



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

Date: May 4, 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/video conference. Per Governor Inslee's [Proclamation No. 20-28.3](#), the District will provide access to interested public via phone/internet utilizing the GoToMeeting platform.

If you would like to attend the May 12, 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@lwgsd.org or 360-734-9224.

May 12, 2021 Work Regular Board Meeting

Wed, May 12, 2021 6:30 PM - 8:30 PM (PDT)

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

<https://global.gotomeeting.com/join/683706757>

You can also dial in using your phone.

United States: [+1 \(669\) 224-3412](tel:+16692243412)

Access Code: 683-706-757

New to GoToMeeting? Get the app now and be ready when your first meeting starts: <https://global.gotomeeting.com/install/683706757>



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

May 12, 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. Resolution No. 875—Revision to Policy related to Acquiring Low-Cost Parcels for Easement Purposes in Administrative Code Title 2—Fiscal Management Policies
8. OTHER BUSINESS
9. STAFF REPORTS
 - A. General Manager
10. PUBLIC COMMENT OPPORTUNITY
11. ADJOURNMENT



**AGENDA
BILL
Item 6**

Consent Agenda

DATE SUBMITTED:	May 4, 2021	MEETING DATE:	May 12, 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 5.12.2021****

BACKGROUND / EXPLANATION OF IMPACT

- Minutes for the April 14, 2021 Regular Board Meeting
- Minutes for the April 28, 2021 Regular Board Meeting
- Amended 1st Quarter 2021 Payroll taxes totaling \$7,912.10
- Payroll for Pay Period #09 (04/17/2020 through 04/30/2021) total to be added
- Payroll Benefits for Pay Period #09 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

April 14, 2021

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

Attendees: Commissioner Laura Abele General Manager Justin Clary
Commissioner Todd Citron District Engineer/Assistant GM Bill Hunter
Commissioner John Carter Operations Manager Brent Winters
Commissioner Bruce Ford Finance Manager/Treasurer Debi Denton
Recording Secretary Rachael Hope District Legal Counsel Bob Carmichael

Excused Absences: Commissioner Leslie McRoberts

Also in attendance: Keith Stewart and Russell Porter of Gray & Osborne
Brian Smith of Wilson Engineering
District Resident Lee Millner

All attendees participated remotely by phone or video conferencing.

Roll Call

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

Consent Agenda

Commissioner Ford pointed out a correction to be made to the minutes from the February 24, 2021 Regular Board Meeting, and the minutes were excluded from approval of the consent agenda.

Action Taken

Carter moved, Citron seconded, approval of:

- Minutes for March 31, 2021 Regular Board Meeting
- Payroll for Pay Period #07 (03/20/2021 through 04/02/2021) totaling \$43,146.23
- Payroll Benefits for Pay Period #07 totaling \$50,669.33
- Accounts Payable Vouchers totaling \$475,523.32

Motion passed.

Sudden Valley Water Treatment Plant Alternatives Analysis Briefing #6

Hunter recalled that Gray & Osborne was contracted after an initial condition assessment in July 2020, to perform an alternatives analysis of work to be done at the District's Sudden Valley Water Treatment Plant. The assessment identified high and low priority items that were subsequently broken down by major system.

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/Architectural Workspace Analysis
- NACE III Coating Inspection (Presented to Board 9/30/2020, Briefing #1)

For this meeting, Gray & Osborne presented the findings of the Structural/Architectural Workspace Analysis. The presentation focused on the structures that house components rather than specific components of the system. Keith Stewart of Gray & Osborne provided a presentation with visuals to summarize their findings and recommendations and collect Board comments. Discussion followed.

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

Denton explained that 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 identified over the past year a number of independent topics within the Fiscal Management Policies for potential update via policy revision. 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 developed 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.

Resolution No. 870, which consists primarily of code language cleanup and revisions to reflect actual processes that are in-place, also includes revisions to the water leak adjustment policy and payment plan policy. Discussion followed.

Action Taken

Carter moved, McRoberts seconded, to approve Resolution No. 870 with the amendment that language in section 2.10.8 be clarified to specify one leak adjustment per owner during the life of that metered service. Motion passed.

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

Denton presented a second resolution developed through Investment Committee and Board review as explained in the previous agenda item.

Resolution No. 871 adds a new section to the Administrative Code associated with maintaining contingency reserves for each utility consistent with recent annual budgets, and revises sections associated with debt management to provide greater clarity and liability reduction. Discussion followed.

Action Taken

Citron moved, Carter seconded, to approve Resolution No. 871 with the amendment that in section 2.19.1 the debt service ratio be changed to “at least 1.75.” Motion passed.

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

Clary recounted that 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. 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.

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 was recommended that the Board conclude the emergency declaration.

Action Taken

Carter moved, Citron seconded, to adopt Resolution 872 as presented. Motion passed.

Division 30 Water Transmission Main Emergency Repair Budget Amendment

Denton explained that this project included 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.

Repair Costs totaled \$142,563.97, which were not in the 2021 Budget. Staff recommended funding the work by allocating \$122,063 of the 2020 unallocated water capital funds. The balance of \$20,500.97 would be funded from the existing 2021 water repair and maintenance budget line item. Discussion followed.

Action Taken

Carter motioned, Ford seconded, to allocate \$122,063 from the 2020 unallocated water capital project funds to District Project No. M2118 Division 30 Main Break Repair. Motion passed.

Division 30 Water Transmission Main Emergency Repair Contract Closeout

Hunter reaffirmed the completion of the emergency repair of the Division 30 water transmission main that was identified in late January and repaired in February-March. As work on the project has concluded, staff recommended accepting the Division 30 water transmission main emergency repair public works construction contract as complete.

Clary recognized District Staff, as well as Wilson Engineering and Brian Smith, for quick and efficient work and collaboration and acknowledged RAM Construction’s helpful and accommodating participation in the project.

Action Taken

Carter motioned, Citron seconded, to accept the Division 30 water transmission main emergency repair construction contract as complete and authorize staff to close-out the public works project. Motion passed.

Accessory Dwelling Unit Regulation Policy Discussion

Clary explained that permitting and billing associated with accessory dwelling units (ADUs) within the District is regulated under the District's administrative code. With an increased statewide focus on affordable housing, the Board of Commissioners previously indicated a desire to review current policy related to ADU regulation.

Clary provided a memorandum developed by staff meant to facilitate Board policy discussion on the topic. The topic was discussed during the Board's regularly scheduled meeting on February 24; however, the Board indicated a desire to postpone any decisions on whether or not to consider any revision to the existing policy to a future meeting. Considerations raised by the Board during the February 24 meeting included: reducing general facilities charges (connection fees) to 0.5 equivalent residential unit (ERU) and eliminating additional water and/ or sewer rates for ADUs, including allowing water service through one water meter. A brief discussion followed, and the Board expressed a desire to continue discussion at a later date when all commissioners were in attendance.

General Manager's Report

Clary updated the Board on several topics, including the District's continued response to the COVID-19 pandemic, the Division 30 water transmission repair project, and current job openings. Discussion followed.

With no further business, Abele adjourned the Regular Session 8:24 p.m.

Board President, Laura Abele

Attest: _____
Recording Secretary, Rachael Hope

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



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR SESSION OF THE BOARD OF COMMISSIONERS

Minutes *April 28, 2021*

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

Attendees: Commissioner Laura Abele General Manager Justin Clary
Commissioner Todd Citron District Engineer/Assistant GM Bill Hunter
Commissioner Bruce Ford Finance Manager/Treasurer Debi Denton
Commissioner Leslie McRoberts Operations Manager Brent Winters
Recording Secretary Rachael Hope District Legal Counsel Bob Carmichael

Excused Absences: Commissioner John Carter

Also in attendance: Robert Johnson, City of Bellingham
Tadd Giesbrecht, Brown and Caldwell
Chad Schulhauser, City of Bellingham
Mike Olinger, City of Bellingham

All attendees participated remotely by phone or video conferencing.

Roll Call

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

Consent Agenda

Action Taken

Ford moved, Citron seconded, approval of:

- Findings of Fact – 1834 Lake Louise Rd Appeal
- Findings of Fact – 2377 North Shore Rd Appeal
- Payroll for Pay Period #08 (04/03/2020 through 04/16/2021) totaling \$44,674.52
- Payroll Benefits for Pay Period #08 totaling \$51,141.84
- Accounts Payable Vouchers totaling \$83,639.50
- 1st Quarter 2021 Payroll Taxes totaling \$9,314.87

Motion passed.

City of Bellingham Resource Recovery Project Update Presentation

The City of Bellingham owns and operates the Post Point Wastewater Treatment Plant, which receives and treats all of the District's wastewater through an interlocal agreement between the City and District. The solids handling process equipment (incinerators) at the facility are reaching the end of their useful lives and require replacement. Based upon the City's policy for climate action and community feedback on various replacement options, a digestion process with energy recovery has been identified as the preferred solution.

Clary explained that since the last presentation to the Board in early 2019, the City and its consultant have been proceeding with design, permitting, and cost estimating associated with this project (referred to as the Resource Recovery Project). Also since the February 2019 presentation, the Washington State Department of Ecology announced the initiation of development of a Nutrient General Permit that will limit discharge of excess nutrients, particularly nitrogen, to the Puget Sound from domestic wastewater treatment plants. The Post Point WWTP will be regulated under the General Permit. In anticipation of expected new limits, the City has incorporated nitrogen removal processes into the solids handling plans, as well as begun planning for phased incorporation of additional nitrogen removal processes over a 20-year planning horizon. These measures have been incorporated into the Resource Recovery Project.

Tadd Giesbrecht of Brown and Caldwell presented an update on the City of Bellingham Resource Recovery Plant Project, which was largely consistent with a presentation provided to the Bellingham City Council on March 8, 2021. Discussion followed.

Resolution No. 873 Integration of Investment and Fixed Asset Management Policies into Administrative Code Title 2, Fiscal Management Policies

Denton explained that historically, the District's Investment Policy and Fixed Asset Management Policy have been maintained separate from the Administrative Code. Based upon Board direction during the February 10 and March 10 work sessions, Resolution No. 873, fully integrates those policies into the Administrative Code.

There are no proposed changes to the Fixed Asset Policy, which was last revised by the Board via adoption of Resolution No. 855. Aside from clerical/readability revisions to the Investment Policy, changes to the policy that were directed by the Board during its work sessions included incorporation of glossary of terms, inclusion of a general obligation bonds of a Washington State local government as an authorized and suitable investment, and revision from a two-year to a five-year maximum maturity for investment in securities.

Action Taken

Citron moved, Ford seconded, to adopt Resolution No. 873 as presented. Motion passed.

Resolution No. 874 Revision to Voluntary Billing Suspension Policies in Administrative Code Title 2, Fiscal Management Policies

Denton introduced this agenda item regarding section 2.10 of Title 2 of the District Administrative Code, which deals with voluntary billing suspensions. Historically, the District has provided a service to customers for voluntary temporary suspension of billing when that customer will be away from their home for an extended period of time (e.g., Canadian customers that reside in their homes for only part of the year, or those that travel south each winter). While the intent was to provide such relief, there are instances where connections have been under voluntary billing suspension for multiple consecutive years. Without any form of collection of rates to maintain the District's infrastructure in a manner that will allow for effective service once that connection resumes service, the remainder of the ratepayers are burdened with paying that connection's proportionate share. During its February 10 and March 10 work sessions, the Board discussed this topic;

ultimately directing staff to prepare a resolution capping the consecutive number of months a connection may be under voluntary temporary billing suspension at four. Discussion followed.

Action Taken

McRoberts moved, Ford seconded, to adopt Resolution No. 874 as presented. Motion passed.

General Manager's Report

Clary updated the Board on several topics, including the District's continued response to the COVID-19 pandemic and staff vaccinations, staffing updates including upcoming interviews with the Finance Manager finalists and a new temporary laborer onboarding, and a potential forthcoming discussion on a potential cell tower vendor lease at a District facility. Discussion followed.

Engineering Department Report

Hunter highlighted several areas, including four projects that will be starting up in May: Agate Heights Water Treatment Plant improvements; Dellesta sewer lift station renovation; Edgewater sewer lift station renovation; and Flatcar sewer lift station PLC replacement. He also noted that District staff have been coordinating with the Sudden Valley Community Association on the building and development process in preparation for a potentially busy construction season.

Finance Department Report

Denton presented the Board with the Quarterly Financial Report for the first quarter of 2021, highlighting how revenues and expenditures were tracking, as well as the relatively small impact of the COVID-19 pandemic on account delinquency.

Operations & Maintenance Department Report

Winters gave a brief report on field crew operations, including work with District Safety Coordinator Rich Munson on deployment of the Donesafe safety software program, which allows the creation of customizable safety checklists the crew can access directly from their field tablets. Discussion followed.

With no further business, Abele adjourned the Regular Session 9:23 a.m.

Board President, Laura Abele

Attest: _____
Recording Secretary, Rachael Hope

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

CHECK REGISTER

Lake Whatcom W-S District


Time: 12:50:11 Date: 04/28/2021

04/30/2021 To: 04/30/2021

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
1265	04/30/2021	Payroll	5	11549	WA ST EMPL. SECURITY DEPT PAID FAMILY & MEDICAL LEAVE	1,058.11	Pay Cycle(s) 01/14/2021 To 01/14/2021 - PFMLA; Pay Cycle(s) 01/28/2021 To 01/28/2021 - PFMLA; Pay Cycle(s) 02/11/2021 To 02/11/2021 - PFMLA; Pay Cycle(s) 02/25/2021 To 02/25/2021 - PFMLA; Pay Cycle(s)
1266	04/30/2021	Payroll	5	11550	WA ST DEPT OF EMPLOYMENT SECUR		Incorrect percentage
1267	04/30/2021	Payroll	5	11551	WA ST DEPT OF LABOR AND IND	4,890.11	1ST Quarter 01/01/2021 - 03/31/2021
1274	04/30/2021	Payroll	5	11552	WA ST DEPT OF EMPLOYMENT SECUR	1,963.88	1st Quarter 01/01/2021 - 03/31/2021
						401 Water Fund	5,285.24
						402 Sewer Fund	2,626.86
							<hr/>
						7,912.10 Payroll:	7,912.10

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

Sign  Date 4/28/2021
General Manager, Justin Clary

Board Authorization - The duly elected board for this district has reviewed the claims listed and approved the payment by motion at the meeting listed below:

Board President, Laura Abele

Attest : _____
Recording Secretary, Rachael Hope

Approved by motion at ☒ Regular ☐ Special Board Meeting on May 12, 2021
Date Approved



**AGENDA
BILL
7.A**

**Resolution No. 875
Revising Low-Cost Parcel
Acquisition Policy in Administrative
Code Title 2, Fiscal Management Policies**

DATE SUBMITTED:	May 5, 2021	MEETING DATE:	May 12, 2021
TO: BOARD OF COMMISSIONERS	FROM: Debi Denton, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Resolution No. 875		
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 developed 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. 875, which revises Section 2.17.1 of the Administrative Code to allow the District to proceed with purchase of parcels/easements estimated at \$10,000 or less without obtaining an appraisal (the Administrative Code currently caps acquisition without an appraisal at \$5,000).

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. 875.

PROPOSED MOTION

A recommended motion is:

“I move to adopt Resolution No. 875 as presented.”

**LAKE WHATCOM WATER AND SEWER DISTRICT
RESOLUTION NO. 875**

A Resolution of the Board of Commissioners
Amending Policies related to Acquiring Low-Cost Parcels for Easement Purposes
within 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, from time to time, is required to purchase property, or easements upon properties, owned by others for the purposes of siting District infrastructure, or access thereto; and

WHEREAS, Washington State law permits municipal corporations to acquire real property without formal appraisal pursuant to procedures established by them, with a maximum threshold of \$25,000 established by the Washington State Department of Transportation; and

WHEREAS, Section 2.17.1 of Title 2 of the District Administrative Code, created by adoption of Resolution No. 665 during a regular meeting of the Board of Commissioners on December 19, 2002, sets policy related to acquisition of low-cost parcels or easements without an appraisal; and

WHEREAS, it has been nearly twenty years since adoption of Resolution No. 665, which set a maximum estimated acquisition value at \$5,000 for purchasing a property or an easement without an appraisal; and

WHEREAS, since adoption of Resolution No. 665, the cost of acquiring real property and interests in real property such as easements has increased due to inflation and market conditions; and

WHEREAS, the District Board of Commissioners has determined it appropriate to increase the maximum estimated acquisition value for purchasing a property or an easement without an appraisal to \$10,000; and

WHEREAS, the District Board of Commissioners has reviewed and determined it appropriate to revise the existing Section 2.17.1 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 that specific section of Title 2 with deletions in strikethrough and additions underlined; and

WHEREAS, Exhibit B attached hereto is intended to reflect the final revised language in Section 2.17.1 of Title 2 of the Administrative Code; 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. Resolution No. 665 and Section 2.17.1 of Title 2 of the District Administrative Code are repealed in their entirety and replaced with Section 2.17.1 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 12th day of May, 2021.

Laura Abele, President, Board of Commissioners

Attest:

Rachael Hope, Recording Secretary

Approved as to form:

Robert Carmichael, Attorney for the District

EXHIBIT A

2.17.1 Acquiring Low-Cost Parcels for Easement Purposes Without an Appraisal

1. The District's General Manager is authorized to waive the requirement for a written appraisal for acquisitions which he or she determines are uncomplicated and which ~~are of~~have an estimated property valued ~~at of \$5,000.00~~\$10,000 or less, as identified by its Engineer using standardized land valuation processes~~in the Project Funding Estimate process.~~
2. The District shall ~~nevertheless~~ obtain a written appraisal ~~in the event if~~ the property owner requests one or if a condemnation action is commenced.
3. Before initiating negotiations for real property acquisition, the District shall establish an amount which it believes to be just compensation therefore, and shall make a prompt offer to acquire the property for the full amount so established. The District shall provide the property owner with a written statement of, and summary of the basis for, the amount established as just compensation. Where appropriate, the written statement of just compensation shall itemize amounts for the fair market value of the real property to be acquired, for any damages or diminution in value to the remaining property, and for the value of any benefits to the remaining real property~~shall be separately stated.~~
4. The District will negotiate directly or through its agents for acquisition of the real property or property rights at just compensation. If the price to be paid is different from that established before negotiations commenced, a memorandum stating the price to be paid and the basis for it, shall be prepared. The memorandum shall be distributed to and remain in the files of the General Manager, Engineer, and Attorney, ~~to the extent that they are not the generator of the memorandum,~~ and placed in the District's project file. [Resolution Nos. 665, 875]

EXHIBIT B


2.17.1 Acquiring Low-Cost Parcels for Easement Purposes Without an Appraisal

1. The District's General Manager is authorized to waive the requirement for a written appraisal for acquisitions which he or she determines are uncomplicated and which have an estimated property value of \$10,000 or less, as identified by its Engineer using standardized land valuation processes.
2. The District shall obtain a written appraisal if the property owner requests one or if a condemnation action is commenced.
3. Before initiating negotiations for real property acquisition, the District shall establish an amount which it believes to be just compensation therefore, and shall make a prompt offer to acquire the property for the full amount so established. The District shall provide the property owner with a written statement of, and summary of the basis for, the amount established as just compensation. Where appropriate, the written statement of just compensation shall itemize the fair market value of the real property to be acquired, any damages or diminution in value to the remaining property, and the value of any benefits to the remaining real property.
4. The District will negotiate directly or through its agents for acquisition of the real property or property rights at just compensation. If the price to be paid is different from that established before negotiations commenced, a memorandum stating the price to be paid and the basis for it, shall be prepared. The memorandum shall be distributed to and remain in the files of the General Manager, Engineer, and Attorney, and placed in the District's project file. [Resolution Nos. 665, 875]



**AGENDA
BILL
Item 9.A**

**General Manager's
Report**

DATE SUBMITTED:	May 4, 2021	MEETING DATE:	May 12, 2021
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. General Manager's Report		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

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

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



LAKE WHATCOM WATER AND SEWER DISTRICT
General Manager's Report
Upcoming Dates & Announcements
Regular Meeting – Wednesday, May 12, 2021 – 6:30 p.m.

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed May 26, 2021	8:00 a.m.	Remote Attendance
Employee Staff Meeting	Thu May 13, 2021	8:00 a.m.	Remote Attendance Commissioner Citron to attend
Investment Comm. Meeting	Wed Jun 30, 2021	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Thu May 27, 2021	8:00 a.m.	Remote Attendance
Lake Whatcom Management Program			
Data Group Meeting	Thu May 13, 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	Tue Jun 8, 2021	7:00 p.m.	Remote Attendance
Whatcom Water Districts Caucus Meeting	Wed May 19, 2021	1:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed May 12, 2021	3:00 p.m.	Remote Attendance

Committee Meeting Reports

Safety Committee:

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

Investment Committee:

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

Upcoming Important Board Meeting Topics

- Resolution amending the low-cost property acquisition policy
- Accessory Dwelling Unit policy discussion
- Rate Study presentation
- Sewer system rehabilitation return on investment presentation

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.
Resolution No. 473, which revised and incorporated the investment policy into the administrative code, was adopted by the board 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.
Interviews were conducted on April 28; preferred candidates are scheduled for in-person interviews on May 10 and May 17.

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 attended the virtual WASWD general managers' meeting on May 5.*
- *J Clary scheduled to attend the Whatcom County Natural Hazards Mitigation Plan update virtual open house on May 11.*

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 scheduled to attend the data group meeting on May 13.

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.