



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

Date: January 21, 2021
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 January 27 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 or 360-734-9224.

January 27, 2021 Regular Board Meeting

Wed, Jan 27, 2021 8:00 AM - 10:00 AM (PST)

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

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LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

January 27, 2021


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. On-site Sewage System Policy Discussion
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)(i): To discuss with legal counsel representing the agency litigation or potential litigation – 30 minutes
12. ADJOURNMENT



**AGENDA
BILL
Item 6**

Consent Agenda

DATE SUBMITTED:	January 21, 2021	MEETING DATE:	January 27, 2021
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 1.26.2021****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes from the January 13, 2021 Regular Board Meeting
- 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 2021 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

January 13, 2021

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

Attendees: Commissioner Laura Abele
Commissioner Todd Citron
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 Manager Brent Winters
District Legal Counsel Bob Carmichael

Absences: Commissioner Bruce Ford

Also in attendance was Melanie Mankamy of Wilson Engineering. 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

Carter moved, McRoberts seconded, approval of:

- Minutes from the December 30, 2020 Regular Board Meeting
- Payroll for Pay Period #01 (12/25/2020 through 01/07/2021) totaling \$44,521.47
- Payroll Benefits for Pay Period #01 totaling \$52,114.45
- Accounts Payable Vouchers totaling \$268,137.06

Motion passed.

Election of Board Officers

Clary recalled that the District operates under the authority of Revised Code of Washington (RCW) Title 57, Water-Sewer Districts. Under RCW 57.12.10, Commissioners-President and Secretary-Compensation, "the board shall annually elect one of its members as president and another as secretary." The District has historically fulfilled this statutory obligation during its first meeting of the calendar year.

Action Taken

Citron moved, McRoberts seconded, to appoint Commissioner Abele to serve as District Board president for the 2021 calendar year. Motion passed.

Abele moved, McRoberts seconded, to appoint Commissioner Citron to serve as District Board secretary for the 2021 calendar year. Motion passed.

Appointment of Board Representatives to the District's Investment Committee

Clary explained that Chapter 2.14 of the District's administrative code establishes an Investment Committee, which is comprised of the finance manager/treasurer, general manager, and two commissioners. Duties of the committee include, at a minimum, quarterly review of the District's investment portfolio and rate structure and annual review of the District's investment policy.

Action Taken

McRoberts moved, Abele seconded, to appoint Commissioner Carter and Commissioner Citron to serve as the Board's representatives on the District's Investment Committee for the 2021 calendar year. Motion passed.

Appointment of Board Representatives to the Whatcom County Council of Governments and the Lake Whatcom Management Program Policy Group

Clary detailed that the District annually appoints a representative to serve on the Whatcom County Council of Governments and a representative to serve on the Lake Whatcom Management Program Policy Group.

Action Taken

Citron moved, McRoberts seconded, to appoint Commissioner Carter to serve as the District's representative on the Whatcom County Council of Governments for the 2021 calendar year. Motion passed.

Citron moved, McRoberts seconded, to appoint Commissioner Ford to serve as the District's representative on the Lake Whatcom Management Program Policy Group for the 2021 calendar year. Motion passed.

On-site Sewage System Policy Discussion

As Commissioner Ford was unable to attend this meeting due to illness, President Abele recommended postponing this discussion to a future meeting. The Board agreed.

Service Area-specific Rate Structure Policy Discussion

During the regularly scheduled meeting of the Board of Commissioners on November 25, 2020, Commissioner Citron raised the topic of considering transition from a unified (District-wide) rate structure to one that is specific amongst various services areas of the District.

Staff presented the Board with a memorandum developed to facilitate policy discussion on this topic. Denton summarized several of the points outlined in the memo provided to the Board, including a brief history of the District's rate structures, general considerations for implementing an area-specific rate structure, and staff recommendations. Discussion followed.

General Manager's Report

Clary recognized District Maintenance Worker Cyrus Gates and Crew Lead Jason Dahlstrom for their late-night work during a tremendous rain event on January 2. They were assisted remotely by Assistant General Manager Bill Hunter and Safety Officer/Engineering Technician Rich Munson.

Clary also recognized Crew Lead Jason Dahlstrom for working through the night to ensure system operability during a wind storm with widespread power outages in the early hours of January 13.

Clary updated the Board on several topics, including the District's continued response to the COVID-19 pandemic and the switch from Safe Start to the Healthy Washington Road Map program and a steady increase in development inquiry volume. Discussion followed.

With no further business, Abele adjourned the Regular Session 7:58 p.m.

Board President, Laura Abele


Attest: _____
Recording Secretary, Rachael Hope

Minutes approved by motion at ☐ Regular ☐ Special Board Meeting on _____
Date Minutes Approved



**AGENDA
BILL
Item 7.A**

**On-site Sewage System
Policy Discussion**

DATE SUBMITTED:	January 14, 2021	MEETING DATE:	January 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Letter from Commissioner Ford dated November 23, 2020		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Together with the city of Bellingham (City) and Whatcom County (County), the District formed a partnership in 1990 to develop a joint management strategy for the Lake Whatcom watershed. The resulting Lake Whatcom Management Program guides actions by the three entities to protect the quality of Lake Whatcom water. The prior 2015-2019 and current 2020-2024 work plans for the Lake Whatcom Management Program include as an objective under the Monitoring & Data program area “collect and manage data to increase our understanding of water quality and pollution sources, and to guide management decisions.”

In the winter/spring of 2017, Herrera Environmental Consultants, Inc. (Herrera) under contract with the District, conducted a series of monitoring events along the north shore of Lake Whatcom to assess the impact of existing on-site sewage systems (commonly referred to as septic systems) on the water quality of the lake. The findings of the assessment, which were published in a report in July 2017, indicate that on-site sewage systems are likely adversely impacting water quality. However, City and County staff raised a number of concerns regarding the monitoring approach of the assessment. To address the data gaps of the 2017 assessment identified by City and County staff, and to collect additional data to better understand the impact of on-site sewage systems, a scope of work for a second round of monitoring was jointly developed by City, County, and District staff, and an interlocal agreement between the District and County was executed on November 20, 2019 to allocate funding requirements of the assessment.

Following a public bid process, Herrera was selected and entered into a contract with the District for conducting a second round of monitoring in 2020, with the scope expanded to address City/County comments on the 2017 study. Herrera completed the monitoring effort this past winter/spring and issued a findings report on September 30. Herrera staff 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.

Since that time, Commissioner Ford has developed a letter regarding septic systems on the north shore (attached). The purpose of including the discussion in the January 27 board agenda is to illicit further discussion regarding the assessment findings and the District's policy/direction regarding the existing septic systems.

FISCAL IMPACT

No fiscal impact is anticipated associated with the Board's policy discussion. Should the Board wish to proceed with additional actions, fiscal impacts would be dependent upon the action(s).

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Water Resource Sustainability

RECOMMENDED BOARD ACTION

No action is recommended.

PROPOSED MOTION

Not applicable.

The District has been involved in assessing the impact of septic tanks on the North shore of Lake Whatcom since 2015.

Many of the approximately 95 septic tanks along Northshore are old and highly polluting. Although this is a known fact, actual site sampling and analysis is required to demonstrate that there is evidence of enough pollution entering the lake to pose a public health / environmental hazard.

The District arranged for the first study of Northshore septic tanks that showed significant levels of fecal coliform contamination and human DNA biomarkers. This study revealed that surface water was entering the lake in the area of the homes on Northshore.

Surface water contamination from septic tanks is not normal. Septic tank wastewater normally flows from homes to tanks, then into leach fields and slowly percolates down into the ground. At no time does leachate reach the surface unless the system is malfunctioning. A proper study of septic tanks would require sampling of groundwater as leachate slowly passes into and out of the leach field and underground into the lake.

The septic tank sampling area contains ditches where the contaminated surface water collects and flows into pipes and is discharged directly into the lake in many areas along Northshore. Each of these pipes should be listed and monitored as an NPDES wastewater discharge.

The announced conclusions of the County plan involved sampling and analysis performed within their narrow focus with very limited scope. The seasonal rainfall events and sample locations were not conducive to performing an accurate scientific analysis of the contamination of Lake Whatcom by septic tanks.

Proper engineering and scientific studies require a multi-disciplined approach. In the case of sampling and analysis of septic tanks along the lake, the hydrology cannot be ignored. In the case of the many old septic tanks along Northshore, their leach fields are without proper soil depths to support a minimally effective system. As the ground becomes saturated, leachate that is typically flowing down-gradient underground into the lake rises to the surface, where they flow into ditches and are directed into the lake through pipes. As the rainy season extends, the contaminants are flushed out until their concentrations are greatly reduced.

I advise that the District get another opinion on the studies that have been performed and recommend a course of action. A hydrogeological engineering specialist with Gray and Osborne Engineers has attended District board meetings in the past. I could reach out to him as an interested citizen for additional guidance.

The District is a minority player in the Lake Whatcom septic tank issue. As we go further in addressing this issue, we can expect continued push-back from the County. We need to be confident of our values, the science and politics.


Bruce Ford

LWWSD Commissioner, Northshore



**AGENDA
BILL
Item 9.A**

**General Manager's
Report**

DATE SUBMITTED:	January 21, 2021	MEETING DATE:	January 27, 2021
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, January 27, 2021 – 8:00 a.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Feb 10, 2021	6:30 p.m.	Remote Attendance
Employee Staff Meeting	Thu Feb 11, 2021	8:00 a.m.	Remote Attendance Commissioner Carter to attend
Investment Comm. Meeting	Wed Jan 27, 2021	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Tue Jan 26, 2021	8:00 a.m.	Remote Attendance
Lake Whatcom Management Program			
Data Group Meeting	Thu Feb 11, 2021	9:00 a.m.	Remote Attendance
Policy Group Meeting	Wed Feb 17, 2021	3:00 p.m.	Remote Attendance
Joint Councils Meeting	Wed Mar 31, 2021	6:30 p.m.	Remote Attendance
Other Meetings			
WASWD Section III Meeting	Tue Feb 9, 2021	7:00 p.m.	Remote Attendance
Whatcom Water Districts Caucus Meeting	Wed Feb 17, 2021	1:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed May 12, 2021	3:00 p.m.	Remote Attendance

Committee Meeting Reports

Safety Committee:

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

Investment Committee:

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

Upcoming Important Board Meeting Topics

- Sudden Valley water treatment plant alternatives analysis
- Euclid sewer lift station renovation public works contract award
- Lake Whatcom Boulevard sewer interceptor rehabilitation public works contract award
- Customer payment plan program review
- Investment policy review

2021 Initiatives Status

Administration and Operations

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 completed in 2020.

Rate Study

- Conduct a rate study for the water and sewer utilities for the six-year planning horizon, including funding strategies related to significant capital improvements anticipated during and beyond the planning horizon.
A contract for the rate study has been executed and work is proceeding.

Investment Policy Review

- Conduct a comprehensive review of the District's investment policy aimed at optimizing return on investments while sufficiently protecting District funds.
To be completed spring 2021.

Capital Improvement Program Support

- Support the Engineering Department through management of specific capital improvement project(s).
The general manager is managing the Eagleridge Water Booster-Metering Station Conversion project (District Project No. C2011).

Fill Anticipated Finance Manager Position Vacancy

- With the retirement of the District's Finance Manager anticipated in July 2021, engage in a recruitment and hiring process that allows for seamless transition of leadership in the Finance Department.
The finance manager job description was updated in 2020. Development of recruitment documents will be prepared and advertised in February-March 2021.

Negotiate Successor District-AFSCME Agreement

- With the current labor agreement scheduled to expire December 31, 2021, negotiate a successor agreement that aligns with District financial capacity and Board goals.
To be initiated summer 2021.

Emergency Response/System Security

America's Water Infrastructure Act-compliant Risk Management Program

- Conduct a USEPA-compliant risk and resilience assessment by June 30, 2021.
Drafts of the sewer and water utility assessments are currently under management review. Certification of both utility assessments is anticipated in February (the federal certification deadline is June 30, 2021).
- Develop a USEPA-compliant emergency response plan by December 31, 2021.
To be initiated following completion of the risk and resilience assessments (the federal certification deadline is December 31, 2021).

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 will be issued, as appropriate, throughout 2021.

Intergovernmental Relations

- *J Clary attended the WASWD Section III meeting on January 12.*
- *J Clary worked with Sudden Valley Community Association in scheduling a presentation on District services and project to the SVCA board during its upcoming February 27 meeting.*

Public Works Board

- Pursue appointment as WASWD representative on the Washington State Public Works Board.
To be pursued when the application process for the vacant position opens in spring 2021.

Lake Whatcom Water Quality

Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
J. Clary attended the Lake Whatcom Management Program Data Group meeting on January 14 and the Interjurisdictional Coordinating Team meeting on January 21.


Onsite Septic System Conversion Program

- 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.
To be initiated.



**AGENDA
BILL
Item 9.B**

**Engineering Department
Report**

DATE SUBMITTED:	January 21, 2020	MEETING DATE:	January 27, 2020
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Engineering Department Report		
	2. Summary of District Projects		
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 January 27, 2021 Board Meeting
Data Compiled 1/21/21 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	3890	70	44	2
Remaining Capacity (ERUs)	**	15	13	0
Permitted ERUs Under Construction	27	0	0	0
Pre-paid Connection Certificates & Expired Permit	14	0	5	0
Water Availabilities (trailing 12 months)	54	0	0	0
Subtotal - Commitments not yet connected	95	0	5	0
Available ERUs	**	15	8	0

** 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	
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	
Water Right Permit No. S1-25121 Development Extension	Due Every 5 Years Next Due March 30, 2023	

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. Copies of recorded easement <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"> 7/3/2018 DEA Application Received 7/25/2018 Board Authorizes DEA with Conditions 8/7/2018 SVCA Submits Hydraulic Analysis 8/14/2018 SVCA submits drawings, DEA, assignment of savings, insurance certificate, check for \$6,750 (\$5,000 deposit for review & inspection, \$1,000 conformance deposit, and \$750 for processing fee), and shallow pipe depth memo. 9/5/2018 District completes review of hydraulic analysis. 1,250 GPM for 90 minutes is available. 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. 			
Continued on next page			

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

Summary of District Projects

Report Prepared 1/21/2021

Project Number	Project Title / Tasks	Authorized Budget	Spent to Date	Amount Remaining	2021 Schedule											
					J	F	M	A	M	J	J	A	S	O	N	D
C 1802	Dellesta, Edgewater & Euclid Sewer Pump Stations	\$1,690,604	\$577,250	\$1,113,354												
C 1814	Agate Heights WTP and Opal Booster Upgrades	\$359,320	\$106,165	\$253,155												
C 1908	Fire Flow Improvements - Hydraulic Model Calibration	\$15,000	\$7,889	\$7,111												
C 1909	Little Strawberry Bridge Water Main Predesign & Estimate	\$20,000	\$0	\$20,000												
	SVWTP and AHWTP Misc Component Replacement															
C 1910	(Raw pH Probe, 4 Pump Control Valves, 2 Surge Valves, Spare Transfer Pump, AHWTP Finish Meter)	\$72,000	\$59,433	\$12,567												
C 1913	SVWTP 20-Year Facility Plan	\$159,710	\$69,594	\$90,116												
M 1917	Beaver & Flat Car PLC and UPS Improvements	\$118,191	\$24,529	\$93,662												
C 2003	Sewer System Rehab and Replacement Projects	\$116,640	\$119,998	\$3,358												
C 2006	SCADA Telemetry - Managed Ethernet Switches	\$20,000	\$158	\$19,842												
C 2007	Administrative Server Hardware	\$25,000	\$0	\$25,000												
C 2011	Convert Eagleridge Booster to Metering Station	\$30,000	\$19,851	\$10,149												
C 2012	Austin-Fremont PRV Rebuild	\$10,000	\$0	\$10,000												
C 2013	Geneva and Div 22 Res Impressed Current Cathodic Protection	\$40,000	\$0	\$40,000												
	SVWTP Misc Component Replacement															
C 2016	(CCB Fiberglass Ladder, Spare 300 Amp Breakers, Div 22 Finish Meter, Raw Meter, CCB Pressure Transmitter, Intake Anchorage Warning Signs)	\$40,000	\$14,559	\$25,441												
A 2021	AWIA Risk Assessment and Emergency Response Plans	\$10,000	\$0	\$10,000												
A 2025	Rate Study	\$30,000	\$735	\$29,265												
A 2101	General Engineering Services - 5 Year Contract															
C 2102	Annual Asphalt Patching	\$35,000														
C 2103	Centimeter Grade GPS with Real Time Corrections & Training	\$20,000														
C 2104	Exterior Receptacles for Block Heaters and Battery Chargers	\$10,000														
C 2105	HDPE Pipe Electro fusion Machine & Crew Training	\$11,000														
C 2106	SVWTP to SVPS Telemetry Comm Study, Testing	\$10,000														
C 2107	Camp Firwood Dead End Water Main Auto Flusher	\$5,000														
C 2108	SVWTP Raw Water Intake Piping Verify Alignment / Excavation	\$15,000														
C 2109	Geneva Res Insertavalve for Emergency Isolation	\$25,000														
C 2110	Divison 30 Booster PLC and UPS Improvements	\$60,000														
C 2111	Div 7 Reservoir Predesign, Esmts & Permitting	\$63,000														
C 2112	Rocky Ridge & Lakewood Predesign and Shoreline Permitting	\$140,000														
C 2113	Flat Car Reverse Flow to SVPS - Design & Permitting	\$50,000														
C 2114	LWBI CIPP, and I&I	\$115,000														
A 2115	Water Use Efficiency Goals Update															
A 2116	Commissioner District Boundary Census Update															
M 2117	Janitorial Services															

NOTATION LEGEND


A _____ Administrative Project
 C _____ Capital Project
 M _____ Maintenance Project
 Sewer Project (Green Font)
 Water Project (Blue Font)
 Sewer and Water Project (Black Font)

p _____ Planned (labor not started)
 a _____ Active (labor underway)
 c _____ Completed (no further labor needed)
 t _____ Target Completion



**AGENDA
BILL
Item 9.C**

**Finance Department
Report**

DATE SUBMITTED:	January 21, 2020	MEETING DATE:	January 27, 2020
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. 2020 Q4 Financial Report		
	2.		
	3.		
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.



Quarterly Financial Report Fourth Quarter 2020

Lake Whatcom Water and Sewer District
Bellingham, Washington

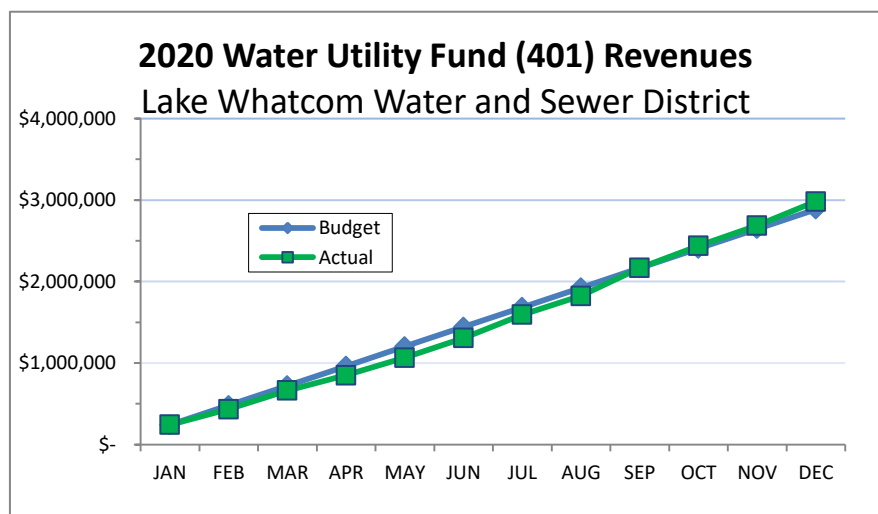
Summary

The Lake Whatcom Water and Sewer District (District), like the world, faced many significant and unanticipated challenges resulting from the COVID-19 pandemic throughout 2020. While the pandemic 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 was fortunate that it incurred 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 onset, 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 (this action was taken in advance of gubernatorial proclamations requiring such suspensions). While a number of customers were aided through this policy, these programs had limited impact on actual revenues. Whether this is due to the socio-economic makeup of the District, federal stimulus payments defrayed the impact, 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, throughout 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 only notable divergences were that Water and Sewer Utility Fund expenditures lagged budget projections (by approximately \$590,000 combined) due to supply chain issues created by the COVID-19 pandemic delaying the completion of some capital projects and large equipment purchases. These costs have been carried over to the 2021 Budget.

Water Utility Fund (Fund 401)

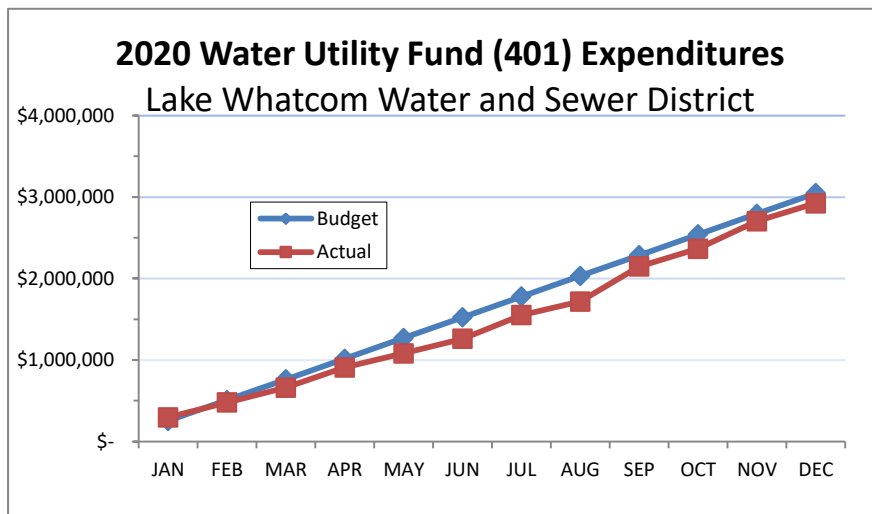
Water Utility Fund revenues largely tracked with budget projections throughout 2020; consistent with historical trends, water revenues slightly lagged projections through the first half of the year, and then made up the difference during the drier summer and fall months. As a result, 2020 revenues exceeded budget projections by nearly



\$100,000, which was within approximately 3 percent of the overall budget. This was in spite of lower water consumption than prior years' due to the relatively mild summer, and the loss of revenue

associated with elimination of late fees and shut-offs to support customers impacted by the COVID-19 pandemic (total 2020 late fee revenue was less than \$15,000 while the budget projected \$55,000 in revenue). The primary reason for revenues exceeding projections can be attributed to revenues associated with a larger volume of connections (new construction) than were conservatively projected in the budget (total 2020 permit revenues exceeded \$200,000 compared to a budget projection of \$90,000).

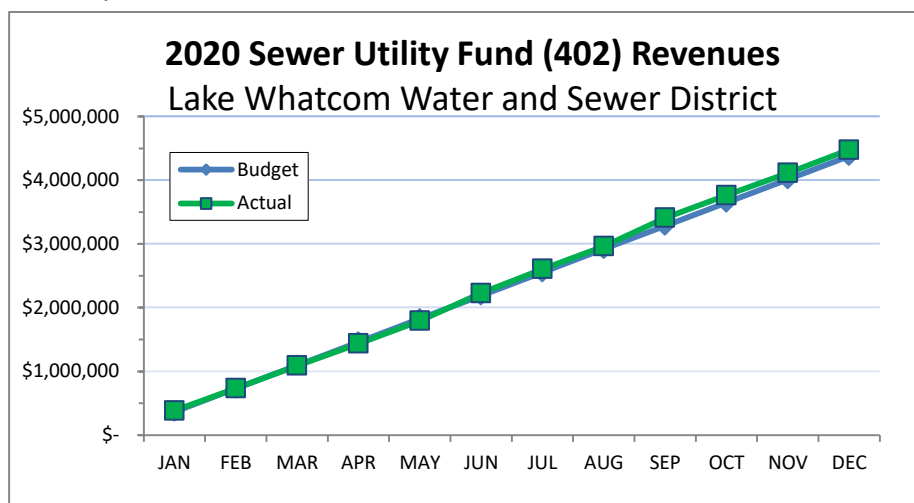
Like 2020 revenues, Water Utility Fund expenditures also tracked fairly closely with budget projections. With an increase in expenditures during the latter half of the year associated with large capital improvement projects constructed during the Lake Whatcom land disturbance window (June 1 through September 30) and costs



incurred associated with a large equipment purchase (vac truck), fund expenditures ended 2020 at 94% of budget projections. The difference (approximately \$185,000) can be attributed to completion of a few capital projects (Agate Heights water treatment plant upgrade, and Geneva and Division 22 reservoirs cathodic protection improvements), as well as delivery of a new utility truck, carrying over to the first quarter of 2021 due to supply chain issues created by the pandemic.

Sewer Utility Fund (Fund 402)

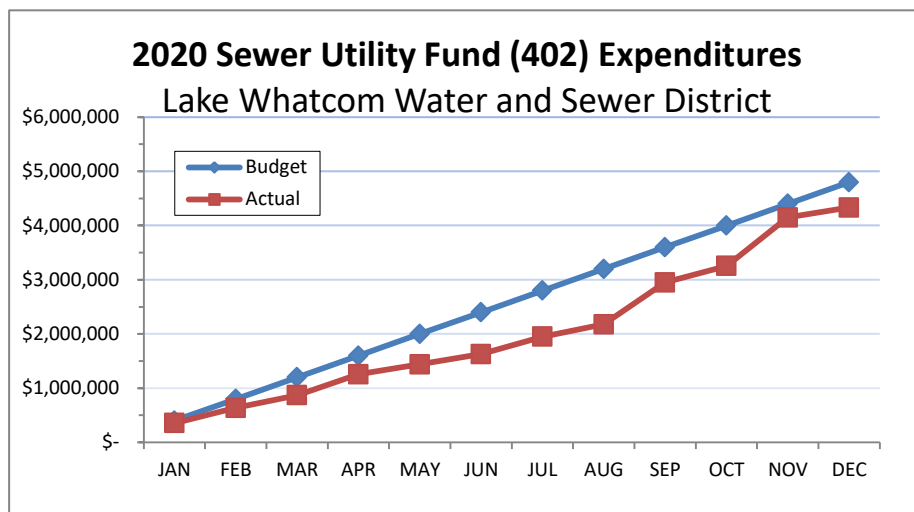
Unlike the seasonal variations in revenues that the Water Utility witnesses, the uniform rate structure for sewer accounts allows for little variation in revenues throughout the year. As anticipated, Sewer Utility Fund revenues were consistent with projections throughout 2020 (revenues exceeded



budget projections by approximately \$100,000, which was within 2% the total revenue projections for 2020). The exceedance of revenue projections is largely attributed to greater than anticipated

connection fee revenues (associated with new development), which exceeded budget projections by approximately \$120,000.

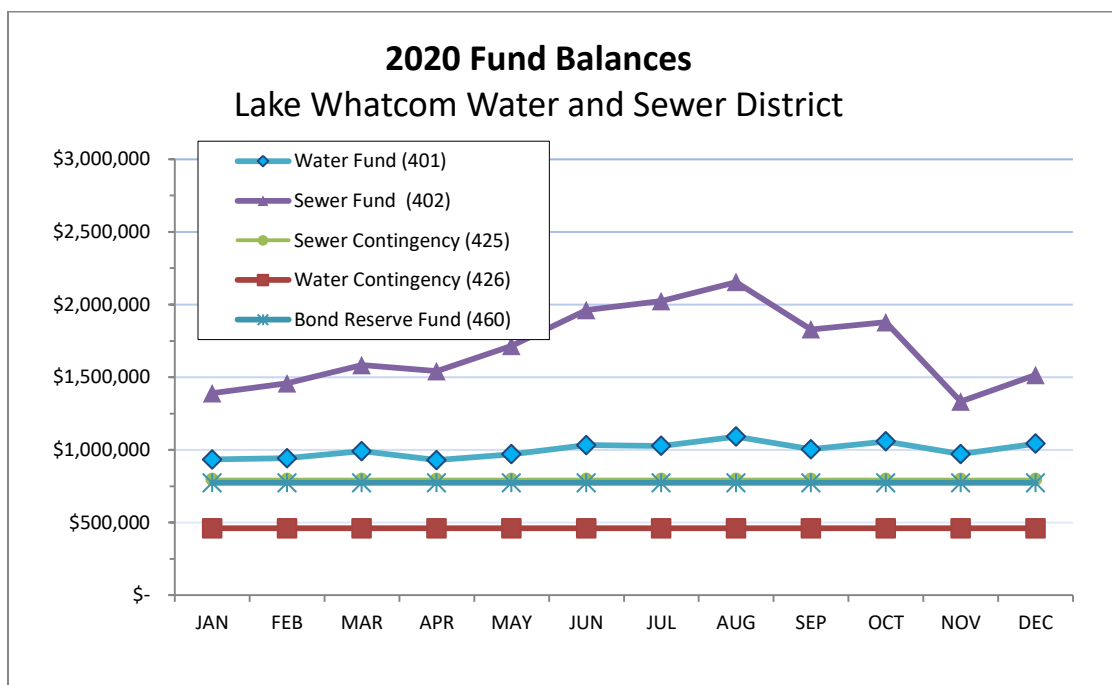
Similar to the Water Utility Fund expenditures discussion above, Sewer Utility expenditures typically increase significantly during the summer months when expenses associated with large capital improvement projects are incurred. As a result, there was a significant increase in



Sewer Utility Fund expenditures during the latter half of 2020. However, overall expenditures ended the year lagging projections (by approximately \$470,000). This is primarily due to a delay in the largest sewer capital project (Dellesta and Edgewater sewer lift station renovations), and the costs associated with a utility truck (shared with the Water Utility) carrying over to 2021 due to supply chain issues created by the pandemic. In regards to day-to-day operational costs of the District (personnel salary and benefits, professional services, utilities, etc.), these costs were within \$30,000 of budget projections through yearend.

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 were integrated into that utility's primary fund (401 and 402). The following discussion summarizes the activity associated with each fund throughout 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. Throughout 2020, fund revenues remained relatively consistent with expenditures, with the yearend balance being \$1,042,064. As is reflected in the 2020 Budget, there were significant funds carried over from 2019 that were allocated towards 2020 projects. However, the COVID-19 pandemic delayed to completion of some of these projects until 2021 (e.g., Agate Heights water treatment plant upgrade, and Geneva and Division 22 reservoirs cathodic protection improvements). These delayed projects (scheduled for completion in the first quarter of 2021), are the primary reason for the Water Utility Fund balance ending 2020 approximately \$64,000 higher than it started.

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 course of 2020, the Sewer Utility Fund balance varied significantly more than the Water Utility Fund, with the balance growing over the first three quarters (reaching a maximum balance of over \$2.1 million in August), then decreasing sharply as the District incurred costs associated with its capital improvement projects. As a result, the fund finished 2020 with a balance of \$1,515,055, which is still greater than its 2020 starting balance. Like the Water Utility Fund, the pandemic caused some delays in capital improvement projects, which resulted in some project carryover to 2021 (e.g., Dellesta and Edgewater sewer lift station renovations).

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 entirety 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 entirety 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 throughout the entirety of 2020.

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 December 31, 2020.



LAKE WHATCOM WATER AND SEWER

INVESTMENTS/CASH AS OF 12/31/2020

Petty Cash	\$	1,600	
Cash	\$	721,071	0.45%
Public Funds Account	\$	502,654	0.10%
LGIP	\$	1,036,243	0.16%

	\$	2,261,568	

		PAR VALUE		YIELD
RFCSP - Pro Equity	Non-callable	\$ 1,071,488	Jan-21	2.71%
FHLB - Pro Equity	Callable	\$ 751,663	Apr-23	0.8%
FANNIE MAE - Pro Equity	Callable	\$ 500,823	Jun-24	0.21%

US Bank		\$ 2,323,974		
TOTAL		\$ 4,585,542		

USE OF FUNDS:


Bond Reserve - Restricted	\$ 772,334
Contingency - Assigned	\$ 1,256,088
Operating - Unassigned	\$ 970,000
Unassigned	\$ 1,587,120

	\$ 4,585,542



**AGENDA
BILL
Item 9.D**

**Operations Department
Report**

DATE SUBMITTED:	January 21, 2020	MEETING DATE:	January 27, 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.



Lake Whatcom Water & Sewer District Operations & Maintenance Department Report

Prepared for the January 27, 2021 Board Meeting
Data Compiled 1/21/21 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												
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												
Annual Reports														
Name Of Report	Deadline	Completed												
WA State Cross Connection Report Prepared by: Rich	May													
OSHA 300 Log Prepared by: Rich	February 1													
Water Use Efficiency Performance Report Prepared by: Kevin	July 1													
Community Right to Know (Hazardous Materials) Prepared by: Rich & Brent	March 31													
Consumer Confidence Reports Prepared by: Kevin	June 30	Geneva		SV		EagleR		Agate Ht						
Other Reports														
Name Of Report	Deadline	Last Completed												
CPR/First Aid Training Coordinated by: Rich	Due Biennially Next Due 2021	March 23, 2019 Scheduled for March 23, 2021												
Flagging Card Training Coordinated by: Rich	Due Triennially Next Due 2022	June 6, 2019												

Safety Program Summary			
Completed by Rich Munson & Brent Winters			
Summary of Annual Safety Training			
<i>2021 Testing Period - Jan 1, 2021 to May 1, 2021</i>			
	Enrollments	Completions	% Complete
Engineering - Managers	81	27	33%
Engineering - Staff	28	0	0%
Field Crew - Managers	43	1	2%
Field Crew - Staff	328	101	31%
Office - Managers	25	0	0%
Office - Staff	96	28	29%
Overall	601	157	26%

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

Dates of Completed Safety Committee Meetings						
<i>Scheduled for 1/28/21</i>						
Summary of Work-Related Injuries & Illnesses						
	Current Month	2021	2020	2019	2018	2017
Total Number of Work Related Injuries						
Defined as a work related injury or illness that results in:						
• Death						
• Medical treatment beyond first aid						
• Loss of consciousness						
• Significant injury or illness diagnosed by a licensed health care professional						
• Days away from work (off work)						
• Restricted work or job transfer						
Total Number of Days of Job Transfer or Restriction (light duty or other medical restriction)	0	0	0	0	0	13
Total Number of Days Away from Work (at home, in hospital, not at work)	0	0	0	0	0	4
Near Misses	0	0	0	2	2	1
Safety Coordinator Update						


Status of District Water and Sewer Systems
Prepared by Brent Winters Operations and Maintenance Manager
1/27/2021 Board Meeting

Safety Activities	
<ol style="list-style-type: none"> 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." No injuries or near misses. Daily safety reminders directly relevant to the day's tasks. Jobsite tailgate meetings by project lead. 	
Water Utility Activities	
<i>Water Treatment Plants</i> <ol style="list-style-type: none"> Sudden Valley <ol style="list-style-type: none"> Plant is operating well, averaging 0.5 million gallons per day (MGD). Agate Heights <ol style="list-style-type: none"> Plant is operating well, averaging .01 million gallons per day (MGD). <i>Distribution System</i> <ol style="list-style-type: none"> Installed new connections for 3 Wisteria, 59 Louise View, and 19 Inglewood. Rich and I performed cross connection control survey at SVCA barn. Security Solutions successfully tested the backflow assembly and approved. Rich is requiring upgrading the backflow device to a RPBD which provides a higher level of backflow protection. SVCA personnel flushed the barn plumbing, acquired water samples and delivered to Edge Analytical. 	
Sewer Utility Activities	
<i>Lift Stations</i> <ol style="list-style-type: none"> Lift stations are in normal operation. Performed scheduled pump maintenance and inspections. <i>Collection System</i> <ol style="list-style-type: none"> Completed televising sewer mains in the Tomb basin and started televising mains in the airport area that have never been televised before. Kristin is adding any leaks to the work order that was created for potential contract repair. 	
Fleet	
<i>Vehicles</i> <ol style="list-style-type: none"> All vehicles are in service. <i>Equipment</i> <ol style="list-style-type: none"> All large trucks have received their annual DOT inspections. Old vac truck experienced blower failure. Repair could be in the area of \$15,000. Waiting for estimate from Enviro-Clean. New service truck is on order; January 27th is the latest promised delivery. 	
Facilities	
<i>Shop Building</i> <ol style="list-style-type: none"> Performing shop and grounds maintenance as fill in work between projects. 	
Development	
<ol style="list-style-type: none"> Inspector is actively working with seven (7) contractors making connection to our system. 	



**AGENDA
BILL
Item 11**

Executive Session

DATE SUBMITTED:	January 21, 2021	MEETING DATE:	January 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. none		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

District management and legal counsel wishes to discuss potential litigation with the Board, as allowed under RCW 42.30.110(1)(i).

Recess to Executive Session Text:

The Board will now hold an Executive Session for the purpose of discussion potential litigation with legal counsel per RCW 42.30.110(1)(i).

The Executive Session is expected to last 30 minutes; no action is anticipated following the executive session.

FISCAL IMPACT

No impact is anticipated.

RECOMMENDED BOARD ACTION

No action is recommended at this time.

PROPOSED MOTION

Not applicable.