



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

Date: April 8, 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 April 14, 2021 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.

April 14, 2021 Work Regular Board Meeting

Wed, Apr 14, 2021 6:30 PM - 8:30 PM (PDT)

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LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

April 14, 2021

6:30 p.m. – Regular Session

1. CALL TO ORDER
2. ROLL CALL
3. CONFIRMATION OF COMPLIANCE WITH REMOTE MEETING ATTENDANCE PROTOCOLS
4. PUBLIC COMMENT OPPORTUNITY
At this time, members of the public may address the Board of Commissioners. Please state your name prior to making comments.
5. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
6. CONSENT AGENDA
7. SPECIFIC ITEMS OF BUSINESS
 - A. Presentation—Sudden Valley Water Treatment Plant Alternative Analysis
 - B. Resolution No. 870—Amendment to Incorporate Clarifying Language within certain Sections of Administrative Code Title 2—Fiscal Management Policies
 - C. Resolution No. 871—Amendment to Certain Sections of Administrative Code Title 2—Fiscal Management Policies
 - D. Resolution No. 872—Conclusion of Emergency Declaration related to Division 30 Water Transmission Main Repair
 - E. 2021 Budget Amendment No. 1—Division 30 Water Transmission Main Repair Project
 - F. Division 30 Water Transmission Main Repair Project Contract Close-out
 - G. Accessory Dwelling Unit Policy Discussion
8. OTHER BUSINESS
9. STAFF REPORTS
 - A. General Manager
10. PUBLIC COMMENT OPPORTUNITY
11. ADJOURNMENT



**AGENDA
BILL
Item 6**

Consent Agenda

DATE SUBMITTED:	April 8, 2021	MEETING DATE:	April 14, 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 4.14.2021****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the March 31, 2021 Regular Board Meeting
- Payroll for Pay Period #07 (03/20/2020 through 04/02/2021) total to be added
- Payroll Benefits for Pay Period #07 total to be added
- 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

March 31, 2021

Board Secretary Todd Citron called the Regular Session to order at 8:00 a.m.

Attendees: Commissioner Todd Citron General Manager Justin Clary
 Commissioner John Carter District Engineer/Assistant GM Bill Hunter
 Commissioner Bruce Ford Operations Manager Brent Winters
 Commissioner Leslie McRoberts Recording Secretary Rachael Hope

Excused Absences: Commissioner Laura Abele

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

McRoberts moved, Carter seconded, approval of:

- Minutes for the February 10, 2021 Work Session
- Corrected Minutes from the February 24, 2021 Regular Board Meeting
- Minutes from the March 10, 2021 Regular Board Meeting
- Payroll for Pay Period #06 (03/06/2020 through 03/19/2021) totaling \$46,445.49
- Payroll Benefits for Pay Period #06 totaling \$52,368.86
- Accounts Payable Vouchers totaling \$303,345.88

Motion passed.

Petition to Waive or Adjust Connection Requirements 2377 North Shore Road Single Family Residence

Hunter explained that Ali Taysi with AVT Consulting submitted a petition to waive or reduce connection requirements regarding the extension of approximately 80-feet of water main across the lot frontage of 2377 North Shore Road. The subject property is a sewer-only customer that draws drinking water directly from Lake Whatcom.

In 2009 the property adjacent (2373 North Shore Road) to Mr. Chang's property was required to extend approximately 281-feet of 8-inch diameter ductile iron water main at total cost of \$33,430 as documented in a Latecomer's Agreement recorded on August 25, 2009. This 2009 extension brought the 8-inch water main to Mr. Chang's northwest property corner. District staff has had occasional correspondence with Mr. Chang, and his consultants, beginning around 2012. In accordance with the District's Administrative Code, it has been conveyed that a public water main extension is required as a condition of connection to District water.

Applicable Administrative Code Section 3.4.2.B, Water Service Inside or Outside UGA or LAMIRD states:

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

Hunter presented research compiled by District staff, with the recommendation that the Board maintain the District's Administrative Code requirements to construct a public water main extension past and/or through parcel as a condition of water service. Discussion followed.

Action Taken

McRoberts moved, Ford seconded, to deny the petition and maintain the District's Administrative Code development requirements that require a public water main extension past and/or through the parcel located at 2377 North Shore Road as a condition of water service. Motion passed.

Petition to Waive or Adjust Connection Requirements 1834 Lake Louise Road 3 Lot Short Plat

Mr. Luke Pinnow is subdividing a 17-acre parcel located at 1834 Lake Louise Road into three (3) lots. There is one existing single family residence on the parcel that is served by the District's public water system and a private on-site sewage system. Mr. Pinnow is petitioning the Board for a waiver to the requirement of extending a water main past and/or through the property as a condition of short plat development. He is requesting that the Board allow two additional water service connections to the LID #5 Booster Pump Station, which was originally designed to serve eight single-family homes. Currently there are five connections on the system.

Hunter highlighted new information and comments made referencing the Board's previous discussion at the March 10 Regular Board Meeting. He presented 5 options for responding to the petition and explained staff's recommendation that the Board deny the petition and require water main extension past Mr. Pinnow's property along Lake Louise Rd. Discussion followed.

Action Taken

Carter moved, McRoberts seconded, to decline the petition and maintain the District's Administrative Code development requirements that require a public water main extension past and/or through the parcel located at 1834 Lake Louise Road; and, that as a condition of water service, the developer extend the existing public water main in Lake Louise Road past the subject property's right-of-way frontage shown schematically in Option #2. Motion passed.

Geneva & Division 22 Reservoir Impressed Current Cathodic Protection Systems Contract Close-Out

Hunter recalled that this project includes installation of impressed current cathodic protection systems at both the Geneva Reservoir and original of the two Division 22 Reservoirs. The Board of Commissioners approved the contract award of the Geneva & Division 22 Reservoir Impressed Current Cathodic Protection Systems construction contract (District Capital Project #C2013) to Norton Corrosion Limited, LLC on October 14, 2020.

Norton Corrosion Limited, LLC has completed all contract requirements; therefore staff recommended accepting the Geneva & Division 22 Reservoir Impressed Current Cathodic Protection Systems construction contract as complete.

Action Taken

McRoberts moved, Ford seconded, to accept the Geneva & Division 22 Reservoir Impressed Current Cathodic Protection Systems construction contract as complete and authorize staff to close out the public works project. Motion passed.

Families First Coronavirus Response Act Benefits Extension

Clary summarized that at the outset of the COVID-19 pandemic, President Trump signed the Families First Coronavirus Response Act (FFCRA) relief bill into law. The FFCRA requires private employers with less than 500 employees and certain public employers (which includes the District) to provide employees with 80 hours of paid leave for specified reasons related to COVID-19 and up to 10 weeks of paid, job-protected leave for employees who are unable to work due to the need to care for a son or daughter whose school is closed or the unavailability of a child care provider due to COVID-19. The FFCRA expired December 31, 2020.

On December 21, 2020, Congress decided not to extend the FFCRA, but instead allow employers to decide whether or not to continue to provide paid leave relief relative to the pandemic through March 31, 2021. District Board of Commissioners, at its regularly scheduled meeting held on December 30, 2021, adopted a motion extending the FFCRA benefits to District employees through March 31, 2021.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. ARPA includes a provision that allows for employers the option of again extending paid leave relief relative to the pandemic, this time through September 30, 2021. Staff recommended that the Board extend the potential for relief to District employees impacted by the COVID-19 pandemic through September 30, 2021.

Action Taken

Carter moved, McRoberts seconded, to extend the paid leave relief provisions provided under the Families First Coronavirus Relief Act to District employees, as eligible, through September 30, 2021. Motion passed.

COVID-19 Vaccination Program Policy Discussion

Clary communicated that as an essential service provider, ensuring continuity of services throughout the COVID-19 pandemic has been a critical focus of the District's operations over the past year. With COVID-19 vaccines becoming more readily available, the Board indicated a desire at the March 10, 2021 Regular Board Meeting to discuss formal adoption of a vaccination policy for staff. Clary presented the Board with a memorandum developed by staff in order to facilitate this discussion, which included information on vaccine distribution in Washington State, the legality of mandatory vaccination programs, and a summary and examples of other Water/Sewer District policies regarding the COVID-19 vaccine. Discussion followed.

General Manager's Report

Clary updated the Board on several topics, including the District's continued response to the COVID-19 pandemic, District participation in regular 5-year review of the Whatcom County Natural Hazards Mitigation Plan, update of all District Job Descriptions, and the status of hiring for the open Finance Manager position. Discussion followed.

Engineering Department Report

Hunter highlighted several areas, including anticipated arrival of equipment at the Agate Heights Water Treatment Plant in mid-April, improvements underway at the Beaver and Flatcar pump stations, and network improvements being made on the District’s SCADA network. Discussion followed.

Finance Department Report

Clary briefly highlighted costs and revenue tracking on the report provided, as well as touching on the status of accounts 60 or more days in arrears.

Operations & Maintenance Department Report

Winters gave a brief report on field crew operations, including update on staff work under COVID conditions, normalization of production rates at both water treatment plants following repair of transmission lines, as well as providing information regarding a break in at the Division 32 booster pump station. Discussion followed.

With no further business, Citron adjourned the Regular Session 9:58 a.m.

Board President, Laura Abele

Attest: _____
Recording Secretary, Rachael Hope

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



**AGENDA Sudden Valley Water Treatment Plant
BILL Alternatives Analysis
Item 7.A Briefing #6**

DATE SUBMITTED:	April 5, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, Assist. GM/District Engineer		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Draft Technical Memorandum – Structural/ Architectural Analysis		
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 existing Sudden Valley Water Treatment Plant (SVWTP) is located along Morning Beach Drive near the shores of Lake Whatcom and was constructed in 1972. The treatment plant utilizes chemical coagulation, flocculation, rapid media filtration, chemical pH adjustment, and gas chlorine disinfection prior to temporary storage within a 225,000-gallon reservoir also located at the site.

In July 2020, Gray & Osborne (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.

Following the condition assessment, G&O was contracted to perform an alternatives analysis to help the District select and prioritize specific short- and long-term improvements to the treatment equipment and processes currently in use. The work has been broken down by major systems. For each system, G&O will develop alternatives and document each in the form of a technical memorandum. The results from each system analysis will be presented to the Board at regularly scheduled board meetings.

All of the technical memoranda will ultimately be attached and summarized in an Alternatives Analysis Report. The Report will include comparisons and rankings, recommendation on modifications to system, cost estimates, figures to relay relative space requirements, and more.

The major systems as written in the scope of work agreement are:

- Pump Performance Test *(Presented to Board 9/30/2020, Briefing #1)*
- Chemical Systems Analysis *(Presented to Board 11/25/2020, Briefing #2)*
- Disinfection Systems Analysis *(Presented to Board 2/10/2021, Briefing #4)*

- Backwash Systems Analysis *(Presented to Board 3/10/2021, Briefing #5)*
- Filtration System Analysis *(Presented to Board 12/30/2020, Briefing #3)*
- Tier 2/3 Seismic and Structural Analysis *(Presented to Board 11/25/2020, Briefing #2)*
- **Structural/Arch Workspace Analysis**
- NACE III Coating Inspection *(Presented to Board 9/30/2020, Briefing #1)*

G&O has completed the Structural and Architectural Systems Analysis. The draft technical memorandum is attached. The consultant will summarize alternatives in a presentation, and collect Board comments or questions.

During the December 30, 2020 Briefing #3 on the Filtration System Analysis, six (6) long-term goals and objectives were introduced for consideration and discussion. Staff continues to invite the Board and interested public to consider these goals, edit/refine them, and suggest additional ones. As the District begins evaluating the numerous combinations of subsystem alternatives of a whole solution, these goals list will help highlight the best ones. In no particular priority the key long-term goals and objectives so far are:

- G1 - Maintain exceptional water quality performance record
- G2 - Accommodate immediate need for additional space and separation of chemicals/electrical equipment
- G3 - Provide adequate equipment and process redundancy
- G4 - Improve access and flexibility for equipment repair/rehabilitation and/or future expansion
- G5 - Provide capacity for full buildout flow (1,400 gpm)
- G6 - Provide treatment equipment for 30-50 year time period

FISCAL IMPACT

This presentation is for discussion only; it is too early in the planning process to estimate fiscal impacts of plant improvements.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality
 Operational Optimization
 Infrastructure Strategy and Performance
 Water Resource Sustainability

RECOMMENDED BOARD ACTION

No action is recommended at this time.

PROPOSED MOTION

Not applicable.

TECHNICAL MEMORANDUM 20434-8

TO: BILL HUNTER, P.E., ASSISTANT GENERAL
MANAGER/DISTRICT ENGINEER
FROM: KEITH STEWART, P.E.
RUSSELL PORTER, P.E.
DATE: MARCH 31, 2021
SUBJECT: SUDDEN VALLEY WTP STRUCTURAL
AND ARCHITECTURAL SYSTEM
ANALYSIS
LAKE WHATCOM WATER & SEWER
DISTRICT, WHATCOM COUNTY,
WASHINGTON
G&O #20434.00

INTRODUCTION

In 2019, the Lake Whatcom Water & Sewer District (District) contracted with Gray & Osborne to perform a condition assessment for their existing Sudden Valley Water Treatment Plant (WTP). This assessment is part of a larger effort to analyze the District's water treatment facilities in order to prioritize funds for rehabilitation, modification, and/or replacement projects. The goal of the assessment and subsequent analysis is to identify potential improvements for the existing structures and treatment processes in an attempt to maximize treatment efficiency and extend the operational life of these facilities. The reports and technical memoranda generated as part of this assessment project will be used to develop a strategy for prioritizing modifications to the WTP to ensure it can efficiently and cost-effectively provide clean potable water for its existing and projected customers.

This memorandum summarizes an assessment of the existing WTP Main Building and Finished Water Pump Buildings, and provides three basic options for expansion/modification. This memo then provides an analysis of factors to consider for each of these options.

Final recommendations for modifications to the WTP Main Building and/or layout will be presented in the final Alternatives Analysis Report, which is scheduled to be completed in spring 2021. This final report will consider all of the alternatives and recommendations compiled for each of the treatment systems and will provide a coordinated set of recommendations based on capital costs, District needs, operational costs, and other factors.



Technical Memorandum 20434-8 – Sudden Valley WTP
Structural and Architectural System Analysis
March 31, 2021

BACKGROUND AND EXISTING FACILITIES

Background

The District operates three Group A water systems – South Shore (DOH 95910), Eagleridge (DOH 08118), and Agate Heights (DOH 52957) – all of which are in and around the shores of Lake Whatcom, which lies southeast of Bellingham in Whatcom County, Washington. The District serves approximately 3,900 residential and commercial water system connections with a residential population of approximately 10,000 people.

The South Shore system is the largest of the three systems and is supplied wholly by water treated at its Sudden Valley WTP. In addition to the WTP, the District also owns and maintains surface water source, storage, and distribution system facilities. The distribution system includes multiple pressure zones, four booster stations, and approximately 2.8 million gallons (MG) of storage in five reservoirs. The District also maintains a secondary intertie with the City of Bellingham Water System (DOH 50600) that is used only during emergency situations.

The existing WTP is a rapid-rate direct filtration plant with a rated capacity of 2.0 million gallons per day (MGD), which is equivalent to approximately 1,400 gallons per minute (gpm), but currently operates at a reduced flow of 1.0 MGD (700 gpm). The maximum allowable water right for this source is 1,526 gpm; however, the WTP and its components will be sized to accommodate the WTP's rated flow of 1,400 gpm. This design flow is suitable to serve the projected buildout water demand of 1.3 MGD as listed in the District's 2018 Water System Comprehensive Plan.

The WTP is located at 22 Morning Beach Drive in Bellingham, Washington, and is housed in a partially below-grade concrete building located adjacent to Morning Beach Park. The facility was constructed in 1972 and has undergone several minor improvements since that time but was most recently upgraded in 1992. Two centrifugal raw water pumps pump water from the Lake Whatcom intake to the WTP where alum coagulant is injected. After mixing with coagulant, water enters the flocculation basin before entering the filter distribution trough and the mixed-media filters. Water proceeds through the filters into the underdrain system then exits the filter through the filter discharge piping. The filter discharge piping includes injection points for both soda ash (pH adjustment) and chlorine. This piping then directs the filtered water to the below-grade clearwell. Two transfer pumps located in the WTP move water from the clearwell to the chlorine contact basin, which is a welded steel reservoir located adjacent to the WTP that provides additional chlorine contact time. From the chlorine contact



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Structural and Architectural System Analysis
March 31, 2021

basin, four finished water pumps pump water to the District's storage reservoirs and distribution system for consumption.

Historical WTP Performance

Historically, the plant has performed well and provides high-quality finished water with turbidities of less than 0.1 nephelometric turbidity units (NTU).

The individual building structures have also performed well and are generally in good condition. Additional information on the construction of these buildings as well as the findings of a recently completed WTP assessment are provided in the next section.

BUILDING CONSTRUCTION

WTP Main Building

The WTP Main Building (Main Building) was constructed in 1972 and is a three-room one-story building consisting of cast-in-place concrete walls with a roof made from precast concrete tee beams overlain by a 4-inch concrete topping slab at the roof. The tee beams are supported at the perimeter of the building by the concrete walls. The building is built into a hillside so its walls are partially to fully below grade, except at the entrance on the north side of the building – which is fully exposed. The north wall with the entrance is a glass and metal framed “storefront” façade. According to record drawings, the roof structure has three-ply built-up roofing, overlain by 2 inches of sand, overlain by up to 18 inches of soil fill. Some photographs of the Main Building are shown as Figure A-1 in Exhibit A and a plan drawing of the building is shown as Figure A-2.

The Main Building contains a large treatment room that houses treatment equipment including raw water pumps, primary treatment equipment, filtration equipment, filtered water storage and pumping, laboratory, and storage space. Below grade, there is a concrete clearwell which provides equalization volume for filtered water prior to being pumped to the chlorine contact basin (CCB). The footprint of the clearwell is approximately 440 square feet (sf) with a total depth of approximately 9 feet. Within the treatment room is a small enclosed washup facility with a sink, toilet, and small storage closet. The washup facility is separated from the treatment room by wood framing, gypsum wallboard, and a hollow-core wood access door. The Main Building also includes an adjoining room that houses the chlorine gas disinfection equipment. Although there is a glass window that provides visibility to the chlorine room from the treatment room, the chlorine room is only accessible via an external entrance with a single metal access door. Lastly, the Main Building contains a metal security cage on the



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Structural and Architectural System Analysis
March 31, 2021

front façade to provide protection from vandalism and further restrict public access to the building.

In 2020, Gray & Osborne completed an assessment of the WTP and compiled the findings of the assessment into the *Sudden Valley Water Treatment Plant Assessment Report* (Assessment Report). The assessment included findings and recommendations from a mechanical, process, electrical, and structural/architectural perspective. The structural findings from this Assessment Report are summarized below while the mechanical, process, electrical, and coating assessment findings are addressed in other technical memoranda associated with this project.

- In general, the concrete structure is in good condition. No major cracks or spalling were found.
- According to record drawings, the topping slab over the tee beams is only 2 inches thick at the perimeter. It increases to 4 inches thick at the center of the roof to provide an external slope to promote drainage. The flanges of the tee beams are also relatively thin, tapering down to 1.5 inches thick at the ends of the flange. According to the record drawings, the roof was designed for 40 pounds per square foot (psf) live load and a maximum soil depth of 18 inches.
- The building is categorized as a Type C2 with concrete shear walls and stiff diaphragm and a preliminary Tier 1 seismic analysis did not find any major seismic deficiencies in the building.
- Miscellaneous structural steel supports such as pipe, conduit, and equipment supports are corroded. In some cases, the corrosion is severe enough that the strength of the support has been reduced.
- There are two coated steel tanks (flocculation and Filters 1 and 2) inside the building. The steel for these tanks is coated with paint and in some areas the paint has failed leading to corrosion of the steel. The corrosion does not appear to be advanced enough to affect the structural integrity of the tanks. The vessel for Filters 3 and 4 is made from aluminum and does not show signs of corrosion.
- Various segments of piping and associated fittings show minor signs of corrosion. This corrosion tends to be located at joints, fasteners, or edges, which is typical for piping within a moist environment. The corrosion does not appear to have affected the integrity of the piping and/or fittings.



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Structural and Architectural System Analysis
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- Many of the interior tanks and miscellaneous items supported from the building structure do not appear to have adequate seismic anchorage and/or bracing.

With regard to the layout of the Main Building, the Assessment Report had the following architectural observations:

- The building is extremely cramped due to the presence and location of large treatment equipment, most notably the flocculation tank, chemical tanks, and filter vessels. Furthermore, the existing footprint does not have adequate space or accommodations for additional equipment.
- Working clearances to all sides of each treatment component are limited due to the presence and location of stored materials used for maintenance and/or operation of the facility.
- Removal of any large treatment components (i.e., filters) will require removal of storefront windows as well as removal of the flocculation tank and/or chemical storage tanks.
- The laboratory space and computer monitoring equipment occupy the same space/counter, which places the electronic equipment at risk from damage due to spills/moisture. In addition to this, there is no dedicated office space where staff can complete water quality forms and/or monitor and control the treatment equipment.
- Storage space is limited. To ensure successful operation of the facility, a significant number of parts and tools are required. These parts and tools should be readily accessible; however, the available storage space is limited. Additionally, a tool cart and additional storage and workspace would make it easier for WTP staff to operate and maintain the facility. Furthermore, chemicals are stored in close proximity to electrical components, which promotes deterioration and degradation due to corrosion.
- The existing restroom facility and associated finishes show signs of deterioration.
- The existing safety shower and eyewash units installed at the WTP do not meet the requirements listed in ANSI Z358.1.



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Structural and Architectural System Analysis
March 31, 2021

- Various areas throughout the WTP (concrete walls, storefront windows, etc.) show signs of current and/or previous moisture intrusion. Furthermore, moisture continually present on the floor is likely due to insufficient drainage slopes and presents a safety hazard.
- The existing structure contains significant plant (ivy) growth on its exterior. This growth provides some camouflaging effect, but also inhibits the ability to inspect the structure and could potentially damage waterproofing systems if left unmanaged.
- The building components associated with the chlorine gas disinfection system show signs of deterioration and the chlorine gas system itself does not meet current codes for use/storage of the chemicals.
- The structure does not utilize an effective smoke alarm or fire suppression system.
- Site security is limited for the facility and the general public currently has access to both treatment buildings as well as the chlorine contact basin.

Per the previously completed Assessment Report, no seismic deficiencies were found in the structure of the Main Building. However, some nonstructural items such as partition walls and seismic bracing for piping were found to be deficient and require retrofits to meet the desired seismic performance level. The structural items noted above can all be addressed with minimal effort and expense when compared to the cost of substantial building modifications and/or replacement. Also, per the Assessment Report, the safety systems such as showers/eyewashes and the fire/smoke alarm systems do not meet current codes. Repairs to these systems, to equipment showing fatigue, and repairs to address moisture issues can all be addressed through individual projects based on available funding. Issues with capacity for expansion and space allocation for the various WTP staff work requirements at the WTP are more complex and are discussed in subsequent sections of this memorandum.

Finished Water Pump Building

This one-story building was constructed in 1992 and consists of prefabricated wood trusses at the roof supported by concrete masonry unit (CMU) walls at the perimeter of the building. The building exterior is provided with wood plank siding and the roof is constructed with asphalt shingle materials. The portion of this building that is utilized by the District contains a single large room that houses the finished water pumps and piping,



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Structural and Architectural System Analysis
March 31, 2021

the electrical components and starters associated with these pumps, various security and monitoring equipment, and the auxiliary generator that serves both the WTP and the Afternoon Beach Lift Station. The building also contains separate men's and women's restrooms at the west end of the building. The restroom facilities are each accessed via the building exterior by a single metal door, and these restrooms are only open to the public and Morning Beach Park users during the warmer summer months. Some photographs of the Finished Water Pump Building are provided as Figure A-3 in Exhibit A while a plan drawing of the building is shown as Figure A-4. Adjacent to the building is a freestanding 2,500-gallon diesel fuel tank that provides up to 96 hours of fuel for operation of the auxiliary generator.

The structural findings from the Assessment Report for this building are summarized below:

- In general, the prefabricated wood trusses and CMU walls are in good condition.
- Electrical conduit in the attic had only occasional bracing that did not appear to be adequate for the design-level earthquake.
- The building is categorized as a Type RM1 with reinforced masonry bearing walls and flexible diaphragm and a preliminary Tier 1 seismic analysis found two seismic deficiencies of concern:
 - The first deficiency concerns the transfer of horizontal shear forces from the roof diaphragm to the CMU wall at the south side of the building.
 - The second deficiency is insufficient out-of-plane anchorage of the tops of the CMU walls to the roof diaphragm.

The Assessment Report had no significant architectural observations for the Finished Water Pump Building and, in general, the building has sufficient space for access and maintenance on the equipment located within the building.

The items noted above can all be addressed with minimal effort and expense when compared to the cost of substantial building modifications and/or replacement. The next section describes options and analysis for potential modifications to the WTP structures.



BUILDING ANALYSIS

In this section, we will discuss the factors involved with modifying the existing WTP structures in order to accomplish the District's goals for their treatment operations which include:

1. Provide adequate space and accommodations for operation and maintenance of the equipment.
2. Provide suitable accommodations for expansion or replacement of treatment equipment including flows up to the maximum design flow of 1,400 gpm.
3. Provide treatment process redundancy so that the WTP can maintain operations if selected equipment must be removed from service for maintenance.
4. Provide components that will help preserve the function and condition of the electrical components used for treatment analysis.
5. Continue to provide exceptionally high-quality potable water to service area customers as efficiently and as cost-effectively as possible.

WTP Main Building

In its current orientation, space within the Main Building is very limited and the existing facility does not accomplish Goal 1, 2, 3, or 4 listed above. Additionally, the orientation and size of the treatment equipment will make it very difficult to meet these goals without some modifications to the Main Building. In order to meet these goals, additional facility space is required and can be provided in three main ways: expansion above the existing structure, expansion adjacent to the existing structure, and construction of a new separate building/structure. The sections below provide additional information and considerations for several key factors to consider when weighing these alternatives.

Alternative 1 – Building Expansion Above the Existing Structure

Alternative 1 includes expanding the existing structure vertically to create a second floor/story within the building. The new space would have an identical footprint to the existing structure and could be accessed from the Main Building ground floor, exterior stairs, and/or a separate access driveway.



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Condition and Code Adherence

Per the previously completed Assessment Report, no seismic deficiencies were found in the structure of the Main Building. However, some nonstructural items such as partition walls and seismic bracing for piping were found to be deficient and require retrofits to meet the desired seismic performance level.

Expansion of the existing facility would be more difficult than construction of a new facility with regard to meeting current codes. If the existing facility is expanded, the entire building, including the chlorine gas room, must be brought into compliance with current building and safety codes. For the chlorine room, this would include additional security, chemical storage, ventilation, and fire alarm systems. Additionally, if this option is selected, there are several nonstructural recommendations in Technical Memorandum 20434-3 (Gray & Osborne, 2020), including bracing of equipment and addressing minor corrosion of equipment/materials that should be completed in order to provide a robust treatment system.

Constructability

Factors that affect the constructability include (but are not limited to) preparation of the space, materials of construction, joining of materials, construction sequencing, equipment needed, space needed for construction, and equipment staging.

The Main Building is located partially below grade, at the base of a steep hillside under cover of approximately 18 inches of soil, and utilizes a roof which is not designed to support heavy or point loading. All of these factors will reduce and complicate access by vehicles, materials, and workers during construction.

Any modifications to the existing structure should be preceded by a thorough geotechnical and hillside analysis to ensure that construction of the proposed expansion is appropriate given the terrain and to potentially identify any geotechnical requirements that should be included in the construction methods for facility expansion.

While technically feasible, expansion of the existing facility above the existing structure is not recommended because of the restricted access for construction vehicles and slope/location of the adjacent hillside. It is likely that construction of this alternative would require specific geotechnical construction considerations.



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Property, Land Acquisition, and Land Use

The District does not own the parcel that contains the existing WTP and as such, would need to purchase or lease the land from its owner, the Sudden Valley Community Association (SVCA). The SVCA manages the operation of its property and works to ensure that the values of the community are maintained with regard to development and utility services. The land adjacent to the WTP is a public park and continuous availability to community members is a high priority for the SVCA. Impacts to the adjacent park are a significant factor when considering a plan of action for any WTP modification project.

Expansion of the existing facility above the existing structure is most desirable from a land acquisition/land use standpoint because the footprint of the WTP would not increase.

Access

Currently, the WTP is accessible via Morning Beach Drive and shares access with the adjacent Morning Beach Park parking lot. Morning Beach is a highly popular park in the summer months and adequate parking for visitors must be maintained. Additionally, the District must maintain access to the WTP for operations staff, for maintenance vehicles, and for chemical delivery vehicles. Currently, chemical delivery vehicles are small to medium size, but depending on whether or not the treatment process is modified, additional space may be necessary to accommodate larger delivery vehicles with larger turning radii.

Expansion of the existing facility above the existing structure would provide the lowest level of access to the facility. Expansion above the existing facility would necessitate the use of high slope roads and most likely a significant retaining wall for vehicular access to the upper level. It would also require stairs and/or elevators to access the upper floors from the building interior; however, the existing building footprint is not conducive to the space required to provide a stairway.

In addition to vehicular and pedestrian access to the WTP, there is also a question of conformance with the Americans with Disabilities Act (ADA). The current facility is not ADA compliant with regard to ingress/egress points, aisleway clearances, or restroom spacing. This is very common for water and wastewater treatment facilities given that these facilities are designed with heavy and moving equipment and often necessitate the use of large elevation changes or access to tight spaces; however, many entities have made their treatment facilities fully compliant with ADA requirements to corroborate with their status as an Equal Opportunity Employer, out of personal preference or company policy, or at the request/direction of building permit officials. Modifications to



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either the existing building or for any new structures should consider whether these facilities will be compliant with ADA as the accommodations for clearances, parking, building access, and restroom facilities are a significant consideration in the design of any structure. Of the three options, expansion of the existing structure above the Main Building would provide the greatest number of challenges in complying with ADA requirements.

Capacity for Expansion and Rehabilitation

One of the District's primary goals for modifications to the existing WTP is to provide sufficient accommodations for facility expansion/rehabilitation. Although the existing operational flow of 700 gpm is suitable to serve the current demands and the WTP is rated for treatment up to 1,400 gpm which will meet the projected design flow for the service area, the District would like to provide treatment capacity of the design flow **with redundancy**. This will help ensure that the WTP can provide potable water if selected components are offline for maintenance. The orientation of the existing treatment equipment does not provide accommodations for replacement/expansion of the filter equipment, flocculation tank, or chemical storage tanks – all of which would require modifications to the existing storefront window façade and/or temporary relocation or removal of selected equipment. Furthermore, there are other treatment components, most notably the chlorine contact basin, that limit the treatment capacity of the WTP but are not specifically located within the Main Building.

Expansion of the existing facility above the existing structure would not improve the capacity for equipment expansion/replacement because the upper floors could only be used for laboratory/work space or light storage and not treatment equipment or chemical storage. The lower floor must continue to house all of the treatment equipment and accessing/replacing the treatment components would still require significant modifications to the facility.

Summary

Based on the factors and descriptions noted above, expansion of the existing facility above the existing Main Building footprint does not appear to help the District meet its treatment and/or building expansion goals.

Alternative 2 – Expansion Adjacent to the Existing Structure

Alternative 2 includes expanding the existing structure horizontally to expand the footprint. The new space would be accessed from the existing access driveway or through the existing Main Building ground floor.



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Condition and Code Adherence

Similar to Alternative 1, expansion of the existing facility would be more difficult than construction of a new facility with regard to meeting current codes. Upgrades to comply with current chlorine gas codes would need to be completed, and nonstructural recommendations listed in Technical Memorandum 20434-3 for the Main Building should be completed.

Constructability

Expansion of the existing facility adjacent to the existing structure is more feasible than above the existing structure as discussed in Alternative 1. This is largely because the area to the north of the existing structure is open and available for construction equipment and/or staging and the expansion is not constrained by the footprint and construction type of the existing facility as in Alternative 1. Access to the existing facility would need to be maintained at all times, which would add significant complications to the construction schedule and sequencing. Furthermore, the new building expansion could be constructed with less-expensive construction materials such as wood framing or prefabricated metal buildings to limit cost. It should be noted, however, that these lower-cost materials may have a shorter lifespan.

Property, Land Acquisition, and Land Use

Expansion of the existing facility adjacent to the existing structure would require input and substantial coordination with the SVCA as well as other stakeholders. Special consideration would need to be given to maintaining access to Morning Beach Park and the District should consider how the expansion may affect use of the park by the public.

Access

Expansion of the existing facility adjacent to the existing structure would improve access to the facility but would also potentially decrease access to Morning Beach Park. Turnarounds and access by delivery vehicles would be maintained with this option.

Expansion of the existing facility adjacent to the Main Building structure would provide a better opportunity to comply with ADA requirements when compared to expansion above the existing structure; however, compliance would still be more difficult with this alternative when compared with construction of a new separate structure.



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Capacity for Expansion and Rehabilitation

Expansion of the existing facility adjacent to the existing structure could provide accommodations for equipment expansion/rehabilitation depending on the building size, layout, and orientation. If specific equipment is relocated to the expanded structure, it should be oriented in a fashion that will provide for easy removal/rehabilitation. While this would allow for reorganization of the space within the existing Main Building, access to the existing building would still be through a single door via the expanded space. Expansion of the existing building would not accomplish the District's goals unless all of the treatment equipment is relocated to the expanded space. However, relocating the existing treatment equipment to an expanded space would require that the WTP be taken offline for a significant period of time and would require that water service be provided by another source during this period. This temporary service could be avoided if new treatment equipment were included with the building expansion project as this new equipment could be installed, connected, and tested, and the WTP would only be taken offline to make final connections and for testing/startup.

Alternative 3 – Construction of a New Separate Structure

Alternative 3 includes construction of a new separate building. The building would be located near the existing Main Building, but would allow access to each building through unique access doors. Access to both structures would be from the existing access driveway.

Condition and Code Adherence

Construction of a separate structure would be simpler than vertically or horizontally expanding the existing facility. For the existing Main Building, upgrades to comply with current chlorine gas codes would need to be completed, the safety shower and eyewash systems should be brought into conformance with ANSI Z385.1, the fire/alarm system should be upgraded, and nonstructural recommendations listed in Technical Memorandum 20434-3 for the Main Building should be completed.

Constructability

Construction of a new facility is the most feasible of the three options because design of a new building could be tailored and optimized for the facility's needs. It would also provide for an open construction area and could be designed to provide more room for District staff to access the existing Main Building. If the new building is separate from the existing building, it allows greater flexibility in choosing the construction type for the



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new building. Less-expensive construction types such as wood-framed or prefabricated metal buildings could be considered to limit cost.

Property, Land Acquisition, and Land Use

Construction of a new separate structure would require input and substantial coordination with the SVCA as well as other stakeholders. Special consideration would need to be given to maintaining access to Morning Beach Park and the District should consider how construction would affect use of the park by the public.

Access

Construction of a new facility would provide the greatest improvement in access to the WTP but would also potentially decrease access to the adjacent beach park. Turnarounds and access by delivery vehicles could be optimized with this option.

Of the three alternatives, construction of a new building would provide the simplest and most cost-effective method for complying with ADA requirements if desired by the District.

Capacity for Expansion and Rehabilitation

Construction of a new facility would have the most significant benefit on improving accommodations for rehabilitation/expansion. A new facility could be designed and sized to accommodate current and future treatment equipment.

Building Costs

Capital cost is a significant consideration for any utility provider and is a critical factor in determining the option with the greatest value for the District's operations. Each of the options discussed herein has various possible construction techniques and each of these techniques has variable costs for design and construction.

Wood-framed structures are the least expensive and require the least design effort, but are more susceptible to damage from elements such as moisture. Wooden structures may sit on concrete foundations and can be constructed to a wide range of heights and dimensions. They are easily modified using standard construction practices and tools, and these materials are typically the most readily available from local sources. Wood-framed structures typically cost between \$150 and \$250 per square foot and have a design life of 30 to 50 years if properly maintained, but are less appropriate for damp environments such as water treatment facilities.



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Prefabricated metal structures are slightly more expensive than wooden structures, but have a longer design life (40 to 60 years) if properly maintained and are usually more durable than wooden-framed buildings. These materials are typically provided by a fabricator specializing in the manufacturing of metal components and are often available as a built system that includes framing, siding, roofing, insulation, and supporting materials. This combined system can often result in lower construction costs when compared to other building materials. Metal buildings typically cost between \$250 and \$350 per square foot. Coatings and material grades should be carefully specified for metal structures to help ensure that they are appropriate for damp environments due to the potential for corrosion of the structural members and/or siding materials.

The structure could also be constructed from CMU block and metal roofing materials. This type of building is more durable than both the wood-framed or metal structures described above and more suitable for damp environments such as water treatment facilities. These materials are readily available and commonly used for utility buildings, but do cost more than the alternatives discussed above. CMU/metal roof buildings typically cost between \$400 and \$500 per square foot, but also have the longest design life (more than 50 years) if well maintained.

Other Building Improvements

The alternatives listed above highlight three options for generic building modifications that would accomplish the goals set forth by the District for water treatment. In addition to these treatment goals, the District would like to try and address as many of the architectural observations and recommendations made in the Assessment Report for the Main Building as practicable. The specifics on how to address these items largely depends on the alternative selected, but if a new building or building expansion is selected, it would be feasible and most cost effective to address these recommendations as part of the design for the new facility. A brief description of how some of these recommendations could be accomplished as well as a budgetary cost for these elements is provided below. All of the costs provided are for equipment only and additional costs would be incurred for design, construction, contingencies, and/or Washington State sales tax.

Laboratory/Office Space

The existing laboratory/office space is small, cramped, and does not provide adequate separation between electronic equipment and wet sampling/testing areas. This increases the risk to the electronic equipment, which is necessary for recordkeeping and tracking the WTP performance in accordance with DOH requirements. Providing separate areas



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for wet sampling/analysis and office work would provide the highest value for the District; however, this separation is not possible given the current Main Building configuration. If the Main Building is modified or a new building is constructed, separate areas for sampling/analysis and treatment plant operation/monitoring could be provided. To provide the most efficient laboratory space for District staff, the following components are recommended:

- Additional upper and lower cabinetry for equipment, chemical, and laboratory storage.
- Separately plumbed sample stations for raw water, filtered water, and finished water.
- Additional storage for manuals, standard operating procedures, and other critical written documents.
- Additional counterspace for testing, analysis, and recordkeeping.

Additional office space would also provide additional value to WTP staff and would provide them with a space to efficiently complete their work and would also allow them to easily monitor the treatment process. Including additional separate office space is not feasible given the current Main Building configuration; however, if the building is modified or a new building is constructed, new treatment plant operation/monitoring could be provided. To provide the most efficient operation for District staff, the following components are recommended:

- Space separated from noisy treatment plant processes and equipment.
- Heated, well-ventilated space designed for human occupancy/work.
- Generous desk area for computers, phone(s), and other electronic equipment.
- File cabinets and storage for manuals, procedures, historical data, DOH forms, and other documents.
- General office equipment such as a printer and fax machine.
- Space for at least two WTP staff and guests/other District staff.



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In addition to these basic office requirements, the District may wish to consider additional facilities designed to accommodate longer-term use. In the event of an emergency (earthquake, flooding, contamination of other sources, etc.), the WTP may be required to operate continuously, which would necessitate long-term use by District staff. Furthermore, the WTP may also be designated as an alternate Emergency Operations Center (EOC) from which District activities may be coordinated and dispatched. If either of these conditions are realized, then the following facilities would provide additional value to the District:

- Simple meal storage, preparation, and consumption area (refrigerator, microwave, toaster oven, coffeemaker, etc.).
- Small space for resting.
- Washup facility with sink.

The scope and modifications to the existing sampling/analysis and office spaces will be based on the District's desires and will be in conjunction with other modifications made to the WTP. If modifications to the existing Main Building or a new building is constructed, we recommend including the desired spaces and/or accommodations for these spaces in the future. Costs to construct and outfit new office/laboratory space range between \$50 and \$250 per square foot, and greatly depend on the size, finishes, and desired function of the space.

Storage and Workspace

While the existing Main Building does maintain some storage space, it is small and lacks organization for small parts and the capacity to store large heavy items. Storage could be provided via an organized unit for small parts/components but should also include heavy-duty shelf storage for heavier items such as pumps, pipe fittings, etc. It also may be beneficial to locate at least some of this storage space outside of the moist treatment plant environment so that electronic equipment could be safely stored. Approximately three to four standard industrial shelving units would be recommended in addition to the existing shelving.

While the Main Building does contain a single workbench for repairs or modifications to equipment, the space is small and has little room for expansion given the current layout of the building. Furthermore, access to tools is restricted by the existing storage space and additional space for tool storage, including mobile tool storage, is desired. Additional tool storage and providing easy access to these tools would provide additional value to the District and would allow the WTP staff to more efficiently complete required



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maintenance tasks. Depending on the layout for any building modifications, additional storage could likely be provided for less than \$5,000.

Lifting Equipment

Currently, there is no lifting equipment for the raw water pumps in the Main Building, which makes removing these pumps and associated piping very difficult and cumbersome for District staff. Lifting equipment could include a bridge/trolley hoist above the raw water pump pit or a jib/davit crane installed within the existing floor slab. Alternatively, space could be provided for a manual mobile hoist. While a bridge/trolley hoist is likely not cost effective for this facility, a small jib crane and some structural slab modifications could significantly improve the ability of the staff to remove/service this equipment. An appropriately sized jib crane and structural modifications would likely cost between \$5,000 and \$15,000 depending on the extent of modifications required to support the loads.

Site Security

Currently, there are no security measures to separate the treatment facilities from the public facilities associated with Morning Beach Park. This presents a safety, access, and potential public health hazard and could be addressed through installation of various access control and/or monitoring equipment. Fencing and gates could be added that would limit access to the treatment facilities to authorized staff. Additionally, security cameras and/or site lighting can improve monitoring capability and visibility for the site. Security fencing typically costs between \$45 and \$70 per linear foot, depending on the number of gates, terrain, materials and finishes, and overall length. To limit access to the general public, approximately 550 linear feet of fencing might be required, which results in an estimated cost of \$25,000 to \$38,000. Basic camera security equipment could be provided for an additional \$20,000 to \$50,000 depending on the level of coverage, quality, and amount of storage desired.

Access

Currently, the only point of access into the Main Building is a single pedestrian door. Removal of large equipment would require that it be demolished within the building then removed, piece by piece, or the existing storefront windows/door must be temporarily removed. A commercial-style coiling door could provide excellent site security, but also allow for the movement of large pieces of equipment. These types of doors are common at municipal treatment facilities, can be provided with a variety of finishes and features, and cost between \$15,000 and \$20,000 depending on the size, finish, and features provided.



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Restrooms and Public Facilities

The existing restroom at the Main Building is in fair condition, but should be updated with new coatings and fixtures to ensure its continued trouble-free operation. In addition to this, depending on the construction or development of an EOC within the new/modified building, additional facilities such as showers or additional toilets may be warranted. A larger restroom facility would provide added value to the District if staff must remain at the EOC for long periods of time during an emergency. The Main Building does not have sufficient space to expand the existing restroom to include additional toilets or a shower; however, these facilities could be included into the design if a new building is constructed. Updating the existing restroom would cost between \$5,000 and \$10,000. New restroom facilities for a new building typically cost between \$100 and \$200 per square foot depending on the size and quality of fixtures, and type of finishes installed.

Additionally, because the WTP may be occasionally visited by selected members of the general public, the District may wish to consider accommodating these visits by providing wide spaces, convenient and open pathways, and clear access to the treatment process for viewing. Furthermore, it may also be desirable to allow for some level of educational space where placards, cutaways, or informational bulletins could be posted that explain the operation of selected pieces of equipment. These wide, clear pathways and additional space near critical pieces of equipment would provide additional value to District staff by improving their access to equipment for maintenance and service which makes completion of these tasks safer and more efficient.

Finished Water Pump Building

Because the Finished Water Pump Building does not contain any treatment equipment, it does not have the same considerations for expansion/modifications as the Main Building. The sections below discuss some of the considerations for expansion/modification of the existing Finished Water Pump Building. The impetus for modifications to this building are less significant than for the Main Building because space and access to the existing equipment is sufficient to maintain the components.

Condition and Code Adherence

The Finished Water Pump Building, as noted above, does not meet current seismic design parameters with regard to the roof and shear wall diaphragm connections. These issues are easily and inexpensively addressed and additional information on methods for addressing this issue are provided in Technical Memorandum 20434-3 (Gray & Osborne,



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2020). Briefly, they include new roof sheathing nails, additional wall diaphragm blocking, and new roofing materials. The estimated cost to address these seismic issues is \$100,000 to \$110,000, not including tax, contingency, or project design and administration. Additional nonstructural considerations such as seismic bracing of equipment and piping should be completed in order to help the structure meet the desired seismic performance objective identified in the Assessment Report; however, these modifications could be completed over several years based on available funding.

If these structural and/or nonstructural modifications are completed, the building would meet current codes and should be suitable to provide for the District's needs for many years.

Building Expansion

The existing Finished Water Pump Building was constructed in 1992 and is generally in good condition. Given the differing functions of the Main Building and the Finished Water Pump Building, using or expanding the Finished Water Pump Building to improve the space issues at the Main Building, such as adding chemical storage to the Finished Water Pump Building, is not recommended. Consequently, only the adequacy of the existing building relative to the District's finished water pumping needs will be analyzed.

The Finished Water Pump Building houses two pumps that move water to the Division 7 Reservoir, each with a capacity of approximately 700 gpm, and two pumps that move water to the Division 22 Reservoir, each with a capacity of 700 gpm. The current building layout provides good access to the pumps, piping, and motor control centers. Typically, demand for the Division 7 Reservoir is much less than that of the Division 22 Reservoir, such that the current Division 7 pumps provide sufficient capacity and redundancy for the total design flow of 1,400 gpm. The Division 22 pumps; however, do not. To accommodate the desire for process redundancy, the District could either replace the existing Division 22 pumps with new larger units or install a third similarly sized pump. Given the current ratio of flows to each reservoir, new Division 22 pumps should have a capacity between 1,000 and 1,100 gpm each in order to provide suitable flow and redundancy. Replacing the existing pumps with larger units would not require physical building modifications or expansion; however, there would be mechanical and electrical modifications required. On the other hand, installation of a third 700 gpm pump would require expansion of the existing structure as well as mechanical and electrical modifications.

One alternative for providing additional space within the existing structure, if it is ever required, is to relocate the existing restrooms to a new separate restroom facility to accommodate Morning Beach Park users and then repurpose the existing restroom space



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for District uses. The existing restrooms (Figure A-3) would provide an additional 330 sf within the existing building. This space could potentially be used to house new or relocated electrical equipment, new security monitoring equipment, storage space, or additional laboratory space.

RECOMMENDATIONS

It is difficult to provide a formal recommendation for modifications to the existing structures without considering the other issues that are being analyzed at the WTP. For example, if the District decides to replace the filtration equipment, this cannot reasonably be completed within the existing Main Building given the operational and continuity constraints, and as such a new separate building would be required. If a new building is provided for the filtration equipment, it is advantageous to relocate other treatment components such as primary treatment and/or chemical addition equipment to this building as well. The economy of scale when considering the modifications for the WTP will drive the decision-making process. However, given the goals stated previously and the considerations discussed above, constructing a new separate building for treatment equipment seems more feasible when compared with expansion of the existing structure (above or adjacent). A new building would also allow the District to easily incorporate some of the additional methods to address items identified in the Assessment Report such as additional workspace, site security, additional storage, and improving access to and within the WTP. Furthermore, expansion or modifications to the existing Finished Water Pump Building structure do not significantly benefit District operations unless a third redundant Division 22 pump is desired and additional space is needed within this specific structure. If full and complete redundancy for the Division 22 pumps is desired, we recommend the District investigate replacement of the existing pumps with larger units instead of modifying the existing building structure to accommodate a third pump.

Additional recommendations will be deferred until the final Alternatives Analysis Report is prepared that contains all of the information in the various technical memoranda to provide an optimized recommendation for the entire filter plant to ensure the District's goal of continuing to provide high-quality treated water for decades to come.

EXHIBIT A
FIGURES

DRAFT



FIGURE A-1

Existing WTP Main Building Structure

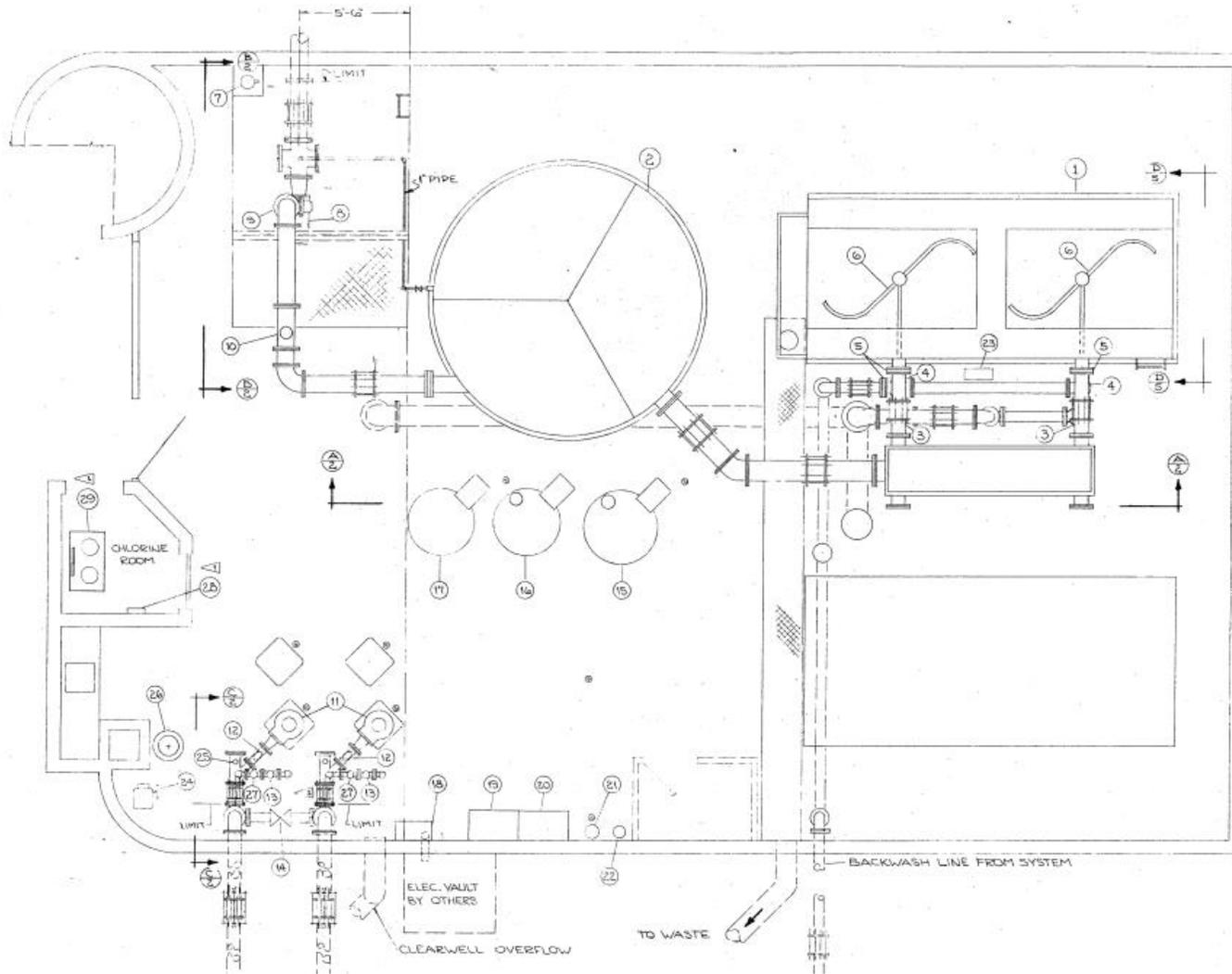


FIGURE A-2

Existing WTP Main Building Plan



FIGURE A-3

Existing Finished Water Pump Building Structure

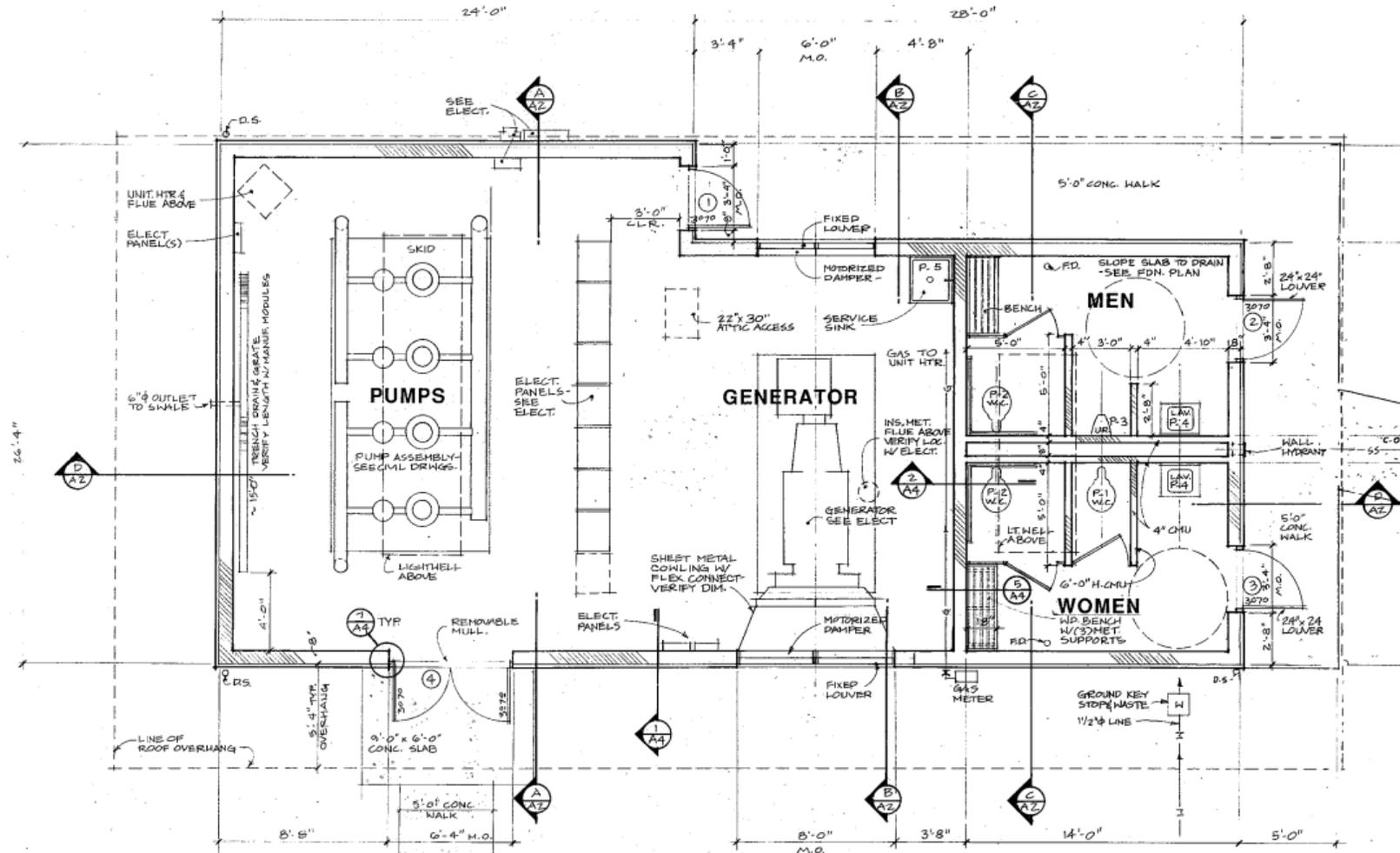


FIGURE A-4

Existing Finished Water Pump Building Plan



**AGENDA
BILL
7.B**

**Resolution No. 870
Incorporating Clarifying Language
in Administrative Code Title 2,
Fiscal Management Policies**

DATE SUBMITTED:	March 30, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Resolution No. 870		
TYPE OF ACTION REQUESTED	RESOLUTION <input checked="" type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

District Administrative Code Title 2, Fiscal Management Policies, defines the District’s financial management structure and associated policies. Aside from Chapter 2.16, Purchasing Policy, it has been a number of years since the last comprehensive review of Title 2. The Investment Committee discussed over the past year a number of independent topics within the Fiscal Management Policies that the Board of Commissioners may wish to consider policy revision to. Work sessions were held on February 10 and March 10 to discuss proposed revisions to the Fiscal Management Policies. As an outcome of Board direction from those work sessions, staff is developing a series of resolutions for Board consideration, with each resolution comprised of groups of like-revisions to Title 2 for creating a trackable record of policy revision. Following is a summary of the proposed revisions, anticipated resolution number, and timeline for bringing forward for Board consideration:

Section	Revision Summary	Resolution	Tentative Date
2.4	Code cleanup specific to actual processes	870	4/14/2021
2.8	Payment plan clarification and extension		
2.10.2	Code cleanup		
2.10.3	Code cleanup specific to actual processes	874	4/28/2021
2.10.5	Voluntary billing suspension cap		
2.10.6	Voluntary billing suspension cap		
2.10.7	Code cleanup	870	4/14/2021
2.10.8	Water leak adjustment revisions & code cleanup		
2.10.9	Code cleanup		
2.11.1	Code cleanup		
2.13	Integrate investment policy	873	4/28/2021
2.15	Integrate fixed asset policy		

2.17.1	Property purchase w/o appraisal change	875	5/12/2021
2.18.2	Define contingency reserve policy	871	4/14/2021
2.19.1	Define debt service coverage ratio		
2.19.2	Define actions is credit rating drops & code cleanup		

*Resolution No. 872 is associated with conclusion of the Division 30 water transmission main emergency repair

Attached is Resolution No. 870, which consists primarily of code language cleanup and revisions to reflect actual processes that are in-place.

FISCAL IMPACT

No fiscal impact is anticipated.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

Staff recommends that the Board adopt Resolution No. 870.

PROPOSED MOTION

A recommended motion is:

“I move to adopt Resolution No. 870 as presented.”

**LAKE WHATCOM WATER AND SEWER DISTRICT
RESOLUTION NO. 870**

A Resolution of the Board of Commissioners
Incorporating Clarifying Language within Certain Sections of
Administrative Code Title 2, Fiscal Management Policies

WHEREAS, the Lake Whatcom Water and Sewer District (“District”) is a special purpose district located in Washington State authorized under Title 57 Revised Code of Washington; and

WHEREAS, the District is responsible for planning, improvements, maintenance, and operation of comprehensive water and sewer systems capable of providing reliable service to District ratepayers; and

WHEREAS, the District Board of Commissioners has previously set fiscal management policies, codified under Title 2 of the District Administrative Code, to ensure the long-term fiscal health and effective management of District resources in accordance with applicable laws; and

WHEREAS, the District Board of Commissioners wishes to revise certain portions of Title 2 to provide greater clarity for consistent policy implementation; and

WHEREAS, the District Board of Commissioners wishes to make editorial revisions to portions of Title 2 to enhance consistency and readability throughout the title; and

WHEREAS, the District Board of Commissioners wishes to create a cap on the District’s financial liability associated with adjustment to a customer’s utility bill when a qualifying water leak occurs; and

WHEREAS, the District Board of Commissioners has reviewed and determined it appropriate to revise Sections 2.4, 2.8, 2.10.2, 2.10.3, 2.10.7, 2.10.8, and 2.10.9 of Title 2, Fiscal Management Policies, of the Administrative Code, as reflected in Exhibit A attached hereto for reference purposes only, which identifies specific amendments to those specific sections of Title 2 with deletions in strikethrough and additions underlined; and

WHEREAS, the foregoing recitals are a material part of this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake Whatcom Water and Sewer District, Whatcom County, Washington as follows:

Section 1. Sections 2.4, 2.8, 2.10.2, 2.10.3, 2.10.7, 2.10.8, and 2.10.9 of Title 2 of the District Administrative Code are repealed and replaced with Sections 2.4, 2.8, 2.10.2, 2.10.3, 2.10.7, 2.10.8, and 2.10.9 of Title 2 of the Administrative Code, as attached hereto as Exhibit B.

Section 2. Any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this Resolution.

Section 3. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board of Commissioners hereby declare that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this Resolution should be declared invalid or unconstitutional, then the original resolution or resolutions shall be in full force and effect.

Section 4. This Resolution shall be effective immediately.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a regular meeting thereof, on the 14th day of April, 2021.

Laura Abele, President, Board of Commissioners

Attest:

Rachael Hope, Recording Secretary

Approved as to form:

Robert Carmichael, Attorney for the District

EXHIBIT A

2.4 Accounting, Auditing, Internal Controls & Financial Reporting

This policy is meant to establish an adequate system of internal controls over the treasury function. The objective of this policy is to provide an environment of limited internal risk for the District's assets and to ensure accuracy of accounting records and timely reporting and recording of financial information. Software and online account control for the bank will utilize a dual control environment. No one employee will be able to complete a disbursement of money out of the District's accounts, except for transfer to and from the State Local Government Investment Pool (LGIP) by the Finance Manager/Treasurer.

Function	Responsible Party
Authorize investment transactions	General Manager or Investment Committee
Execute investment transactions	Finance Manager/Treasurer
Transfer to and from the LGIP	Finance Manager/Treasurer
Recording of investment transactions	Finance Manager/Treasurer
Reconcile investment statements to internal records	Finance Manager/Treasurer
Reconcile treasury records to accounting system	Finance Manager/Treasurer
Review financial institutions from investments, safekeeping and banking	Finance Manager/Treasurer
Approve changes to Investment Policy	Board of Commissioners
Annual review of Investment Policy	Board of Commissioners <u>Investment Committee</u>
Reconcile checks, payments, ACH, and out-going wires to internal records	Finance Manager/Treasurer or General Manager
Biennial <u>Annual</u> review of Rates and Charges	Board of Commissioners
Quarterly review of investment portfolio	General Manager & Investment Committee
Quarterly review of Current Rate Structure	General Manager & Investment Committee
Quarterly review of Comprehensive Plan	Engineering Department
Quarterly review of Capital Improvement Plan	Engineering Department

2.4.1 Accounting Records and Reporting

The District will maintain its accounting records in accordance with state and federal regulations. Budgeting, accounting and reporting will conform to Budgeting, Accounting and Reporting System (BARS) for governments as prescribed by the Washington State Auditor.

2.4.2 Auditing

The State Auditor will, at a minimum, bi-annually perform the District's financial and compliance audit. Results of each audit will be provided to the Board in a timely manner. An annual financial report shall be prepared in accordance with generally accepted accounting principles and shall be distributed to any interested party.

2.4.3 Simplified Fund Structure

To the extent possible, the District will minimize the number of funds.

2.4.4 Cash Management

The Finance Manager/Treasurer will develop, maintain and consistently seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by the District will be deposited with the Finance Department prior to the end of each business day.

2.4.5 Cash Handling Policy

Only employees who have been trained and certified by the Finance Manager/Treasurer shall handle cash on a regular basis. Staff members who handle cash shall:

1. Deposit funds within twenty-four hours of receipt or on the next banking day after receipt unless otherwise authorized by the Finance Manager.
2. Comply with the policies and rules established by the Finance Manager for handling and processing cash, and for the documentation of related records.
3. Notify the Finance Manager of any loss or theft of District money immediately upon discovery. [Resolution Nos. 727, 861, [870](#)]

2.8 Fees / Charges Adjustment Authority

The District has established fees and charges which it applies on a uniform basis and the payment of its rates, fees and charges are required by law to reflect the cost of service. The District's ~~policy and procedures manual~~ permits the waiving of late charges and allows the District to not shut off service, place a lien against property, and pursue collection under certain circumstances, where a customer adheres to a payment plan approved by the Finance Manager. Payment plans may be developed at the discretion of the Finance Manager/Treasurer, but should typically be structured in a manner that evenly divides the outstanding balance into monthly payments over the term of the plan. The payment plan term shall not exceed 12 months. Failure to meet the terms of the payment plan shall result in shut-off of service and accrual of applicable fees and charges.

The cost-efficient and fair administration of such fees and charges and timely response to District customers is facilitated by delegating to the General Manager authority to adjust certain fees and charges or to dismiss same under very limited circumstances listed below:

1. Applications to dismiss or adjust fees or charges shall be referred to the District's Finance Manager for investigation.
2. The Finance Manager shall make a written recommendation regarding an application for adjustment to the General Manager after completing his/her investigation.
3. The General Manager is authorized to make adjustments and write-offs of fees or charges where investigation reveals that a fee or charge was erroneously imposed by the District.
4. The General Manager is authorized to reduce a single fee or charge, or a combination of fees or charges based upon the recommendation of the Finance Manager, the policies underlying adoption of a fee or charge for the conduct in question, and any mitigating circumstances presented by the applicant.

5. Additionally, in accordance with the existing Leak Adjustment Policy, defined in Section 2.10.8, either the General Manager or the Finance Manager may waive late charges on the leak amount if the customer adheres to a prearranged payment schedule.
6. The General Manager's decision on such applications shall be the final decision of the District, unless appealed in writing to the Board of Commissioners within 30 days following receipt of the decision on the application.
7. A written report of all said adjustments and write-offs will be presented to the Board of Commissioners once a month with the Consent Agenda for informational purposes.
8. This title does not permit the General Manager to write off ULID assessments or forgive debts due to the District in contravention of State law. [Resolution Nos. 766, 870]

2.10.2 Rate Setting Policy

The District's rates and charges are based upon the cost of service and are designed to provide for the prudent financial management of the District. When setting the rates, the Board of Commissioners not only have to be sure that there will be enough money to pay for the day to day operations of the District but also to cover future infrastructure upgrades, repairs and replacements. Since rate setting is such a complex issue, the District has periodic rate studies done by a rate consultant. ~~In 2003 the Board implemented a policy of increasing the District's rates in small increments on an annual basis.~~ When setting rates, ~~it is important to the District shall~~ use a methodology that is generally accepted within the utility industry.

1. Financial Stability: The financial stability of the District also provides rate stability. Rate stability reinforces that costs are being managed and controlled. To the extent the District is able to control and predict its annual operating costs including wholesale rate increases, the District should attempt to keep customer rates and/or rate increases as stable as possible.
2. Revenue Requirements Analysis: Revenue requirements will be established on a "cash basis" approach. The "cash basis" approach includes operation and maintenance expenses, debt service and capital improvements funded from rates. The revenue requirements, as defined herein, are the basic components. Revenue requirements should also include any other cost items requiring funding or needed to operate the District on a financially stable basis. At a minimum, revenues and costs will be projected for a six-year projected period. Costs associated with mandated program requirements will be identified and included within the "cash basis" approach.
3. Cost of Service Analysis: A cost of service study will be utilized to assist in establishing appropriate rates for individual customer classes. The cost allocation methodology will utilize techniques that are "generally accepted" by the industry. The cost of service will consider the specific circumstances and unique characteristics of the District.
4. Rate Design Analysis: Rate designs will be reflective of District needs and also reflect the specific goals and objectives of the District. Meeting District goals at a reasonable cost to the customer should also be an important consideration in utility rate design. Rates will recognize and attempt to incorporate a fixed charge for the up-front fixed costs associated with serving

customers and a usage or volumetric charge that attempts to recover the variable costs of operating the District. Rates will be set at a level that recovers necessary costs, but flexible enough to accomplish the District's objectives. Rates should be designed to be equitable, and detailed to a sufficient level to reflect the service provided.

5. Rate Stability: The District reviews rates on an annual basis to assure that they provide sufficient revenues. The rates are reviewed in the context of these policies to assure that they are adequately funding the District. Small annual rate adjustments are preferable when compared to large single adjustments for multi-year periods. Annual rate reviews will consider a six-year projected period to attempt to stabilize and minimize rate increases over time.
6. Rate Impacts: District rates are the primary communication the District has with its customers. Whenever possible, the District's rates should be easy to understand, stable from year-to-year and should minimize the overall impacts to customers. Rates will be structured to promote understanding by the District's customers. In establishing rates, the District will balance the needs of the District and the policies established therein, with the varying impacts those rates may have on District customers. [Resolution Nos. 825, 861, 870]

2.10.3 Water and Sewer Service Billing

The District's policy in setting rates is that they shall be fair, equitable, understandable, and provide for the prudent financial management of the District. The District shall use the following procedures for billing:

1. District regular billing for water and sewer (if applicable) service and surcharges will commence or recommence as of the date the curb stop valve is unlocked and/or reopened.
2. Bills are due on the 20th of the month following the date of the bill. A five calendar day grace period for overdue payment is granted before a late charge as listed on the current Master Fees and Charges Schedule of the total past-due utility services balance is assessed. Late charges are refundable if the late payment is a result of District staff error or circumstances beyond the customer's control, subject to the General Manager's approval. Payments must be received at the District office by the close of business on the 25th of the month to avoid a late charge, regardless of the date postmarked.
3. For those accounts where water service charges are not paid within 60 days after the billing date, the District ~~may place a water service interruption warning door hanger~~ will issue a shut-off notice citing the date on which service suspension will occur if the outstanding payment is not received. If the bill is not paid within the allotted time stated on the ~~door hanger notice~~, service may be suspended and the meter ~~may be~~ padlocked. Service will remain suspended until the bill is paid in full, ~~including along with the charges associated with processing the door hanger notice and shutting off the water,~~ unless a payment plan is approved in advance of service suspension in accordance with Section 2.8.
4. Regular bi-monthly billing may be suspended while service is interrupted and the District padlocks the curb stop valve whether the interruption is voluntary or not. Regular billing will continue whether service is voluntarily or involuntarily interrupted, until the curb stop valve is

closed and locked. When the curb stop valve is closed and locked for any reason, the District will suspend all prospective water and sewer (if applicable) billing and surcharges.

5. All unpaid water and sewer service charges when delinquent for 60 days or more shall be a lien against the property being served. In the event the customer fails to bring the account current within six months, the account may be referred to the District's legal counsel to begin formal foreclosure proceedings against the property.
6. See the current Master Fees and Charges Schedule for all fees and charges associated with billing. [Resolution Nos. 820, 861, 870]

2.10.7 Suspension of Billing for Unoccupied Premises

The ~~Board of Commissioners authorizes the~~ suspension of water and/or sewer services without charging a fee, is authorized under certain circumstances, such as a house that has been destroyed by fire. The water and/or sewer billing will be suspended provided that:

1. The structure in question is removed, condemned, destroyed, or no longer requires water and/or sewer service in the opinion of the General Manager, and
2. The property owner requests in writing the suspension of service and service charges to the structure, and
3. The water meter is locked or removed when the service is suspended, and
4. The account is paid current to the first of the month following the District's receipt of the property owner's written request before the billing will be suspended. [Resolution Nos. 444, 782, 870]

2.10.8 Water Leak Adjustments

The District will adjust high customer water bills resulting from in-ground water service line breaks between the water meter and the outermost exterior walls of the structure. The leak adjustment request must be made in writing by the property owner and include evidence that the leak is now repaired either by enclosing a paid invoice or a receipt for repair parts. If there are no invoices or receipts available, a written assertion that the leak is now repaired is acceptable. To calculate the adjustment:

1. Water consumption figures from the same billing period in the previous year are used to calculate the leak adjustment. If less than one year's usage history exists, the current base rate allowance will be used as a non-leak quantity basis. The District will credit qualifying leak adjustment dollar amounts to the current or next customer bill. ~~There is no cap to limit the customer's costs~~ The adjustment credit shall not exceed \$1,000 or 50 percent of the amount determined to be the excess water usage charge, whichever is less.
2. The District's ~~rate structure has~~ adopted ~~on September 10, 2014 established~~ a tiered rate structure for water. Water usage exceeding 2,500 cubic feet in a two-month billing period is

billed at a higher "water conservation" rate. For the purpose of calculating leak adjustment credits, water usage over 2,500 cubic feet will be billed at the lower tier rate.

3. Water leak adjustments are limited to one adjustment ~~per account per 12 month period~~ during the life of that metered service. When a leak occurs, the overage may be reflected on more than one consecutive billing cycle. In those instances, the District will utilize both contiguous cycles for the purpose of calculating leak adjustment credits.
4. The District will set up an incremental payment schedule on the remaining balance of the leak amount at the customer's request. Payment schedules must be arranged in a way that ensures payment of the current two-month minimum billing plus an installment on the extraordinary portion of the bill. The extraordinary portion of the bill must be paid in full within ~~six~~12 months of incurring the charges. Late charges on the leak amount will be waived if the customer adheres to the prearranged payment schedule. [Resolution Nos . 821, 861, 870]

2.10.9 Low Income Senior/Disabled Water and Sewer Rates

As authorized by RCW 57.08.014, the ~~Lake Whatcom Water and Sewer~~District offers uniformly reduced rates across the service area to qualified low-income seniors and disabled customers for water and sewer utilities provided by the District. Notification of such reduced rates will be provided to all persons serviced by the District annually, and upon initiating service. Eligible customers must:

1. Have an individual account serving one (1) equivalent residential unit (an account serving multiple equivalent residential units such as duplexes, multi-family, or condominium is not eligible);
2. Be the property owner and reside in the residence where the discount rate(s) are applied;
3. Provide Property Tax Exemption documentation from the Whatcom County Assessor's Office;
4. Agree that the application is public record and subject to public disclosure, waive any claim of confidentiality in any information provided and to release ~~Lake Whatcom Water and Sewer~~the District, and its employees, agents, offices, and Commissioners from any liability or claims which might arise from the disclosure of such information to any other party or entity; and
5. Agree that the discounted rate will commence on the next billing date after the application is approved and only continue for the time period when such rates are listed and set forth in the current Master Fees and Charges Schedule. [Resolution Nos. 807, 834, 861, 870]

EXHIBIT B

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3. For those accounts where water service charges are not paid within 60 days after the billing date, the District will issue a shut-off notice citing the date on which service suspension will occur if the outstanding payment is not received. If the bill is not paid within the allotted time stated on the notice, service may be suspended and the meter padlocked. Service will remain suspended until the bill is paid in full, including charges associated with processing the notice and shutting off the water, unless a payment plan is approved in advance of service suspension in accordance with Section 2.8.
4. Regular bi-monthly billing may be suspended while service is interrupted and the District padlocks the curb stop valve whether the interruption is voluntary or not. Regular billing will continue whether service is voluntarily or involuntarily interrupted, until the curb stop valve is closed and locked. When the curb stop valve is closed and locked for any reason, the District will suspend all prospective water and sewer (if applicable) billing and surcharges.

5. All unpaid water and sewer service charges when delinquent for 60 days or more shall be a lien against the property being served. In the event the customer fails to bring the account current within six months, the account may be referred to the District's legal counsel to begin formal foreclosure proceedings against the property.
6. See the current Master Fees and Charges Schedule for all fees and charges associated with billing. [Resolution Nos. 820, 861, 870]

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The suspension of water and/or sewer services without charging a fee is authorized under certain circumstances, such as a house that has been destroyed by fire. The water and/or sewer billing will be suspended provided that:

1. The structure in question is removed, condemned, destroyed, or no longer requires water and/or sewer service in the opinion of the General Manager, and
2. The property owner requests in writing the suspension of service and service charges to the structure, and
3. The water meter is locked or removed when the service is suspended, and
4. The account is paid current to the first of the month following the District's receipt of the property owner's written request before the billing will be suspended. [Resolution Nos. 444, 782, 870]

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1. Water consumption figures from the same billing period in the previous year are used to calculate the leak adjustment. If less than one year's usage history exists, the current base rate allowance will be used as a non-leak quantity basis. The District will credit qualifying leak adjustment dollar amounts to the current or next customer bill. The adjustment credit shall not exceed \$1,000 or 50 percent of the amount determined to be the excess water usage charge, whichever is less.
2. The District has adopted a tiered rate structure for water. Water usage exceeding 2,500 cubic feet in a two-month billing period is billed at a higher "water conservation" rate. For the purpose of calculating leak adjustment credits, water usage over 2,500 cubic feet will be billed at the lower tier rate.

3. Water leak adjustments are limited to one adjustment during the life of that metered service. When a leak occurs, the overage may be reflected on more than one consecutive billing cycle. In those instances, the District will utilize both contiguous cycles for the purpose of calculating leak adjustment credits.
4. The District will set up an incremental payment schedule on the remaining balance of the leak amount at the customer's request. Payment schedules must be arranged in a way that ensures payment of the current two-month minimum billing plus an installment on the extraordinary portion of the bill. The extraordinary portion of the bill must be paid in full within 12 months of incurring the charges. Late charges on the leak amount will be waived if the customer adheres to the prearranged payment schedule. [Resolution Nos . 821, 861, 870]

2.10.9 Low Income Senior/Disabled Water and Sewer Rates

As authorized by RCW 57.08.014, the District offers uniformly reduced rates across the service area to qualified low-income seniors and disabled customers for water and sewer utilities provided by the District. Notification of such reduced rates will be provided to all persons serviced by the District annually, and upon initiating service. Eligible customers must:

1. Have an individual account serving one (1) equivalent residential unit (an account serving multiple equivalent residential units such as duplexes, multi-family, or condominium is not eligible);
2. Be the property owner and reside in the residence where the discount rate(s) are applied;
3. Provide Property Tax Exemption documentation from the Whatcom County Assessor's Office;
4. Agree that the application is public record and subject to public disclosure, waive any claim of confidentiality in any information provided and to release the District, and its employees, agents, offices, and Commissioners from any liability or claims which might arise from the disclosure of such information to any other party or entity; and
5. Agree that the discounted rate will commence on the next billing date after the application is approved and only continue for the time period when such rates are listed and set forth in the current Master Fees and Charges Schedule. [Resolution Nos. 807, 834, 861, 870]



**AGENDA
BILL
7.C**

**Resolution No. 871
Amending Utility Reserves and
Debt Management Policies
in Administrative Code Title 2,
Fiscal Management Policies**

DATE SUBMITTED:	March 30, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Resolution No. 871		
TYPE OF ACTION REQUESTED	RESOLUTION <input checked="" type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

District Administrative Code Title 2, Fiscal Management Policies, defines the District’s financial management structure and associated policies. Aside from Chapter 2.16, Purchasing Policy, it has been a number of years since the last comprehensive review of Title 2. The Investment Committee discussed over the past year a number of independent topics within the Fiscal Management Policies that the Board of Commissioners may wish to consider policy revision to. Work sessions were held on February 10 and March 10 to discuss proposed revisions to the Fiscal Management Policies. As an outcome of Board direction from those work sessions, staff is developing a series of resolutions for Board consideration, with each resolution comprised of groups of like-revisions to Title 2 for creating a trackable record of policy revision. Following is a summary of the proposed revisions, anticipated resolution number, and timeline for bringing forward for Board consideration:

Section	Revision Summary	Resolution	Tentative Date
2.4	Code cleanup specific to actual processes	870	4/14/2021
2.8	Payment plan clarification and extension		
2.10.2	Code cleanup		
2.10.3	Code cleanup specific to actual processes	874	4/28/2021
2.10.5	Voluntary billing suspension cap		
2.10.6	Voluntary billing suspension cap		
2.10.7	Code cleanup	870	4/14/2021
2.10.8	Water leak adjustment revisions & code cleanup		
2.10.9	Code cleanup		
2.11.1	Code cleanup		

2.13	Integrate investment policy	873	4/28/2021
2.15	Integrate fixed asset policy		
2.17.1	Property purchase w/o appraisal change	875	5/12/2021
2.18.2	Add contingency reserve policy	871	4/14/2021
2.19.1	Define debt service coverage ratio		
2.19.2	Define actions is credit rating drops & code cleanup		

*Resolution No. 872 is associated with conclusion of the Division 30 water transmission main emergency repair

Attached is Resolution No. 871, which adds a new section to the Administrative Code associated with maintaining contingency reserves for each utility, and revising sections associated with debt management to provide greater clarity and liability reduction.

FISCAL IMPACT

No fiscal impact is anticipated.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

Staff recommends that the Board adopt Resolution No. 871.

PROPOSED MOTION

A recommended motion is:

“I move to adopt Resolution No. 871 as presented.”

**LAKE WHATCOM WATER AND SEWER DISTRICT
RESOLUTION NO. 871**

A Resolution of the Board of Commissioners
Amending Policies related to Utility Reserves and Debt Management within Certain Sections of
Administrative Code Title 2, Fiscal Management Policies

WHEREAS, the Lake Whatcom Water and Sewer District (“District”) is a special purpose district located in Washington State authorized under Title 57 Revised Code of Washington; and

WHEREAS, the District is responsible for planning, improvements, maintenance, and operation of comprehensive water and sewer systems capable of providing reliable service to District ratepayers; and

WHEREAS, the District Board of Commissioners has previously set fiscal management policies, codified under Title 2 of the District Administrative Code, to ensure the long-term fiscal health and effective management of District resources in accordance with applicable laws; and

WHEREAS, the District Board of Commissioners wishes to create greater financial resiliency by formalizing within the Administrative Code the creation and maintenance of contingency reserve funds for its water and sewer utilities, which to date have been solely maintained through adoption of annual budgets; and

WHEREAS, to protect the District’s credit rating and fortify the District’s financial viability, the District Board of Commissioners wishes to formalize within the Administrative Code a minimum allowable debt service coverage ratio to be adhered to when considering long-term borrowing for financing capital improvements; and

WHEREAS, to protect the District’s credit rating needed for securing long-term loans, the District Board of Commissioners wishes to define actions to be taken in the event the District’s credit rating decreases; and

WHEREAS, the District Board of Commissioners has reviewed and determined it appropriate to create a new Section 2.18.2, and revise existing Sections 2.18.2, 2.18.3, 2.19.1, and 2.19.2 of Title 2, Fiscal Management Policies, of the Administrative Code, as reflected in Exhibit A attached hereto for reference purposes only, which identifies specific amendments to those specific sections of Title 2 with deletions in strikethrough and additions underlined; and

WHEREAS, the foregoing recitals are a material part of this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake Whatcom Water and Sewer District, Whatcom County, Washington as follows:

Section 1. Sections 2.18.2, 2.18.3, 2.19.1, and 2.19.2 of Title 2 of the District Administrative Code are repealed and replaced with Sections 2.18.2, 2.18.3, 2.18.4, 2.19.1, and 2.19.2 of Title 2 of the Administrative Code, as attached hereto as Exhibit B.

Section 2. Any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this Resolution.

Section 3. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board of Commissioners hereby declare that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this Resolution should be declared invalid or unconstitutional, then the original resolution or resolutions shall be in full force and effect.

Section 4. This Resolution shall be effective immediately.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a regular meeting thereof, on the 14th day of April, 2021.

Laura Abele, President, Board of Commissioners

Attest:

Rachael Hope, Recording Secretary

Approved as to form:

Robert Carmichael, Attorney for the District

EXHIBIT A

2.18.2 Contingency Reserve

The purpose of a Contingency Reserve is to provide a funding source for paying for unanticipated costs that may be incurred by each utility. The Contingency Reserve targets for the Water and Sewer utilities shall be maintained at fund balances equivalent to one percent of the infrastructure replacement cost for the associated utility.

2.18.~~23~~ System Reinvestment Funding

System Reinvestment Funding is a method of systematically putting aside funds for reinvestment into the infrastructure. A small portion of each annual incremental rate increase is attributable to this method of financing the District's system upkeep through bi-monthly rates.

2.18.~~34~~ Bond Reserve Fund and Bond Redemption Funds

The District will maintain Bond Reserve Funds and Bond Redemption Funds as required by bond covenants or loan agreements, and shall maintain fund balances consistent with those corresponding debt covenants/agreements. [Resolution Nos. 861, 871]

2.19.1 Limitation on Debt Issuance

Long-term borrowing shall be confined to capital improvements with an extended life when it is not practical to finance the construction of such capital improvements from current revenues. Approval of the Board of Commissioners is required prior to the issuance of debt.

An analytical review shall be conducted prior to the issuance of new debt. The analysis shall consider the results of such debt on the operating budget, the effect on the District's credit rating, the ability to provide future services, and the potential impact on user rates and fees. The District will carefully consider the future fiscal costs of any debt issuance to determine that any such issuance will not adversely impact the District's credit rating.

A useful measurement in assessing the debt burden of a utility is the capital structure: the outstanding debt as a percentage of total capital assets (original cost net of depreciation). A capital structure of 60% debt/40% equity is considered a conservative target.

The District shall set rates sufficient to provide debt service coverage in excess of the legal minimums. Rates shall be set so that the debt service coverage ratio (the ratio of operating income available to debt servicing payments) on the utility's senior lien debt, not including connection charge revenue, is at least 1.25.

2.19.2 Credit and Ratings

Capital will be raised at the lowest possible cost through maintenance of a high credit rating and demonstration of fiscal conservatism in the credit markets. A tool such as the Municipal Utility Scorecard Factors shall be used for the rating methodology to explain the credit quality of utility revenue bonds. These factors are to be reviewed and appropriate action taken if the District's bond rating drops to a Standard and Poor's Global Rating of 'A' or lower.

~~It is important to the rating agencies and to the financial community to articulate financial goals. In addition, a desirable debt service coverage ratio, the ratio of revenues available for debt service to the annual debt service coverage ratio, the ratio of revenues available for debt serviced to the annual debt service requirement, and unrestricted cash as a percent of operating expenditures positively affects the District's bond ratings. Strong bond ratings result in lower interest rate costs.~~

EXHIBIT B

2.18.2 Contingency Reserve

The purpose of a Contingency Reserve is to provide a funding source for paying for unanticipated costs that may be incurred by each utility. The Contingency Reserve targets for the Water and Sewer utilities shall be maintained at fund balances equivalent to one percent of the infrastructure replacement cost for the associated utility.

2.18.3 System Reinvestment Funding

System Reinvestment Funding is a method of systematically putting aside funds for reinvestment into the infrastructure. A small portion of each annual incremental rate increase is attributable to this method of financing the District's system upkeep through bi-monthly rates.

2.18.4 Bond Reserve Fund and Bond Redemption Funds

The District will maintain Bond Reserve Funds and Bond Redemption Funds as required by bond covenants or loan agreements, and shall maintain fund balances consistent with those corresponding debt covenants/agreements. [Resolution Nos. 861, 871]

2.19.1 Limitation on Debt Issuance

Long-term borrowing shall be confined to capital improvements with an extended life when it is not practical to finance the construction of such capital improvements from current revenues. Approval of the Board of Commissioners is required prior to the issuance of debt.

An analytical review shall be conducted prior to the issuance of new debt. The analysis shall consider the results of such debt on the operating budget, the effect on the District's credit rating, the ability to provide future services, and the potential impact on user rates and fees. The District will carefully consider the future fiscal costs of any debt issuance to determine that any such issuance will not adversely impact the District's credit rating.

A useful measurement in assessing the debt burden of a utility is the capital structure: the outstanding debt as a percentage of total capital assets (original cost net of depreciation). A capital structure of 60% debt/40% equity is considered a conservative target.

The District shall set rates sufficient to provide debt service coverage in excess of the legal minimums. Rates shall be set so that the debt service coverage ratio (the ratio of operating income available to debt servicing payments) on the utility's senior lien debt, not including connection charge revenue, is at least 1.25.

2.19.2 Credit and Ratings

Capital will be raised at the lowest possible cost through maintenance of a high credit rating and demonstration of fiscal conservatism in the credit markets. A tool such as the Municipal Utility Scorecard Factors shall be used for the rating methodology to explain the credit quality of utility revenue bonds. These factors are to be reviewed and appropriate action taken if the District's bond rating drops to a Standard and Poor's Global Rating of 'A' or lower.



**AGENDA
BILL
Item 7.D**

**Resolution No. 872
Concluding an Emergency
Declaration associated with the
Division 30 Water Main Leak**

DATE SUBMITTED:	March 30, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Resolution No. 872		
TYPE OF ACTION REQUESTED	RESOLUTION <input checked="" type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

On January 27, 2021, District operations staff identified a significant leak in the water transmission main that feeds the Division 30 water reservoir, which serves as the sole water supply for a significant portion of Sudden Valley residents. The leak was determined to be in a steep slope adjacent to Lake Whatcom Boulevard, and of a magnitude that it jeopardized the District’s ability to maintain water supply in the Division 30 reservoir. Based upon the location and depth of the leak, it was determined to be beyond the capability of District staff and equipment to safely and effectively perform timely repairs.

Revised Code of Washington (RCW) 39.04.280 provides authority to the District to waive competitive bidding requirements when awarding public works contracts in the event of an emergency, and District Administrative Code Section 2.16.3(1) provides authority to the General Manager to issue a declaration of emergency and execute public works contracts necessary to address the emergency. The General Manager declared an emergency associated with the leak on January 28, 2021, and executed a public works contract with RAM Construction General Contractors the following day to perform the repairs. Temporary repairs were completed on February 2, 2021, with permanent repairs to be completed once necessary materials are available.

Per District Administrative Code Section 2.16.3(3), if an emergency contract is awarded without competitive bidding, the Board of Commissioners or its designee must enter a written finding of an emergency into the public record no later than two (2) weeks following the contract award.” During its regularly scheduled meeting on February 10, 2021, the Board adopted Resolution No. 869, which affirmed the General Manager’s emergency declaration.

Per Section 3, Timing and Effect, of Resolution No. 869, the emergency declaration shall “remain in full force and effect until a subsequent written order of the Board upon determination that the emergency has been adequately abated.” Permanent repairs to the

water main have been completed under contract with RAM Construction and operations restored to normal conditions. Therefore, it is appropriate for the Board to conclude the emergency declaration.

FISCAL IMPACT

There is no fiscal impact anticipated associated with adoption of Resolution No. 872. The total cost of repairs associated with the Division 30 water transmission leak are approximately \$150,000.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality

Customer Satisfaction

RECOMMENDED BOARD ACTION

Staff recommends that the Board adopt Resolution No. 872.

PROPOSED MOTION

Recommended motion is:

“I move to adopt Resolution No. 872 as presented.”

**LAKE WHATCOM WATER AND SEWER DISTRICT
RESOLUTION NO. 872**

A Resolution of the Board of Commissioners
Concluding a Declaration of Emergency Issued by the District General Manager associated with the
January 28, 2021 Division 30 Water Transmission Main Leak

WHEREAS, the Lake Whatcom Water and Sewer District (“District”) is a special purpose district located in Washington State authorized under Title 57 Revised Code of Washington (“RCW”); and

WHEREAS, the District owns and operates water and sewer utilities within its service area; and

WHEREAS, an essential component of the District’s water utility infrastructure is an approximately 1,845-foot long, 6-inch diameter ductile iron water transmission main defined as Water Main SVT501 in the District’s asset management system; and

WHEREAS, Water Main SVT501 runs from the District’s Division 30 water pump station under Lake Whatcom Boulevard and up a steep slope to supply the Division 30 water reservoir; and

WHEREAS, Water Main SVT501 is the sole means of supplying potable water to the Division 30 water reservoir; and

WHEREAS, the Division 30 water reservoir provides potable water to a significant portion of the Sudden Valley residential community; and

WHEREAS, District personnel recognized a significant increase in water demand in the Division 30 area on January 25, 2021, and began investigating the potential of a leak that same day; and

WHEREAS, on January 27, 2021, District personnel were able to identify the location of the leak to be in an extremely steep slope and underlying large boulders; and

WHEREAS, safe and effective repair of the leak was determined to be beyond the capability of District staff and equipment; and

WHEREAS, RCW 39.04.280 provides authority to the District to waive competitive bidding requirements when awarding public works and contracts for purchases in the event of an emergency; and

WHEREAS, District Administrative Code Section 2.16.3(1) provides “If an emergency exists, the...General Manager...will issue a written declaration that an emergency exists, waiving competitive bidding requirements, and award all necessary contracts to address the emergency;” and

WHEREAS, the District General Manager issued a Declaration of Emergency, attached hereto as Exhibit A, associated with the Division 30 water transmission main leak on January 28, 2021; and

WHEREAS, the District General Manager executed an emergency public works contract, attached hereto as Exhibit B, with RAM Construction General Contractors on January 29, 2021, to repair the leak; and

WHEREAS, District Administrative Code Section 2.16.3(3) provides “Per RCW 39.04.280, if an emergency contract is awarded without competitive bidding, the Board of Commissioners or its designee must enter a written finding of an emergency into the public record no later than two (2) weeks following the contract award;” and

WHEREAS, the District Board of Commissioners adopted Resolution No. 869, which affirmed the General Manager’s emergency declaration in accordance with the requirements of District Administrative Code Section 2.16.3(3), during its regularly scheduled meeting held on February 10, 2021;” and

WHEREAS, Section 3, Timing and Effect, of Resolution No. 869 indicates that the emergency declaration shall remain in full force and effect until a subsequent written order of the Board upon determination that the emergency has been adequately abated; and

WHEREAS, all repairs associated with the Division 30 water transmission main leak have been repaired and operations restored to normal conditions; and

WHEREAS, the foregoing recitals are a material part of this Resolution;

NOW, THEREFORE, the Board of Commissioners (“Board”) of the Lake Whatcom Water and Sewer District does hereby order and resolve:

Section 1. The emergency giving rise to the Declaration of Emergency issued by the General Manager on January 28, 2021 (“Declaration”), and affirmed by the Board via adoption of Resolution No. 869, has been abated. Therefore the Declaration and Resolution No. 869 have expired.

Section 2. Any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this Resolution.

Section 3. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board of Commissioners hereby declare that it would have passed this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this Resolution should be declared invalid or unconstitutional, then the original resolution or resolutions shall be in full force and effect.

Section 4. This resolution shall be effective immediately.

ADOPTED by the Board of Commissioners of Lake Whatcom Water and Sewer District, Whatcom County, Washington, at a regular meeting thereof, on the 14th day of April, 2021.

Laura Abele, President, Board of Commissioners

Attest:

Rachael Hope, Recording Secretary

Approved as to form:

Robert Carmichael, Attorney for the District

DRAFT



**AGENDA
BILL
Item 7.E**

**Division 30 Water Transmission
Main Emergency Repair Budget
Amendment**

DATE SUBMITTED:	April 7, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	none		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

This project includes the emergency repair of the Division 30 water transmission main that was identified in late January and repaired in February-March.

Under the authority provided in RCW 39.04.280 and Administrative Code Section 2.16.3(1), the General Manager approved an emergency public works contract with RAM Construction General Contractors (RAM), Wilson Engineering, and other repair expenses.

FISCAL IMPACT

Construction Contract (RAM Construction)	\$118,771.33
Wilson Engineering	18,457.00
Misc vendors – Repair	\$5,335.64
Grand Total Repair Costs	\$142,563.97

Staff recommends funding the work by allocating \$122,063 of the 2020 unallocated water capital funds. The balance of \$20,500.97 will be supplemented from the 2021 water repair and maintenance budget line item.

RECOMMENDED BOARD ACTION

Staff recommends allocating \$122,063 from the 2020 unallocated water capital project funds to District Project M2118 Division 30 Water Transmission Main Break.

PROPOSED MOTION

Recommended motion is :

“I move to allocate \$122,063 from the 2020 unallocated water capital project funds to District Project No. M2118 Division 30 Main Break Repair.”



**AGENDA
BILL
Item 7.F**

**Division 30 Water Transmission
Main Emergency Repair
Contract Close-Out**

DATE SUBMITTED:	April 5, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS		FROM: Bill Hunter, Assist. GM/District Engineer	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		none	
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

This project includes the emergency repair of the Division 30 water transmission main that was identified in late January and repaired in February-March.

Under the authority provided in RCW 39.04.280 and Administrative Code Section 2.16.3(1), the General Manager approved an emergency public works contract with RAM Construction General Contractors (RAM) on January 28, 2021. RAM has completed all contract requirements.

FISCAL IMPACT

Original Construction Contract (RAM Construction)	\$50,000.00
Change Order No. 1	\$50,000.00
Change Order No. 2	\$9,466.66
Subtotal	\$109,466.66
8.5% Sales Tax	\$9,304.67
Grand Total	\$118,771.33

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Product Quality

RECOMMENDED BOARD ACTION

Staff recommends accepting the Division 30 water transmission main emergency repair public works construction contract as complete.

PROPOSED MOTION

Recommended motions are:

“I move to accept the Division 30 water transmission main emergency repair construction contract as complete and authorize staff to close-out the public works project.”



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

To: Board of Commissioners Date: February 16, 2021
From: Justin Clary, General Manager
RE: Accessory Dwelling Unit Policy Analysis

Permitting and billing associated with accessory dwelling units (ADUs) within the Lake Whatcom Water and Sewer District (District) is regulated under the District's administrative code. With an increased statewide focus on affordable housing, the Board of Commissioners has indicated a desire to review current policy related to ADU regulation. The purpose of this memorandum is to provide information relative to ADUs and how they have historically been regulated within the District as a means of facilitating Board policy discussion.

Accessory Dwelling Units

An ADU is a small, self-contained residential unit located on the same lot as an existing single-family home. An ADU has all the basic facilities needed for day-to-day living independent of the main home, such as a kitchen, sleeping area, and a bathroom. ADUs are sometimes called "mother-in-law apartments" or "granny flats," because they are often used to house extended family. As the term "accessory" implies, ADUs are generally defined to be smaller in size and prominence than the main residence on the lot. Some municipal codes include specific size limits, and a location that is not readily visible from the street.

In theory, an ADU may be created as a separate unit within an existing home (such as in an attic or basement), an addition to the home (such as a separate apartment unit with separate entrance), or in a separate structure on the lot (such as a converted garage). See the examples shown below.

Some communities, however, only allow ADUs that are within or attached to the main residence, and exclude ADUs housed in a separate structure. Whether attached or detached from the main residence, most codes require that the main residence and the ADU must be owned by the same person and may not be sold separately.

Examples of Accessory Dwelling Units (ADUs)

ADUs in blue; main residence in white

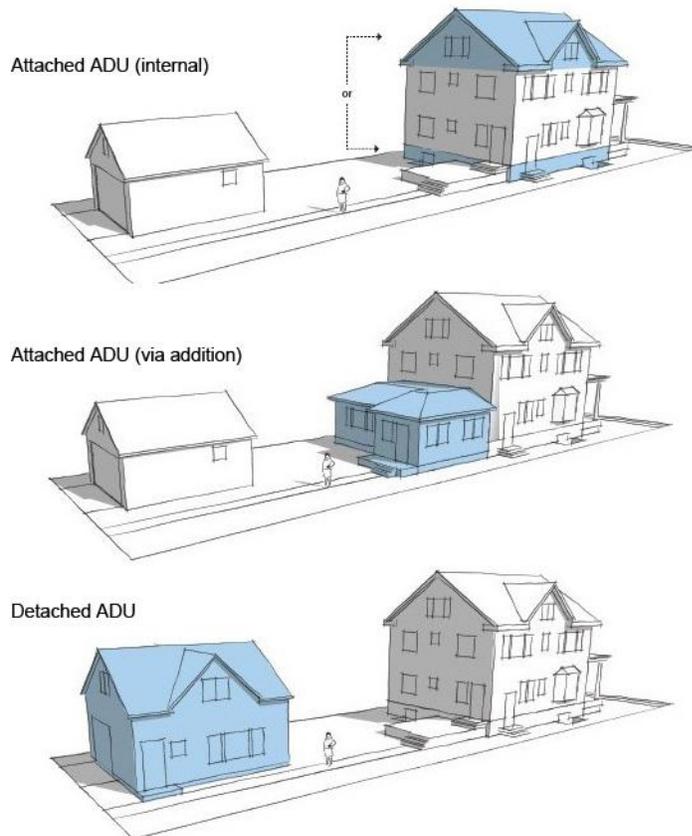


Image credit: City of Saint Paul, MN

Accessory Dwelling Units in Washington State

Revised Code of Washington ([RCW 43.63A.215](#) and [RCW 36.70A.400](#)), adopted as part of the 1993 Washington Housing Policy Act, require many Washington cities and counties (including Whatcom County) to adopt ordinances encouraging the development of accessory apartments or ADUs in single-family zones. Specifically, this legislation applies to:

- Cities with a population over 20,000
- Counties with a population over 125,000
- Counties that plan under the Growth Management Act (GMA).

Local codes must incorporate the [model ordinance recommendations](#) prepared by the Washington State Department of Community, Trade and Economic Development (now Department of Commerce), per [RCW 43.63A.215](#) and [RCW 36.70A.400](#). However, state law

allows local communities some flexibility to adapt these recommendations to local needs and preferences.

ADU ordinances have been widely adopted in Washington since the 1993 Act, in part because ADUs have helped local jurisdictions meet GMA goals to encourage affordable housing and provide a variety of housing densities and types while preserving the character of single-family neighborhoods.

Accessory Dwelling Units in Whatcom County

As indicated above, Whatcom County is required to adopt ordinances that encourage the development of ADUs, which are approved through the County's Department of Planning & Development Services and regulated under Whatcom County Code (WCC). ADUs are permitted under the following Whatcom County zoning designations:

- Urban Residential (UR) ([WCC 20.20.132](#))
- Urban Residential – Medium Density (URM) ([WCC 20.22.132](#))
- Urban Residential Mixed (UR-MX) ([WCC 20.24.133](#))
- Residential Rural (RR) ([WCC 20.32.132](#))
- Rural Residential-Island (RR-I) ([WCC 20.34.132](#))
- Rural (R) ([WCC 20.36.132](#))
- Point Roberts Transitional Zone (TZ) ([WCC 20.37.132](#))
- Agriculture (AG) ([WCC 20.40.133](#))
- Rural Forestry (RF) ([WCC 20.42.132](#))
- Lake Whatcom Watershed Overlay District ([WCC 20.51.060](#))

Accessory Dwelling Units in Lake Whatcom Water and Sewer District

The Lake Whatcom Watershed Overlay District ([WCC 20.51.060](#)) encompasses all land within District boundaries. Whatcom County land use zoning of lands located within District boundaries that allow ADUs include:

- Urban Residential (UR)
- Residential Rural (RR)
- Rural (R)
- Rural Forestry (RF)

All properties zoned Urban Residential are comprised of the City of Bellingham's Geneva Urban Growth Area (UGA). While construction of attached or detached ADUs may be permitted under [WCC 20.20.132](#) (note that paragraph [11] of that section requires conformance with the density of the zoning district for properties inside the Lake Whatcom watershed), should the City ever annex the UGA, construction of subsequent ADUs would be prohibited ([Bellingham Municipal Code 20.10.036\(B\)\(1\)](#) prohibits ADUs in the Lake Whatcom Watershed; existing ADUs would likely be allowed to continue as a nonconforming use).

All properties zoned Residential Rural are associated with the Sudden Valley LAMIRD (limited area of more intense rural development). While construction of attached or detached ADUs may be permitted under [WCC 20.32.132](#) (the caveat being paragraph [11] requiring conformance with the density of the zoning district), [Sudden Valley Community Association Restrictive Covenant Paragraph 3](#) prohibits them.

For properties zoned Rural, construction of attached or detached ADUs may be permitted under [WCC 20.36.132](#) (the caveat being paragraph [11] requiring conformance with the density of the zoning district).

For properties zoned Rural Forestry, construction of attached or detached ADUs may be permitted under [WCC 20.42.132](#) (the caveat being paragraph [11] requiring conformance with the density of the zoning district).

District Policy relative to ADUs

District policy associated with regulation of ADUs is defined with the District Administrative Code. Following provides excerpts from the Administrative Code relative to ADUs.

3.1.25 Duplex

A two unit dwelling (including 2 trailers or 2 mobile homes not a part of a mobile home or trailer park, or a single family residence with an accessory apartment or detached accessory dwelling unit as defined under Title 20 of the Whatcom County Code) containing not more than two kitchens, designed and/or used to house not more than two households living independently of each other and including all necessary facility of each household. Each dwelling unit shall be considered a separate Residential Unit for purposes of billings of all kinds. [Resolution Nos. 146, 242A, 785]

3.1.27 Equivalent Residential Unit (ERU) (or Residential Unit)

The basic unit used for purposes of billings of all kinds. One residential unit shall be based on 18 fixture units as defined in the Uniform Plumbing Code. When volumetric measurements are used, an Equivalent Residential Unit shall be based upon the equivalent of 900 cubic feet or 6,732 gallons per month. Note that the UPC “fixture units” are not a one-to-one correlation with the number of plumbing fixtures. [Resolution Nos. 146, 174, 242A, 785]

3.5.7 Multiple Connections

An existing single parcel with a water and sewer service connection may request an additional water and/or sewer service connection to that parcel.

Multiple water services to an existing single parcel are allowed. Each water service connection shall be subject to the full amount of the current General Facilities, Service Installation, Permit Processing, and Inspection Fees. Each meter shall be billed the monthly base charge and charged for overage above current volume included in the base charge.

Multiple sewer services to an existing single parcel are allowed. Each sewer service connection shall be subject to the full amount of the current General Facilities, Service

Installation, Permit Processing, and Inspection Fees. Each sewer service connection shall be billed for at least one (1) ERU, but may be billed more depending on usage. [Resolution No. 711]

4.3.3 Meter Installation

All water services shall be metered and the District shall deliver water to users only through meters owned by the District. At least one water meter shall be installed for each land parcel receiving water, whether it contains a single family residence, multiple family residence, commercial structure(s), or industrial structure(s). The District shall determine the size of the meter to be installed in each instance using the Uniform Plumbing Code and AWWA "Sizing Water Service Lines" (see Section 3.1.27), except that single family residential services also needing standby fire protection shall be sized based upon the required fire flow as determined by the county fire marshal or a qualified District approved fire system professional. The connection charge for a single-family residence with standby fire protection shall be based on the meter size required before adding fire flows. Charges for water service installations shall be in accordance with Section 3.5.4. Meters shall be of the type specified by the District's Construction Standards and Details and shall be installed by the District. A flow test shall be performed by the District at the time of meter installation to insure no restrictions to water flow are present. [Resolution Nos. 242A, 785, 834]

5.4.8 Side Sewer for Each Building

A single side sewer shall be provided for each building unless the topography of the land makes it impractical to build a lateral, then District Management may authorize suitable alternate construction. The connection of more than one building to a single side sewer must be approved by District Management and verified by the District Commissioners prior to the construction of such side sewer. No more than one multiple dwelling or commercial building shall be connected to a side sewer, unless otherwise previously approved by District Management.

If the side sewer is to exist on two building sites, approved documents assuring that all properties involved shall have perpetual use of the side sewer, and having provisions for maintenance and access for repair purposes, shall be signed by the recorded owners. This document shall be acknowledged and recorded with the County Auditor. [Resolution Nos. 146, 785]

Policy Considerations

The County, as land use authority, allows ADUs under certain conditions in the District. Therefore, the District's administrative code must continue to address how (not whether) ADUs are permitted and billed. However, the District may set rates and fees associated with ADUs at levels it feels appropriate for impact to District utilities.

The key policy consideration for the District is whether or not ADUs should be subject to general facilities charges and service rates the same as those of a separate, single family home. It can be argued that typical occupation of ADUs is lower than that of a single family detached home (i.e., 1-2 individuals residing in an ADU compared to the industry standard estimate of 2.58

residents per single family home). Therefore, the actual water and sewer infrastructure capacity necessary to serve an ADU could similarly be argued to be less. However, the District's base water rate (600 cubic feet per two-month billing cycle) equates to approximately 75 gallons per day, which equals the U.S. Environmental Protection Agency's estimated daily water consumption rate per capita (i.e., the District's base water consumption allowance provides for one person's consumption per day, with the additional usage rate capturing any additional residents, regardless of home size). Therefore, it could be considered appropriate to apply the full water service rate to ADUs. On the other hand, the District's sewer fee is a flat rate, regardless of home size. The District could consider a lesser rate for ADUs due to the likely lesser system capacity need; however, that could open the door for the argument that all residential connections should be billed based up on actual impact (through water consumption), rather than the flat rate.

Staff Recommendations

There are relatively few existing ADUs within the District's service area, and Whatcom County Code constraints on development of new ADUs within the watershed limit the likelihood of a significant number of additional ADUs being constructed. Of additional note, Sudden Valley Community Association restrictive covenants prohibit ADUs, so the potential for additional ADUs in the District's most-populated area is eliminated. Further, the current water service rate structure is set at a low consumption rate that appropriately accommodates an ADU separately. Therefore, staff recommends that the District maintain current ADU policies regarding water and sewer rates, and that no changes to the Administrative Code be made.



**AGENDA
BILL
Item 9.A**

**General Manager's
Report**

DATE SUBMITTED:	April 8, 2021	MEETING DATE:	April 14, 2021
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL	<i>Justin Clary</i>		
ATTACHED DOCUMENTS	1. General Manager's Report		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

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

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



LAKE WHATCOM WATER AND SEWER DISTRICT

General Manager’s Report

Upcoming Dates & Announcements

Regular Meeting – Wednesday, April 14, 2021 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Apr 28, 2021	8:00 a.m.	Remote Attendance
Employee Staff Meeting	Thu Apr 15, 2021	8:00 a.m.	Remote Attendance Commissioner Citron to attend
Investment Comm. Meeting	Wed Apr 28, 2021	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Thu Apr 22, 2021	8:00 a.m.	Remote Attendance
Lake Whatcom Management Program			
Data Group Meeting	Thu Apr 8, 2021	9:00 a.m.	Remote Attendance
Policy Group Meeting	Wed Jun 2, 2021	3:00 p.m.	Remote Attendance
Joint Councils Meeting	March 2022	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Fri Apr 16, 2021	8:30 a.m.	Remote Attendance (during WASWD conference)
Whatcom Water Districts Caucus Meeting	Wed Apr 21, 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:

- The 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

- City of Bellingham presentation on the Resource Recovery Project status
- Resolutions updating portions of the District’s fiscal management polices

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; a presentation on progress is anticipated during the May 26 board meeting.

Investment Policy Review

- Conduct a comprehensive review of the District's investment policy aimed at optimizing return on investments while sufficiently protecting District funds.
The investment policy was discussed by the board during its February 10 work session. Revisions will be presented in a resolution for board consideration during its April 28 meeting.

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.
Advertisement for applications was issued on February 24, 2021; first review of applicants is underway with interviews of finalists is tentatively scheduled for April 29.

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.
Sewer and water utility assessments are complete and were certified on February 8, 2021.
- Develop a USEPA-compliant emergency response plan by December 31, 2021.
Update to the District's emergency response plan is underway.

Community/Public Relations

General

- Website
The District's web content is reviewed and updated on a regular basis.
- Social Media
Posts are made to District Facebook and LinkedIn pages regularly; Nextdoor is regularly monitored for District-related posts.
- Press Releases
Press releases were issued on February 24 (public notification of daytime road closures assoc. with Division 30 water main repairs) and March 1 (EnviroStars certification).

Intergovernmental Relations

- *J Clary and other District staff met with Sudden Valley Community Association staff on April 1 to coordinate development permitting/inspection activities for the 2021 construction season.*
- *J Clary is scheduled to represent the District during the Whatcom County (virtual) open house associated with the Natural Hazard Mitigation Plan update on April 15.*
- *J Clary is scheduled to attend the virtual WASWD spring conference April 14-16.*

Public Works Board

- *Pursue appointment as WASWD representative on the Washington State Public Works Board. Following board approval, J Clary submitted an application for appointment to the Public Works Board on February 11, 2021. J Clary has since been notified that he is a finalist for the appointment (now under consideration by Governor Inslee).*

Lake Whatcom Water Quality

Management Program

- *Participate in meetings of Lake Whatcom Management Program partners. J. Clary presented at the Joint Councils meeting on March 31 and is scheduled to attend the interjurisdictional coordinating team meeting on April 15.*

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.*