



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

Date: October 21, 2021

RE: Virtual Meeting Attendance

For the foreseeable future, Lake Whatcom Water & Sewer District's Board of 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.

Attending a Meeting

If you would like to attend the October 27, 2021 regular board meeting, access 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. This is *not a requirement* for making a public comment, but is helpful to the staff and commissioners for planning purposes.

October 27, 2021 Regular Board Meeting

Wed, Oct 27, 2021 8:00 AM - 10:00 AM (PDT)

Join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/568186669>

You can also dial in using your phone.

United States: [+1 \(571\) 317-3112](tel:+15713173112)

Access Code: 568-186-669

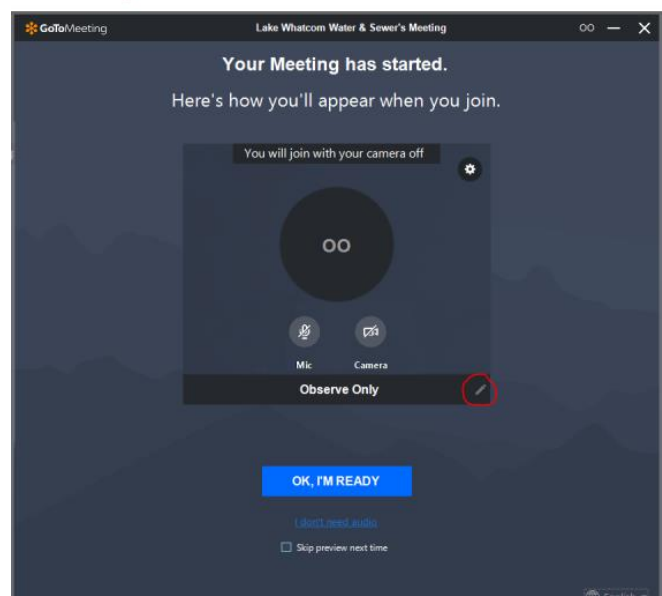
New to GoToMeeting? Get the app now and be ready when the meeting starts:

<https://global.gotomeeting.com/install/568186669>

Attending as an Observer only

If you wish to observe a meeting, but do not plan to speak or appear on video during the meeting, you may attend anonymously.

When you click the link to log in to the meeting, a black box will appear like the one pictured below. Click the pencil icon (circled) and change your name to "Observe Only." Also make sure that your microphone and camera icon are grey and not green. You will be muted by the meeting administrator and will not be included in the roll call.



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.



LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

October 27, 2021

8:00 a.m. – Regular Session

1. CALL TO ORDER
2. ROLL CALL
3. CONFIRMATION OF COMPLIANCE WITH REMOTE MEETING ATTENDANCE PROTOCOLS
4. PUBLIC COMMENT OPPORTUNITY
At this time, members of the public may address the Board of Commissioners. Please state your name prior to making comments.
5. ADDITIONS, DELETIONS, OR CHANGES TO THE AGENDA
6. CONSENT AGENDA
7. SPECIFIC ITEMS OF BUSINESS
 - A. Approval of a Vendor Agreement with the Opportunity Council for Distribution of Federal Funds
 - B. Lake Whatcom Boulevard Sewer Rehabilitation Project Construction Contract Closeout
8. OTHER BUSINESS
9. STAFF REPORTS
 - A. General Manager
 - B. Engineering Department
 - C. Finance Department
 - D. Operations Department
10. PUBLIC COMMENT OPPORTUNITY
11. EXECUTIVE SESSION
Executive Session per RCW 42.30.110(1)(g): To review the performance of a public employee (General Manager performance evaluation) – 30 minutes
12. ADJOURNMENT



**AGENDA
BILL
Item 6**

Consent Agenda

DATE SUBMITTED:	October 21, 2021	MEETING DATE:	October 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL	<i>[Signature]</i>		
ATTACHED DOCUMENTS	1. See below		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

****TO BE UPDATED 10.26.2021****

BACKGROUND / EXPLANATION OF IMPACT

- Payroll for Pay Period #21 (10/2/2021 through 10/15/2021) totaling \$47,409.62
- Payroll Benefits for Pay Period #21 totaling \$50,704.95
- 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.”

PAYROLL

CHECK REGISTER

Lake Whatcom W-S District

Time: 10:30:59 Date: 10/19/2021

10/21/2021 To: 10/21/2021

Page: 1

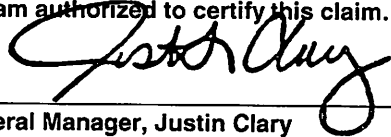
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3175	10/21/2021	Payroll	5	EFT		224.99	10/02/2021 - 10/15/2021 PR 21
3176	10/21/2021	Payroll	5	EFT		353.09	10/02/2021 - 10/15/2021 PR 21
3177	10/21/2021	Payroll	5	EFT		470.80	10/02/2021 - 10/15/2021 PR 21
3178	10/21/2021	Payroll	5	EFT		3,635.90	10/02/2021 - 10/15/2021 PR 21
3179	10/21/2021	Payroll	5	EFT		2,530.51	10/02/2021 - 10/15/2021 PR 21
3180	10/21/2021	Payroll	5	EFT		3,970.14	10/02/2021 - 10/15/2021 PR 21
3182	10/21/2021	Payroll	5	EFT		1,772.23	10/02/2021 - 10/15/2021 PR 21
3184	10/21/2021	Payroll	5	EFT		1,546.48	10/02/2021 - 10/15/2021 PR 21
3185	10/21/2021	Payroll	5	EFT		1,698.94	10/02/2021 - 10/15/2021 PR 21
3186	10/21/2021	Payroll	5	EFT		2,920.32	10/02/2021 - 10/15/2021 PR 21
3187	10/21/2021	Payroll	5	EFT		2,187.10	10/02/2021 - 10/15/2021 PR 21
3188	10/21/2021	Payroll	5	EFT		3,325.35	10/02/2021 - 10/15/2021 PR 21
3189	10/21/2021	Payroll	5	EFT		2,072.24	10/02/2021 - 10/15/2021 PR 21
3190	10/21/2021	Payroll	5	EFT		3,168.41	10/02/2021 - 10/15/2021 PR 21
3191	10/21/2021	Payroll	5	EFT		706.19	10/02/2021 - 10/15/2021 PR 21
3192	10/21/2021	Payroll	5	EFT		2,489.75	10/02/2021 - 10/15/2021 PR 21
3193	10/21/2021	Payroll	5	EFT		1,815.06	10/02/2021 - 10/15/2021 PR 21
3194	10/21/2021	Payroll	5	EFT		2,101.29	10/02/2021 - 10/15/2021 PR 21
3195	10/21/2021	Payroll	5	EFT		3,178.70	10/02/2021 - 10/15/2021 PR 21
3196	10/21/2021	Payroll	5	EFT		2,866.02	10/02/2021 - 10/15/2021 PR 21
3197	10/21/2021	Payroll	5	EFT		2,559.17	10/02/2021 - 10/15/2021 PR 21
3181	10/21/2021	Payroll	5	12127		353.09	9/1/2021 - 9/8/2021 - 9/29/2021
3183	10/21/2021	Payroll	5	12128		1,463.85	10/02/2021 - 10/15/2021 PR 21

401 Water Fund
402 Sewer Fund

14,284.36
33,125.26

47,409.62 Payroll: 47,409.62

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

Sign  Date 10/19/21
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 _____
Date Approved

CHECK REGISTER

BENEFITS

Lake Whatcom W-S District

Time: 10:26:51 Date: 10/19/2021

10/21/2021 To: 10/21/2021

Page: 1

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3198	10/21/2021	Payroll	5	EFT	UNITED STATES TREASURY	17,218.95	941 Deposit for Pay Cycle(s) 10/21/2021 - 10/21/2021
3199	10/21/2021	Payroll	5	EFT	WA ST SUPPORT ENFORCEMENT REGISTRY	208.34	Pay Cycle(s) 10/21/2021 To 10/21/2021 - SUP ENF
3200	10/21/2021	Payroll	5	12129	AFLAC	354.85	Pay Cycle(s) 10/21/2021 To 10/21/2021 - AFLAC Pre-Tax; Pay Cycle(s) 10/21/2021 To 10/21/2021 - AFLAC Post-Tax
3201	10/21/2021	Payroll	5	12130	AFSCME LOCAL	367.44	Pay Cycle(s) 10/21/2021 To 10/21/2021 - Union Dues; Pay Cycle(s) 10/21/2021 To 10/21/2021 - Union Fund
3202	10/21/2021	Payroll	5	12131	DEPARTMENT OF RETIREMENT SYSTEMS	4,169.50	Pay Cycle(s) 10/21/2021 To 10/21/2021 - DCP
3203	10/21/2021	Payroll	5	12132	HRA VEBA TRUST (PAYEE)	590.00	Pay Cycle(s) 10/21/2021 To 10/21/2021 - VEBA
3204	10/21/2021	Payroll	5	12133	VANTAGEPOINT TRANSFER AGENTS - 306798	100.00	Pay Cycle(s) 10/21/2021 To 10/21/2021 - ICMA
3205	10/21/2021	Payroll	5	12134	WA ST HEALTH CARE AUTHORITY	16,061.84	Pay Cycle(s) 10/21/2021 To 10/21/2021 - PEBB Medical; Pay Cycle(s) 10/21/2021 To 10/21/2021 - PEBB ADD LTD; Pay Cycle(s) 10/21/2021 To 10/21/2021 - PEBB SMK Surcharge; Pay Cycle(s) 10/21/2021 To 10/21
3206	10/21/2021	Payroll	5	12135	WA ST PUBLIC EMP RET PLAN 2	8,630.72	Pay Cycle(s) 10/21/2021 To 10/21/2021 - PERS 2
3207	10/21/2021	Payroll	5	12136	WA ST PUBLIC EMP RET PLAN 3	3,003.31	Pay Cycle(s) 10/21/2021 To 10/21/2021 - PERS 3
						37,269.53	
						13,435.42	
						50,704.95	Payroll:
							50,704.95

BENEFITS

CHECK REGISTER

Lake Whatcom W-S District

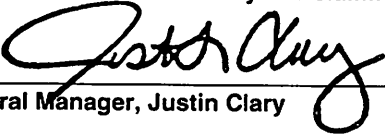
Time: 10:26:51 Date: 10/19/2021

10/21/2021 To: 10/21/2021

Page: 2

Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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I do hereby certify, under penalty of perjury, that the above is an unpaid, just, and due obligation as described herein, and that I am authorized to certify this claim.

Sign  Date 10/19/21
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 _____
Date Approved



**AGENDA
BILL
Item 7.A**

**Vendor Agreement Between
Lake Whatcom Water & Sewer
District and
Opportunity Council**

DATE SUBMITTED:	October 18, 2021	MEETING DATE:	October 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Jennifer Signs, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Low-Income Home Water and Wastewater Assistance Program Vendor Agreement		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Public Law No: 116-260 signed on December 27, 2020, included funding with instructions for the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS) to carry out grants to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. This act requires that certain assurances be satisfied before assistance payments are made, on behalf of eligible individuals, to suppliers of drinking water and wastewater utility services. This program is known as the Low-Income Home Water and Wastewater Program (LIHWAP).

Through the LIHWAP program, Congress authorized through the Consolidated Appropriations Act of 2021 \$638 million in funding. The State of Washington received from the Consolidated Appropriations Act funding in the amount of \$11,199,301 and \$8,776,882 from the American Recovery Plan for a total allocation of \$19,976,183. Eligible customers are approved in the amount needed to bring their water and sewer utility account to zero up to a maximum benefit of \$2,500 per customer. In Whatcom County, customer eligibility is determined by the Opportunity Council (private, non-profit community action agency) based on the guidelines set forth by the Low-Income Home Energy Assistance Program (LIHEAP) and will work in conjunction with this program to automatically approve water customers who already qualify for the LIHEAP assistance, which are comprised of households with incomes at or below 150% of the federal poverty level.. For those customers whose account is in arrearage more than \$2,500, the District will offer payment plans for the amount due over \$2,500 to ensure service is maintained.

The attached agreement defines the conditions that the Vendor (the District) must agree to so that the Agency (Opportunity Council) can make assistance payments to the Vendor on behalf of eligible households. Funding is only available through the approved Agency (Opportunity Council). As a

result, the District isn't eligible to apply for funding directly from the state and must enter into this Vendor Agreement in order for our customers to benefit from this program.

FISCAL IMPACT

By entering into this agreement, the District may reduce the number and amount of accounts that have significant arrearages and improve collectability; however, the agreement will not change the total payments received.

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Customer Satisfaction
Community Sustainability

RECOMMENDED BOARD ACTION

Staff recommends the Board authorize the execution of the Low-Income Home Water and Wastewater Assistance Program Vendor Agreement to assist our qualifying customers to apply funding to their utility accounts that are in arrearage and danger of being disconnected.

PROPOSED MOTION

Recommended motion is:

“I move to authorize the General Manager to execute the Low-Income Home Water and Wastewater Assistance Program Vendor Agreement with the Opportunity Council, as presented.”

**Low-Income Home Water and Wastewater Assistance Program
Vendor Agreement**



This agreement, dated as of **10/1/2021**, is entered into by and between **Opportunity Council**, (Agency), and **Lake Whatcom Water and Sewer District**, a supplier of home water and/or wastewater utility services (*Vendor*).

PURPOSE

Public Law No: 116-260 signed on December 27, 2020, included funding with instructions for the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS) to carry out grants to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services. This act requires that certain assurances be satisfied before assistance payments are made, on behalf of eligible individuals, to suppliers of drinking water and wastewater utility services. This agreement defines the conditions that the Vendor must agree to so that the Agency can make assistance payments to the Vendor on behalf of eligible households.

AGENCY RESPONSIBILITIES

The Agency shall:

1. Accept and review client applications and determine eligibility of households for payments.
2. Follow procedures that minimize the time elapsing between the receipt of funds and their disbursement to vendor.
3. Make payments in a timely manner to the vendor on behalf of eligible households for the term of this agreement.
4. Follow sound fiscal management policies, including, but not limited to segregation of funds from other operating funds of the agency.
5. Notify customer and/or vendor of the customer's eligibility and total benefit amount.
6. Incorporate policies that assure the confidentiality of eligible household's usage, balance, and payments.
7. Upon request from vendor, provide a statement verifying income of an eligible household for the sole purpose of determining moratorium eligibility, within the statutory guidelines of confidentiality.

WATER VENDOR RESPONSIBILITIES

The Vendor shall:

1. Immediately apply the benefit payment to customer's current/past due bill, deposit/reconnect requirements, or arrearages to eliminate the amount owed by the customer and agree to maintain service to customer for a period of 30 days.
2. Notify the customer of the amount of benefit payment applied to the customer's billing.
3. Keep customer records confidential to the fullest extent permitted by the Public Records Act or other law.

**Low-Income Home Water and Wastewater Assistance Program
Vendor Agreement**



4. Maintain records for four (4) years from the date of this agreement, or longer if the vendor is notified that a fiscal audit for a specific program year is unresolved.
5. Not treat adversely, or discriminate against any household that receives assistance payments, either in the cost of the goods supplied or the services provided.
6. Upon request of the agency, provide eligible customer's consumption history and account balance for the sole purpose of determining customer benefit.
7. Comply with the provisions of the state law regarding disconnects and pertinent provisions of the Washington Administrative Code related to moratorium, if governed by that ruling.
8. Make records available for review by authorized staff of the agency and Washington State Department of Commerce and the U.S. Department of Health and Human Services.

REQUIRED RECORDS FOR AUDIT PURPOSES

The vendor will keep records showing the following:

1. Name and address of households who received assistance payments.
2. Amount of assistance to each household.
3. Source of payment.

OTHER PROVISIONS

Term of Agreement

This agreement is effective from the date of execution.

Termination

This agreement may be terminated by either party with a thirty (30) day written notice to the other party. Termination shall not extinguish authorized obligations incurred during the term of the agreement. If funding is withdrawn, reduced, or eliminated by Commerce, the agency has the right to terminate this agreement immediately.

Assignment of Agreement

Neither party may assign the agreement or any of the rights, benefits and remedies conferred upon it by this agreement to a third party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

The vendor and the agency do hereby agree to the conditions set forth in this agreement.

Agency

Signature

Greg Winter

Printed Name

Executive Director

Title

Opportunity Council

Name of Agency

Vendor

Signature

Justin L. Clary

Printed Name

General Manager

Title

Lake Whatcom Water & Sewer District

Name of Company

**Low-Income Home Water and Wastewater Assistance Program
Vendor Agreement**



Date

Date



**AGENDA
BILL
Item 7.B**

**2021 Lake Whatcom Blvd
Sewer Main CIPP
Public Works Contract Close-out**

DATE SUBMITTED:	October 20, 2021	MEETING DATE:	October 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, 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

The Board of Commissioners approved the contract award of the 2021 Lake Whatcom Boulevard Sewer Main CIPP contract (District Capital Project No. C2114) to Michael’s Pipe Corporation during its regularly scheduled meeting on March 10, 2021.

The project installed approximately 1,300 lineal feet of 10” and 14” cure-in-place pipe (CIPP) in the gravity sewer main located in Lake Whatcom Boulevard. The CIPP increases the hydraulic capacity (flow rate) and renews the condition of the pipe.

Michael’s has completed all contract requirements.

FISCAL IMPACT

Below is a summary of the construction contract and change orders. Construction was completed 1.1% less (under budget) than the original construction contract amount.

Original Construction Contract (QCC)	\$145,860.00
Change Order 1 - Credit <i>Delete Bid Item #6 Trim Protruding Lateral.</i>	(\$1,570.00)

Subtotal	\$144,290.00
8.6% Sales Tax	\$12,408.94
Total	\$156,698.94

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Operational Optimization

RECOMMENDED BOARD ACTION

Staff recommends accepting the 2021 Lake Whatcom Boulevard Sewer Main CIPP construction contract as complete.

PROPOSED MOTION

Recommended motion is:

“I move to accept the 2021 Lake Whatcom Boulevard Sewer Main CIPP construction contract as complete and authorize staff to close-out the public works contract.”



**AGENDA
BILL
Item 9.A**

**General Manager's
Report**

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

Important Upcoming Dates

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Nov 10, 2021	6:30 p.m.	Remote Attendance
Employee Staff Meeting	Thu Nov 11, 2021	8:00 a.m.	Remote Attendance Commissioner McRoberts to attend
Investment Comm. Meeting	Wed Oct 27, 2021	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Thu Nov 18, 2021	8:00 a.m.	Remote Attendance
Lake Whatcom Management Program			
Policy Group Meeting	Wed Dec 1, 2021	3:00 p.m.	Remote Attendance
Joint Councils Meeting	March 2022	TBD	TBD
Other Meetings			
WASWD Section III Meeting	Tue Nov 9, 2021	7:00 p.m.	Remote Attendance
Whatcom Water Districts Caucus Meeting	Wed Nov 17, 2021	2:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed Dec 8, 2021	3:00 p.m.	Remote Attendance

Committee Meeting Reports

Safety Committee:

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

Investment Committee:

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

Upcoming Board Meeting Topics

- Rocky Ridge/Lakewood Sewer Lift Stations Improvement Project design contract approval
- Division 7 Reservoir Replacement Project design contract approval
- Draft 2022 Budget presentation
- Master Fees and Charges Schedule update
- Whatcom County Natural Hazards Mitigation Plan update adoption
- Water Use Efficiency Plan update adoption

2021 Initiatives Status

Administration and Operations

Six-Year Strategic 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 Board conducted a work session on the first revision of the strategic plan on September 8. A board retreat is scheduled for October 25 to discuss the strategic plan, rate study, and capital improvement program priorities.

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 presentation on progress was provided during the May 26 board meeting; most work is on-hold until a board retreat can be held (see six-year strategic business plan discussion above).

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, 2021 meeting.

Capital Improvement Program Support

- Support the Engineering Department through management of specific capital improvement project(s).
The general manger is managing the Eagleridge Water Booster-Metering Station Conversion project (District Project No. C2011), the Water Use Efficiency Plan update (District Project No. A2115), and the Commissioner Boundary Update project (District Project No. A2116).

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.
Jennifer Signs joined the District as the new Finance Manager on June 28.

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.
A negotiations kick-off meeting was held July 20, 2021, and subsequent meetings were held on August 2 and 24. The next meeting is scheduled for November 1.

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.
- Develop a USEPA-compliant emergency response plan by December 31, 2021.
The District's emergency response plan update was certified on September 21.
- *J Clary, B Hunter and R Munson attended a USEPA cybersecurity workshop on October 13-14.*

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), March 1 (EnviroStars certification), July 8 (Jenny Signs hire) August 20 (Justin Clary appointment to Public Works Board), and September 27 (TOP Award receipt).

Intergovernmental Relations

- *J Clary and J Signs attended the Infrastructure Assistance Coordinating Council annual conference (virtual) October 19-21.*
- *J Clary and R Munson attended the Washington Sewer and Water Risk Management Pool semi-annual meeting (virtual) on October 21.*

Public Works Board

- Pursue appointment as WASWD representative on the Washington State Public Works Board.
J Clary appointed to the Washington State Public Works Board by Governor Inslee on August 17.

Lake Whatcom Water Quality

Management Program

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

Onsite Septic System Conversion Program

- Pursue connection of the one remaining septic-served parcel located within 200 feet of District sewer system identified in the memorandum to the Board dated April 9, 2020.
To be initiated.



**AGENDA
BILL
Item 9.B**

**Engineering Department
Report**

DATE SUBMITTED:	October 21, 2021	MEETING DATE:	October 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Bill Hunter, District Engineer		
GENERAL MANAGER APPROVAL	<i>Justin Day</i>		
ATTACHED DOCUMENTS	1. Engineering Department Report		
	2. Summary of District Projects		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District projects and current priorities in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



Lake Whatcom Water & Sewer District Engineering Department Report

Prepared for the October 27, 2021 Board Meeting
Data Compiled 10/21/21 by RH, BH, RM, KH

Status of Water and System Capacities				
	South Shore ID# 95910	Eagleridge ID# 08118	Agate Heights ID# 52957	Johnson Well ID# 04782
DOH Approved ERUs	**	85	81	2
Connected ERUs	3917	68	44	2
Remaining Capacity (ERUs)	**	17	37	0
Permitted ERUs Under Construction	40	0	0	0
Pre-paid Connection Certificates & Expired Permits	13	0	5	0
Water Availabilities (trailing 12 months)	49	0	0	0
Subtotal - Commitments not yet connected	102	0	5	0
Available ERUs	**	17	32	0

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

Agate Heights approved ERUs increased from 57 to 81 with DOH Approval August 10, 2021

Annual Reports		
Name Of Report	Deadline	Completed
Report Number of Sewer ERUs to City of Bellingham Prepared by: Bill Hunter	January 15	March 22, 2021
Other Reports		
Name Of Report	Deadline	Last Completed
Water Right Permit No. G1-22681 Development Extension	Due Every 5 Years Next Due Feb 15, 2023	2018
Water Right Permit No. S1-25121 Development Extension	Due Every 5 Years Next Due March 30, 2023	2018



**AGENDA
BILL
Item 9.C**

**Finance Department
Report**

DATE SUBMITTED:	October 18, 2021	MEETING DATE:	October 27, 2021
TO: BOARD OF COMMISSIONERS	FROM: Jennifer Signs, Finance Manager		
GENERAL MANAGER APPROVAL	<i>Jennifer Signs</i>		
ATTACHED DOCUMENTS	1. 2021 Q3 Quarterly Financial Report		
	2. Q3 Adjustment Report		
	3.		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input type="checkbox"/>	INFORMATIONAL /OTHER <input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District finances in advance of the Board meeting.

FISCAL IMPACT

None

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None



Quarterly Financial Report Third Quarter 2021

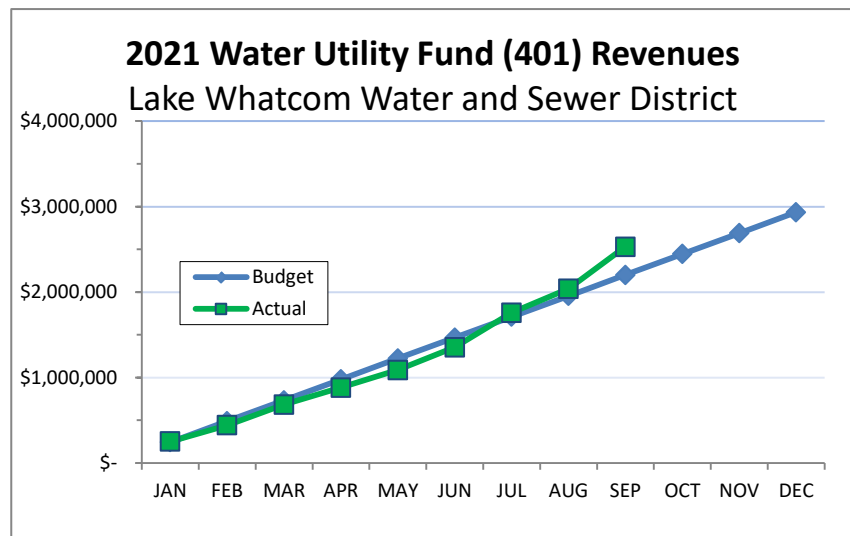
Lake Whatcom Water and Sewer District
Bellingham, Washington

Summary

Revenues associated with the Lake Whatcom Water and Sewer District's (District) Water Utility Fund (Fund 401) and Sewer Utility Fund (Fund 402), which serve as the primary operational funds for the District's water and sewer utilities, respectively, largely followed financial projections reflected in the 2021 Budget through the third quarter with the water utility seeing a slightly higher trend. Expenditures associated with the Sewer Utility continued to lag projections, which is consistent with prior years' expenditures and due to large capital project-related expenses not being incurred. On the other hand, Water Utility expenditures are tracking consistent with projections through the third quarter of the year (95% of projected expenditures through the first three quarters). This is attributed to completion of the Agate Heights water treatment plant replacement, and approximately \$150,000 of unanticipated expenses incurred associated with emergency repairs to the Division 30 water transmission main (note that the District did receive reimbursement for the main repair costs through its insurer during the third quarter). With the COVID-19 pandemic ongoing, it is also important to note that the District continues to monitor customer arrearages for accounts 60 or more days past due. With Governor Inslee's no shut-off order for utilities moratorium ending September 30, 2021, the District made multiple attempts to communicate with these customers available payment options to avoid disconnects in the fourth quarter. It should be noted that total bill arrearages for accounts 60 or more days past due increased slightly from approximately \$66,000 after the second quarter to approximately \$72,000 after the third quarter. The District extended an additional month based upon billing cycle alignment, beyond the Governor's moratorium, to customers to allow additional time for customers to pay arrearages and enter into payment plans with the District in order to avoid disconnects in the fourth quarter.

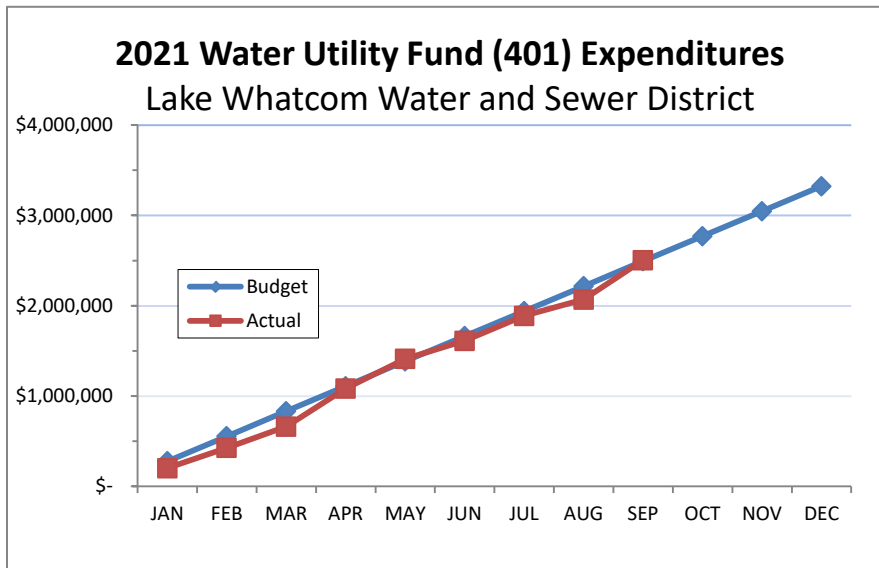
Water Utility Fund (Fund 401)

Through September 30, 2021, Water Utility Fund revenues were \$2,528,722, which was slightly above the revenues projected through the third quarter of the year in the 2021 Budget (\$2,444,430). This is consistent with prior years' revenues, which typically lag projections through the first half of each year, and then grow significantly during the third quarter due to increased water sales (e.g., lawn watering



during dry summer months). Another factor that impacted water utility revenues during the third

quarter was the unprecedented heat wave that Western Washington experienced during the summer months. The District noted a year-over-year increase of 7% in water consumption compared to 2020. Another item that is contributing to the increased water revenue in the third quarter correlates with the capital costs associated with the water main break during the first quarter of 2021. During the month of September, the District received insurance reimbursements from the Water & Sewer Risk Management Pool in the amount of \$137,564, which was approximate 92% of the costs associated with the repair.

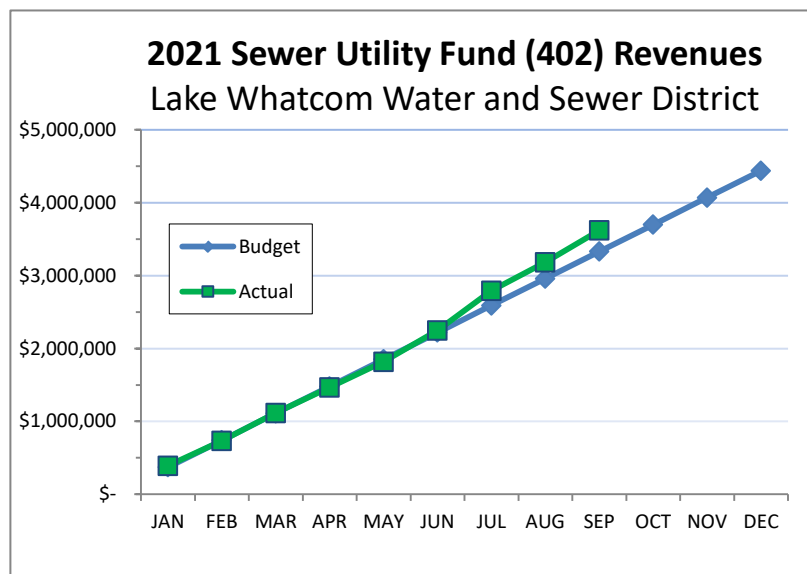


Though Water Utility fund expenditures were below 2021 Budget projections through the first quarter of the year, a couple of large capital costs were incurred during the second quarter that have resulted in expenditures now tracking slightly above projections (\$2,503,834 vs. \$2,493,000). The significant capital costs included replacement of

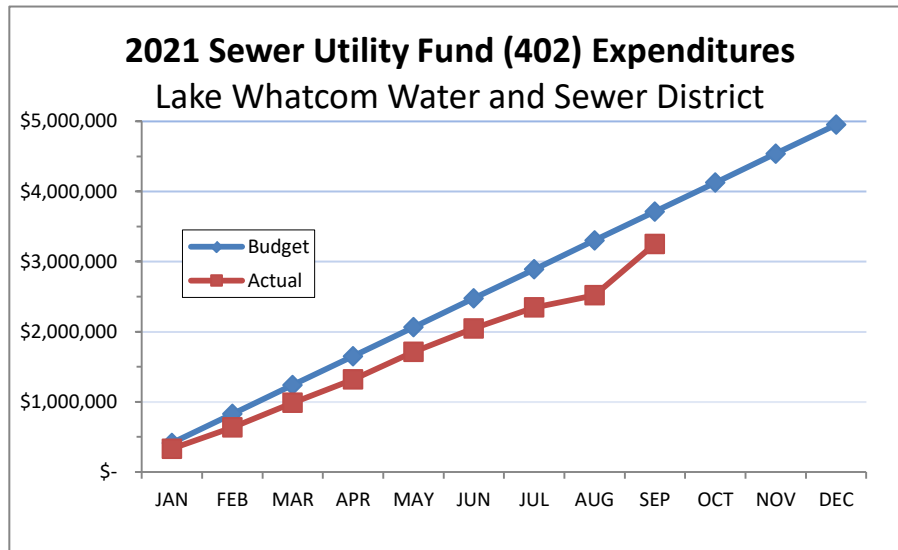
the Agate Heights water treatment plant, and approximately \$150,000 incurred associated with the unbudgeted emergency repairs to the Division 30 water transmission main in January-February. Expenditures are now tracking consistent with projections, and are anticipated to continue to track projections through yearend

Sewer Utility Fund (Fund 402)

Sewer Utility Fund revenues trended slightly higher than projections during the third quarter (\$3,620,042 vs \$3,329,901). This is in large part due to the number of building permits that were issued during the summer months. As presented in the Summary discussion above, sewer utility revenues have slightly been impacted by the no shut-off order (which is set to expire September 30) associated with the ongoing pandemic.



Sewer Utility Fund expenditures continued to lag behind projections through the third quarter (\$3,251,559 in actual expenditures relative to \$3,714,210 budgeted). Sewer Utility expenditures typically increase significantly during the summer months and we are seeing the expenditures moving closer to the targeted budget, and are anticipated to finish the year on budget as more and more capital projects are completed by year end. In regards to day-to-day operational costs of the



District (personnel salary and benefits, professional services, utilities, etc.), though these costs were reported to exceed budget projections by approximately \$75,000 after the first quarter (attributed to large payments for sewage treatment to the city of Bellingham), reduction of sewer flows resulting from inflow and

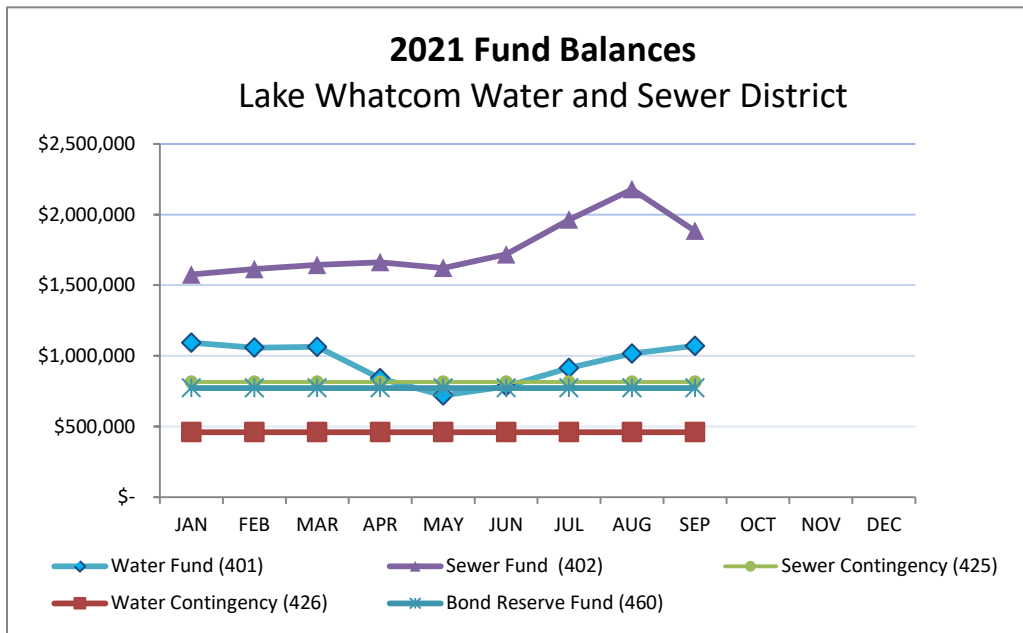
infiltration (I&I) entering the sewer collection and conveyance system during the second and third quarters allowed for the operational costs through the three quarters of the year to align closer to budget. The City of Bellingham sewage treatment budget through the third quarter was \$562,500 and we are slightly above that at \$582,753, lessening that spread to approximately \$23,000 vs \$75,000 projected during the first quarter. That said, capital expenditures, as anticipated, grew significantly during the second quarter relative to first quarter expenditures (\$508,000 vs. \$94,000), but remained below the projected expenditures through the third quarter (expenditures were approximately \$489,460 below projections with anticipation of a large carryover into 2022).

District Fund Balances

The District manages its monies within five primary funds: Water Utility Fund (401), Sewer Utility Fund (402), Sewer Contingency Reserve Fund (425), Water Contingency Reserve Fund (426), and Bond Reserve Fund (460). Of note, within the Water Utility and Sewer Utility funds are system reinvestment funds (i.e., funds dedicated to capital projects) and debt service funds associated with the respective utility. The following discussion summarizes the activity associated with each fund through the third quarter of 2021.

Water Utility Fund (Fund 401)

The Water Utility Fund, which serves as the primary operating fund for the District’s water utility, derives most of its revenue from rates charged to water customers. Fund expenditures are comprised of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on water system reinvestment-defined equipment and projects. Also managed within the Water Utility Fund are monies allocated towards an operating reserve, which is equal to the cost of operating the water utility for 90 days (\$540,000). The fund entered 2021 with a balance of \$1,092,494. While fund balance remained relatively stable over the first quarter of the year, the balance dropped significantly during the second quarter, ending with a balance of \$783,757. As a result of increased revenue in the third quarter and expenditures remaining on budget, the Water Utility Fund Balance returned to relatively the same balance at the end of the first quarter, \$1,070,224. The drop during the second quarter was anticipated and associated with payments for the Agate Heights water treatment plant replacement project and the emergency repairs to the Division 30 water transmission main (that occurred in January-February). However, the District received insurance reimbursement in the amount of approximately \$137,000 to offset the costs associated with the emergency repairs to the Division 30 water transmission main which allowed the fund to return to the levels prior to the second quarter.



Sewer Utility Fund (Fund 402)

Like the Water Utility Fund, the Sewer Utility Fund serves as the primary operating fund for the District's sewer utility. Revenues are comprised primarily of rates charged to sewer customers, and expenditures consist of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on sewer system reinvestment-defined equipment and projects. Also managed within the fund are monies allocated towards an operating reserve, which is equal to the cost of operating the sewer utility for 60 days (\$430,000). The fund entered 2021 with a balance of \$1,575,051. Through the third quarter, fund revenues outpaced expenditures as well as expenditures remaining below budget has resulted in a September 30 fund balance of \$1,884,008 with revenues exceeding expenditures in the amount of approximately \$309,000. However, as year-end approaches and capital projects are completed, the overall Sewer Utility Fund balance is expected to be drawn down (but remain in a positive cash position).

Sewer Contingency Reserve (Fund 425)

A sewer contingency reserve is maintained in accordance with District financial policies at one percent of the sewer utility infrastructure replacement cost (\$815,000). This fund provides for paying for unanticipated costs that may be incurred by the Sewer Utility. The Sewer Contingency Reserve was fully funded throughout the third quarter.

Water Contingency Reserve (Fund 426)

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

Bond Reserve Fund (Fund 460)

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

District Investments

In accordance with its financial policies, the District invests its funds in a manner that provides the highest return with maximum security while meeting daily cash flow demands. Attached is the Investment/Cash Summary as of September 30, 2021.



Lake Whatcom Water and Sewer District
Finance Department
Third Quarter Adjustments
Wednesday October 27, 2021

July 2021 Adjustments

Account	Amount	Reason
60000884	\$1,000.00	Leak Credit
150001049	<u>\$32.36</u>	Leak Credit
Total	\$1,032.36	

August 2021 Adjustments

Account	Amount	Reason
160028017	\$63.44	LWWSD Equipment Fail Adjustment
140007026	\$1,000.00	Leak Credit
140039010	\$1,000.00	Leak Credit
240003021	<u>\$428.84</u>	LWWSD Equipment Fail Adjustment
Total	\$2,492.28	

September 2021 Adjustments


Account	Amount	Reason
40000617	\$481.44	Leak Credit
40000627	<u>\$396.75</u>	Leak Credit
Total	\$878.19	

Third Quarter Adjustments: \$4,402.83



**AGENDA
BILL
Item 9.D**

**Operations Department
Report**

DATE SUBMITTED:	October 21, 2021	MEETING DATE:	October 27, 2021
TO: BOARD OF COMMISSIONERS		FROM: Brent Winters, Operations Manager	
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS		1. Operations Department Report	
		2. Status of District Water & Sewer Systems	
TYPE OF ACTION REQUESTED	RESOLUTION	FORMAL ACTION/ MOTION	INFORMATIONAL /OTHER
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

BACKGROUND / EXPLANATION OF IMPACT

Updated information regarding District operations in advance of the Board meeting.

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



Lake Whatcom Water & Sewer District Operations & Maintenance Department Report

Prepared for the October 27, 2021 Board Meeting
Data Compiled 10/21/21 by RH, BW, RM

State Required Report Status													
Monthly Reports													
Name Of Report	Completed	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Chlorination Report Agate Heights Prepared by: Kevin	Postmarked by the 10th of month	x	x	x	x	x	x	x	x	x	x		
Surface Water Treatment Rule Report (SVWTP) Prepared by: Kevin	Postmarked by the 10th of month	x	x	x	x	x	x	x	x	x	x		
Annual Reports													
Name Of Report	Deadline	Completed											
WA State Cross Connection Report Prepared by: Rich	May	May 4, 2021											
OSHA 300 Log Prepared by: Rich	February 1	February 18, 2021											
Water Use Efficiency Performance Report Prepared by: Kevin	July 1	January 24, 2021											
Community Right to Know (Hazardous Materials) Prepared by: Rich & Brent	March 31	February 28, 2021											
Consumer Confidence Reports Prepared by: Kevin	June 30	Geneva 5/21		SV 5/21			EagleR 5/21		Agate Ht 5/21				
Other Reports													
Name Of Report	Deadline	Last Completed											
CPR/First Aid Training Coordinated by: Rich	Due Biennially Next Due 2023	March 23, 2021											
Flagging Card Training Coordinated by: Rich	Due Triennially Next Due 2022	June 6, 2019											

Safety Program Summary

Completed by Rich Munson & Brent Winters

Summary of Annual Safety Training

2021 Testing Period - Jan 1, 2021 to May 1, 2021

	Enrollments	Completions	% Complete
Engineering - Managers	81	81	100%
Engineering - Staff	28	28	100%
Field Crew - Managers	43	43	100%
Field Crew - Staff	328	328	100%
Office - Staff	96	96	100%
Overall	576	576	100%

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

Dates of Completed Safety Committee Meetings

1/28/2021	5/27/2021	9/30/2021
2/23/2021	6/24/2021	10/26/2021
3/25/2021	7/29/2021	
4/22/2021	8/26/2021	

Summary of Work-Related Injuries & Illnesses

	Current Month	2021	2020	2019	2018	2017
Total Number of Work Related Injuries Defined as a work related injury or illness that results in:						
<ul style="list-style-type: none"> • Death • Medical treatment beyond first aid • Loss of consciousness • Significant injury or illness diagnosed by a licensed health care professional • Days away from work (off work) • Restricted work or job transfer 	0	0	0	0	0	1
Total Number of Days of Job Transfer or Restriction (light duty or other medical restriction)	0	0	0	0	0	13
Total Number of Days Away from Work (at home, in hospital, not at work)	0	0	0	0	0	4
Near Misses	0	0	0	2	2	1

Safety Coordinator Update

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Status of District Water and Sewer Systems
Prepared by Brent Winters Operations and Maintenance Manager
10/27/2021 Board Meeting

Safety Activities	
<ol style="list-style-type: none"> 1. No time-loss injuries or near misses. 2. Daily safety reminders directly relevant to the day's tasks. 3. Jobsite tailgate meetings by project lead. 	
Water Utility Activities	
<i>Water Treatment Plants</i>	
<ol style="list-style-type: none"> 1. Sudden Valley <ol style="list-style-type: none"> a. Plant is operating well, averaging 0.50 million gallons per day (MGD). b. Received parts needed to rebuild filter control valves. 2. Agate Heights <ol style="list-style-type: none"> a. Plant is operating well. 	
<i>Distribution System</i>	
<ol style="list-style-type: none"> 1. Installed 6 new water service connections this reporting period. 2. Repaired 4 service lines leaks this reporting period. 3. Performed 6 month reservoir inspections. 4. Installed new sample station at the Geneva reservoir. 	
Sewer Utility Activities	
<i>Lift Stations</i>	
<ol style="list-style-type: none"> 1. All pumps are in normal operation. 2. Performed annual wet well inspection and maintenance. 3. Performed 6 month maintenance to Lake Louise Rd. air release valves. 	
<i>Collection System</i>	
<ol style="list-style-type: none"> 1. Nothing new to report. 	
Fleet	
<i>Vehicles</i>	
<ol style="list-style-type: none"> 1. All vehicles are ready to go to work. 	
<i>Equipment</i>	
<ol style="list-style-type: none"> 1. Old vac truck has a hole in the retractable boom. Repair is scheduled. 2. Purchased 100 gallon portable diesel fuel tank for fueling generators in the event fuel truck can't reach them due to downed trees or snow. 3. Field staff attended sewer camera demonstration by SWS Equipment at Lakeview shop. 	
Facilities	
<i>Shop Building</i>	
<ol style="list-style-type: none"> 1. Constructed shelving in Johnson Well garage and then moved seldom used inventory to the building to free up space at Lakeway building. 	
Training	
<ol style="list-style-type: none"> 1. Alex Guitewise completed Flagger/Traffic Control training. 	
Development	
<ol style="list-style-type: none"> 1. Inspector is actively working with eleven (11) permit holders making connection to our system. The majority of them will carry over to next year. 	