anticipated to equal projections by yearend. Therefore, to mitigate overall impacts to the fund balance based upon a potential shortfall in revenues relative to expenditures, staff will closely monitor expenditures on supplies relative to the overall Water Utility Fund budget through the remainder of the year.

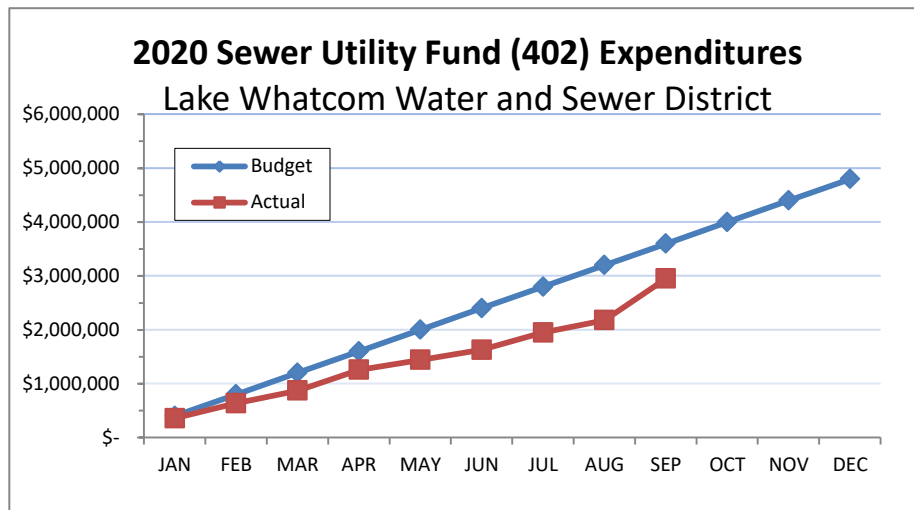
### Sewer Utility Fund (Fund 402)

Unlike the seasonal variations in revenues that the Water Utility witnesses, the uniform rate structure for sewer accounts allows for little variation in revenues throughout the year. As anticipated, Sewer Utility Fund revenues were consistent with projections during the first three quarters of 2020 (revenues exceeded budget projections by approximately \$127,000, which is equivalent to 78% of the total revenue projection for 2020). The exceedance of revenue projections year-to-date is largely attributed to greater than anticipated connection fee revenues (associated with new development), which have exceeded budget projections by approximately \$140,000.

Similar to the Water Utility Fund expenditures discussion above, Sewer Utility expenditures typically increase significantly during the summer months when expenses associated with large capital improvement projects are incurred. As a result, there was a significant increase in Sewer Utility Fund expenditures during the third quarter. However, overall expenditures still lag



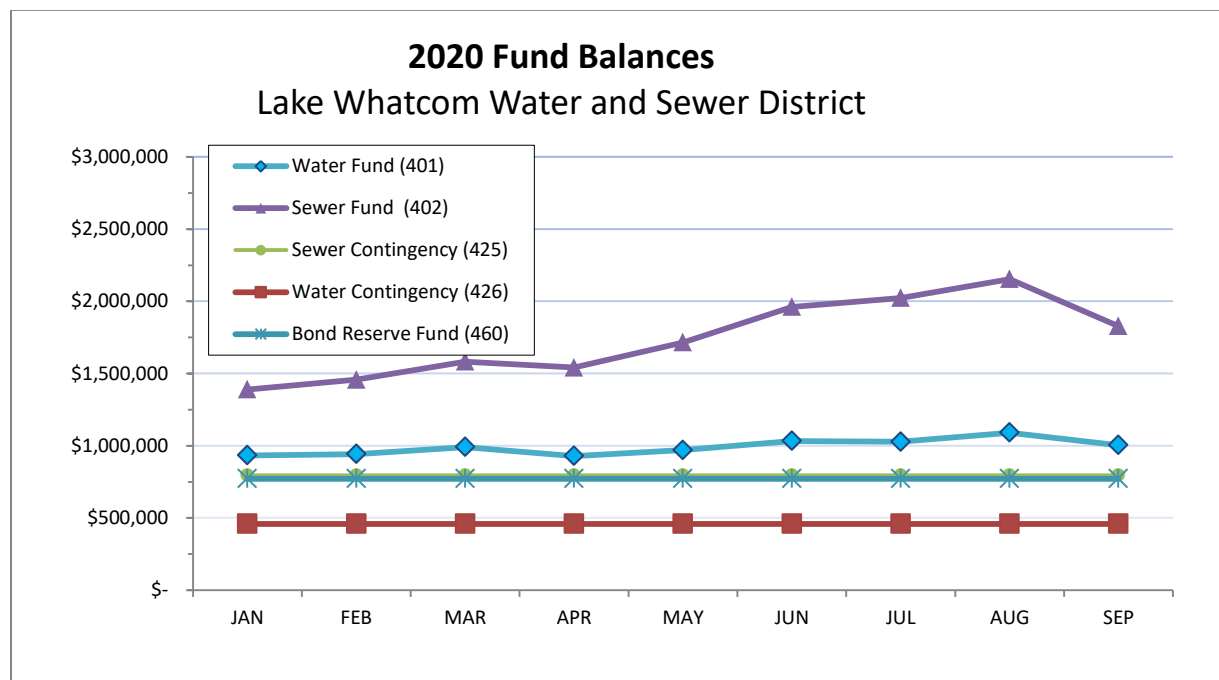
projections (by approximately \$650,000). This is primarily due to a delay in the largest sewer capital project (Dellesta and Edgewater sewer lift station renovations) and other sewer projects that will continue into the final quarter, and the costs associated with the vac truck and utility truck (shared with the Water Utility) not being incurred until vehicle delivery later this year (both vehicles were



ordered in February). In regards to day-to-day operational costs of the District (personnel salary and benefits, professional services, utilities, etc.), these costs are within \$10,000 of budget projections through September 30.

## District Fund Balances

The 2020 Budget marked a shift from prior budgets in the District's overall fund structure for managing District monies. The new structure is comprised of five primary funds: Water Utility Fund, Sewer Utility Fund, Sewer Contingency Reserve Fund, Water Contingency Reserve Fund, and Bond Reserve Fund. To simplify the fund structure, prior system reinvestment funds and debt service funds associated with each utility have been integrated into that utility's primary fund (401 and 402). The following discussion summarizes the activity associated with each fund over the first three quarters of 2020.



### Water Utility Fund (Fund 401)

The Water Utility Fund, which serves as the primary operating fund for the District's water utility, derives most of its revenue from rates charged to water customers. Fund expenditures are comprised of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on water system reinvestment-defined equipment and projects. Also managed within the Water Utility Fund are monies allocated towards an operating reserve, which is equal to the cost of operating the water utility for 90 days (\$520,000). The fund entered 2020 with a balance of \$987,272. Over the first three quarters of the year, fund revenues remained consistent with expenditures, with the September 30 balance being \$1,004,053. As is reflected in the 2020 Budget, there were significant funds carried over from 2019 that are allocated towards 2020 projects. As a result, the overall Water Utility Fund balance is expected to be drawn down from the starting fund balance by up to \$160,000 through the remainder of the year.



#### Sewer Utility Fund (Fund 402)

Like the Water Utility Fund, the Sewer Utility Fund serves as the primary operating fund for the District's sewer utility. Revenues are comprised primarily of rates charged to sewer customers, and expenditures consist of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on sewer system reinvestment-defined equipment and projects. Also managed within the fund are monies allocated towards an operating reserve, which is equal to the cost of operating the sewer utility for 60 days (\$420,000). The fund entered 2020 with a balance of \$1,363,375. Over the first three quarters, fund revenues significantly outpaced expenditures (by approximately \$570,000), with the September 30 balance being \$1,828,402. The significant fund balance can in part be attributed to larger than anticipated connection fee revenues, coupled with a number of large capital projects (and costs associated with those projects) being delayed. In addition, as is reflected in the 2020 Budget, there were significant funds carried over from 2019 that are allocated towards 2020 projects. As a result, the overall Sewer Utility Fund balance is expected to be drawn down from the starting fund balance by up to \$420,000 through the remainder of the year.

#### Sewer Contingency Reserve (Fund 425)

A sewer contingency reserve is maintained in accordance with District financial policies at one percent of the sewer utility infrastructure replacement cost (\$796,088). This fund provides for paying for unanticipated costs that may be incurred by the Sewer Utility. The Sewer Contingency Reserve was fully funded throughout the first three quarters of 2020.

#### Water Contingency Reserve (Fund 426)

A water contingency reserve is maintained in accordance with District financial policies at one percent of the water utility infrastructure replacement cost (\$460,000). This fund provides for paying for unanticipated costs that may be incurred by the Water Utility. The Water Contingency Reserve was fully funded throughout the first three quarters of 2020.

#### Bond Reserve Fund (Fund 460)

The District's Bond Reserve Fund is a restricted fund associated with covenants of the 2016 bond sale. It was fully funded at \$772,334 through the first three quarters of 2020 with no revenues or expenditures anticipated through yearend.


#### District Investments

In accordance with its financial policies, the District invests its funds in a manner that provides the highest return with maximum security while meeting daily cash flow demands. Attached is the Investment/Cash Summary as of September 30, 2020.



**AGENDA  
BILL  
Item 9.D**

**Operations Department  
Report**

DATE SUBMITTED:	October 22, 2020	MEETING DATE:	October 28, 2020
TO: BOARD OF COMMISSIONERS		FROM: Brent Winters, Operations Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Operations Department Report	
		2. Status of District Water & Sewer Systems	
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 regarding District operations in advance of the Board meeting.

**FISCAL IMPACT**

None.

**RECOMMENDED BOARD ACTION**

None required.

**PROPOSED MOTION**

None.

**Status of District Water and Sewer Systems**  
**Prepared by Brent Winters Operations and Maintenance Manager**  
**10/28/2020 Board Meeting**

<b>Safety Activities</b>	
<ol style="list-style-type: none"> <li>Continuing social distancing of crew. Kevin Cook is reporting directly to the water plant, the rest of the crew is reporting directly to their assigned vehicle and then attending the morning briefing via "Go to Meeting."</li> <li>No injuries or near misses.</li> <li>Daily safety reminders directly relevant to the day's tasks.</li> <li>Jobsite tailgate meetings by project lead.</li> </ol>	
<b>Water Utility Activities</b>	
<i>Water Treatment Plants</i> <ol style="list-style-type: none"> <li>Sudden Valley <ol style="list-style-type: none"> <li>Plant is operating well, averaging 0.5 million gallons per day (MGD).</li> </ol> </li> <li>Agate Heights <ol style="list-style-type: none"> <li>Plant is operating well, averaging .01 million gallons per day (MGD).</li> </ol> </li> </ol> <i>Distribution System</i> <ol style="list-style-type: none"> <li>District crew installed four (4) new water connections this reporting period.</li> <li>Repaired one (1) water lateral leaks this reporting period.</li> <li>Assisted Wilson Engineering with hydraulic flow testing in select Sudden Valley areas.</li> </ol>	
<b>Sewer Utility Activities</b>	
<i>Lift Stations</i> <ol style="list-style-type: none"> <li>Lift stations are in normal operation.</li> <li>Wind storm October 13, 2020 caused a twelve hour power outage to most of our system. Backup generators worked well and the crew did a great job keeping everything working properly.</li> </ol> <i>Collection System</i> <ol style="list-style-type: none"> <li>Cleaned and televised portions of the Strawberry Point collection system.</li> <li>Grouted four (4) manholes to eliminate infiltration.</li> <li>Performed lift station pump impeller inspections.</li> <li>Contractors installed three (3) new sewer connections this reporting period.</li> </ol>	
<b>Fleet</b>	
<i>Vehicles</i> <ol style="list-style-type: none"> <li>All vehicles are in service.</li> </ol> <i>Equipment</i> <ol style="list-style-type: none"> <li>All equipment is in service.</li> <li>New vac truck is in Kent receiving pre-delivery inspection.</li> <li>New service truck is on order (December delivery).</li> </ol>	
<b>Facilities</b>	
<i>Shop Building</i> <ol style="list-style-type: none"> <li>Performing shop and grounds maintenance as fill in work between projects.</li> </ol>	
<b>Development</b>	
<ol style="list-style-type: none"> <li>Inspector is actively working with ten (10) contractors making connection to our systems.</li> </ol>	



# Lake Whatcom Water & Sewer District Operations & Maintenance Department Report

Prepared for the October 28, 2020 Board Meeting  
Data Compiled 10/22/20 by RH, BW, RM

State Required Report Status														
Monthly Reports														
Name Of Report		Completed												
Chlorination Report Agate Heights Prepared by: Kevin	Postmarked by the 10th of month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
		x	x	x	x	x	x	x	x	x	x			
Surface Water Treatment Rule Report (SVWTP) Prepared by: Kevin	Postmarked by the 10th of month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
		x	x	x	x	x	x	x	x	x	x			
Annual Reports														
Name Of Report	Deadline	Completed												
WA State Cross Connection Report Prepared by: Rich	May	May 6, 2020												
OSHA 300 Log Prepared by: Rich	February 1	January 27, 2020												
Water Use Efficiency Performance Report Prepared by: Kevin	July 1	February 24, 2020												
Community Right to Know (Hazardous Materials) Prepared by: Rich & Brent	March 31	January 14, 2020												
Consumer Confidence Reports Prepared by: Kevin	June 30	Geneva		SV		EagleR		Agate Ht						
		6/1/20		6/1/20		6/1/20		6/1/20						
Other Reports														
Name Of Report	Deadline	Last Completed												
CPR/First Aid Training Coordinated by: Rich	Due Biennially Next Due 2021	March 23, 2019												
Flagging Card Training Coordinated by: Rich	Due Triennially Next Due 2022	June 6, 2019												

<b>Safety Program Summary</b>			
Completed by Rich Munson & Brent Winters			
<b>Summary of Annual Safety Training</b>			
<i>2020 Testing Period - Jan 1, 2020 to May 1, 2020</i>			
	Enrollments	Completions	% Complete
Engineering - Managers	69	69	100%
Engineering - Staff	25	25	100%
Field Crew - Managers	224	224	100%
Office - Managers	15	15	100%
Office - Staff	52	52	100%
<b>Overall</b>	<b>385</b>	<b>385</b>	<b>100%</b>


Safety meetings for the field crew take place every Friday at 7 a.m.

Dates of Completed Safety Committee Meetings						
1/21/2020	5/20/2020	9/24/2020				
2/18/2020	6/18/2020	10/29/2020				
3/17/2020	7/29/2020					
4/30/2020						
Summary of Work-Related Injuries & Illnesses						
	Current Month	2020	2019	2018	2017	2016
Total Number of Work Related Injuries						
Defined as a work related injury or illness that results in:						
• Death						
• Medical treatment beyond first aid						
• Loss of consciousness	0	0	0	0	1	0
• Significant injury or illness diagnosed by a licensed health care professional						
• Days away from work (off work)						
• Restricted work or job transfer						
Total Number of Days of Job Transfer or Restriction (light duty or other medical restriction)	0	0	0	0	13	0
Total Number of Days Away from Work (at home, in hospital, not at work)	0	0	0	0	4	0
Near Misses	0	0	2	2	1	
Safety Coordinator Update						



**AGENDA  
BILL  
Item 11**

**Executive Session  
General Manager Annual  
Performance Evaluation**

DATE SUBMITTED:	October 19, 2019	MEETING DATE:	October 28, 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

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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.