



LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA, 98229

(360) 734-9224
Fax 738-8250

MEMORANDUM

Date: January 20, 2022

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 January 26, 2022 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.

January 26, 2022 Regular Board Meeting

Wed, Jan 26, 2022 8:00 AM – 10:00 AM (PST)

Join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/644812077>

You can also dial in using your phone.

United States: [+1 \(408\) 650-3123](tel:+14086503123)

Access Code: 644-812-077

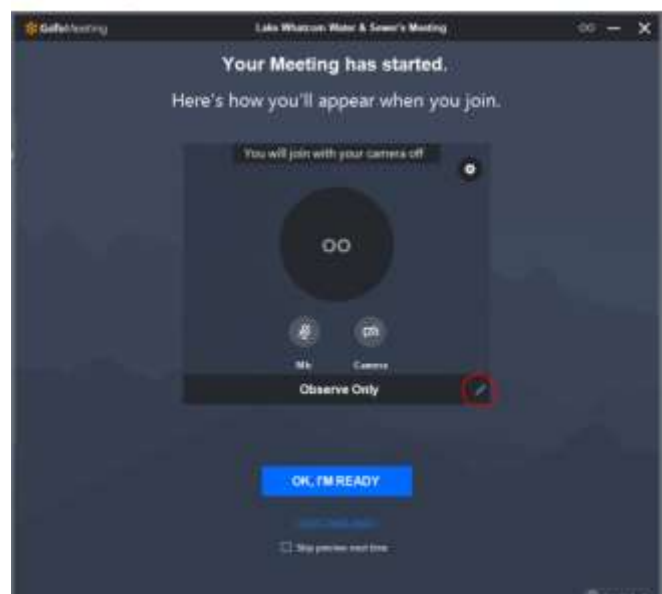
New to GoToMeeting? Get the app now and be ready when the meeting starts:

<https://global.gotomeeting.com/install/644812077>

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.

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LAKE WHATCOM WATER AND SEWER DISTRICT

1220 Lakeway Drive
Bellingham, WA 98229

REGULAR MEETING OF THE BOARD OF COMMISSIONERS

AGENDA

January 26, 2022


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. OTHER BUSINESS
8. STAFF REPORTS
 - A. General Manager
 - B. Engineering Department
 - C. Finance Department
 - D. Operations Department
9. PUBLIC COMMENT OPPORTUNITY
10. ADJOURNMENT



**AGENDA
BILL
Item 6**

Consent Agenda

| | | | |
|----------------------------|--|---|---|
| DATE SUBMITTED: | January 20, 2022 | MEETING DATE: | January 26, 2022 |
| TO: BOARD OF COMMISSIONERS | FROM: Rachael Hope | | |
| GENERAL MANAGER APPROVAL |  | | |
| ATTACHED DOCUMENTS | 1. See below | | |
| TYPE OF ACTION REQUESTED | RESOLUTION <input type="checkbox"/> | FORMAL ACTION/ MOTION <input checked="" type="checkbox"/> | INFORMATIONAL /OTHER <input type="checkbox"/> |

****TO BE UPDATED 1.25.2022****

BACKGROUND / EXPLANATION OF IMPACT

- Payroll for Pay Period #02 (01/08/2022 through 01/21/2022) total to be added
- Payroll Benefits for Pay Period #02 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."



**AGENDA
BILL
Item 8.A**

**General Manager's
Report**

| | | | |
|----------------------------|--|--|--|
| DATE SUBMITTED: | January 20, 2022 | MEETING DATE: | January 26, 2022 |
| TO: BOARD OF COMMISSIONERS | FROM: Justin Clary, General Manager | | |
| GENERAL MANAGER APPROVAL |  | | |
| ATTACHED DOCUMENTS | 1. General Manager's Report | | |
| TYPE OF ACTION REQUESTED | RESOLUTION <input type="checkbox"/> | FORMAL ACTION/ MOTION <input type="checkbox"/> | INFORMATIONAL /OTHER <input checked="" type="checkbox"/> |

BACKGROUND / EXPLANATION OF IMPACT

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

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



LAKE WHATCOM WATER AND SEWER DISTRICT

General Manager's Report

Upcoming Dates & Announcements

Regular Meeting – Wednesday, January 26, 2022 – 8:00 a.m.

Important Upcoming Dates

| Lake Whatcom Water & Sewer District | | | |
|--|----------------------|------------|--|
| Regular Board Meeting | Wed Feb 9, 2022 | 6:30 p.m. | Remote Attendance |
| Employee Staff Meeting | Thu Feb 10, 2022 | 8:00 a.m. | Remote Attendance Commissioner Citron to attend |
| Investment Comm. Meeting | Wed Jan 26, 2022 | 10:00 a.m. | Remote Attendance |
| Safety Committee Meeting | Fri Jan 21, 2022 | 8:00 a.m. | Remote Attendance |
| Lake Whatcom Management Program | | | |
| Policy Group Meeting | February 16, 2022 | 3:00 p.m. | Remote Attendance |
| Joint Councils Meeting | March 23 or 30, 2022 | 6:30 p.m. | Remote Attendance |
| Other Meetings | | | |
| WASWD Section III Meeting | Tue Feb 8, 2022 | 6:00 p.m. | Hybrid; Virtual/Location TBD |
| Whatcom Water Districts Caucus Meeting | Wed Feb 16, 2022 | 2:00 p.m. | Remote Attendance |
| Whatcom County Council of Governments Board Meeting | Wed Jan 19, 2022 | 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

- Eagleridge Booster Conversion Project work session
- Interlocal agreement with Whatcom Conservation District for water conservation services
- Site lease agreement with DISH Wireless LLC
- 2020 census commissioner redistricting alternatives presentation
- Euclid Sewer Lift Station Improvement Project construction contract award
- Lake Whatcom Boulevard Sewer Interceptor Improvement Project construction contract award

2022 Initiatives Status

Administration and Operations

Capital Improvement Project Financing Plan

- Develop a financial plan that proactively prepares the District for significant capital projects on the near-term horizon while maintain Board-defined operational levels-of-service.
The financial plan development has yet to be initiated; related efforts include meeting with Cathi Read of the state Department of Commerce's Small Communities Initiative to discuss funding strategies, application for a FEMA Hazard Mitigation Grant for the Sudden Valley WTP chlorine contact basin replacement; and ongoing dialogue with city of Bellingham staff regarding financing the Post Point WWTP resource recovery project.

General Facilities Charges Review

- Conduct a review of District water and sewer general facilities (connection) charges (GFCs) to ensure appropriate fees are being assessed to new development.
A request for proposals for consultant services was issued on January 20; proposals are due March 1.

Records Management System Overhaul

- Complete transition of the District's current records management system to a more robust system that ensures compliance with statutory requirements and gains efficiencies in document management.
Efforts are underway with a District-consultant meeting scheduled for January 27.

Safety Program Update

- Continue systematic review and revision of District's safety programs by updating nine programs in 2022.
The safety committee is currently reviewing the personal protection equipment (PPE) program.

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), and the Commissioner Boundary update (District Project No. A2116).

Emergency Response/System Security

Emergency Readiness

- Re-engage with Whatcom County Department of Emergency Management to hold tabletop emergency response exercises, as well as a field exercise (pandemic-dependent).
To be initiated.

Cybersecurity Assessment

- Hire an IT-service provider to perform a third-party assessment of the District's vulnerability to cybercriminal attack.
To be initiated.

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
No press releases have been issued year-to-date.

Intergovernmental Relations

- *J Clary submitted a request on January 6 to Whatcom County for use of County-allocated American Rescue Plan Act funds to support the Division 7 water reservoir replacement project (\$285,000 requested).*
- *J Clary attended the WASWD Section III meeting on January 11.*
- *J Clary chaired the Whatcom Water Alliance meeting on January 12.*
- *J Clary met with six state legislators on January 13 (Public Works Board Day on the Hill).*
- *J Clary attended the Eagleridge Homeowners Association's annual meeting on January 17.*

Lake Whatcom Water Quality

Management Program

- Participate in meetings of Lake Whatcom Management Program partners.
J Clary attended the Lake Whatcom Management Program data group meeting on January 13, the interagency coordinating team meeting on January 20, and the TMDL cooperation meeting on January 21.


Onsite Septic System Conversion Program

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



**AGENDA
BILL
Item 8.B**

**Engineering Department
Report**

| | | | |
|----------------------------|--|--|--|
| DATE SUBMITTED: | January 20, 2022 | MEETING DATE: | January 26, 2022 |
| TO: BOARD OF COMMISSIONERS | FROM: Bill Hunter, District Engineer | | |
| GENERAL MANAGER APPROVAL |  | | |
| ATTACHED DOCUMENTS | 1. Engineering Department Report | | |
| | 2. Summary of District Projects | | |
| TYPE OF ACTION REQUESTED | RESOLUTION <input type="checkbox"/> | FORMAL ACTION/ MOTION <input type="checkbox"/> | INFORMATIONAL /OTHER <input checked="" type="checkbox"/> |

BACKGROUND / EXPLANATION OF IMPACT

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

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



Lake Whatcom Water & Sewer District Engineering Department Report

Prepared for the January 20, 2022 Board Meeting
Data Compiled 01/20/22 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 | 3919 | 68 | 44 | 2 |
| Remaining Capacity (ERUs) | ** | 17 | 37 | 0 |
| Permitted ERUs Under Construction | 38 | 0 | 0 | 0 |
| Pre-paid Connection Certificates & Expired Permit | 13 | 0 | 5 | 0 |
| Water Availabilities (trailing 12 months) | 52 | 0 | 0 | 0 |
| Subtotal - Commitments not yet connected | 103 | 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 | |
| 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 |

Summary of District Projects

Report Prepared 1/20/2022

| Project Number | Project Title / Tasks | Authorized Budget | Spent to Date | Amount Remaining | 2022 Schedule | | | | | | | | | | | |
|----------------|---|-------------------|---------------|------------------|---------------|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | J | F | M | A | M | J | J | A | S | O | N | D |
| C 1802 | Dellesta, Edgewater & Euclid Sewer Pump Stations | \$1,816,583 | \$1,094,583 | \$722,000 | | | | | | | | | | | | |
| C 1802.1 | Euclid | \$834,379 | \$112,379 | \$722,000 | | | | | | | | | | | | |
| C 1802.2 | Dellesta & Edgewater | \$982,204 | \$982,204 | \$0 | | | | | | | | | | | | |
| C 1909 | Little Strawberry Bridge Water Main Predesign & Estimate | \$20,000 | \$0 | \$20,000 | | | | | | | | | | | | |
| C 1913 | SVWTP 20-Year Facility Plan | \$159,710 | \$111,281 | \$48,429 | | | | | | | | | | | | |
| C 2006 | SCADA Telemetry - Managed Ethernet Switches | \$20,000 | \$15,045 | \$4,955 | | | | | | | | | | | | |
| C 2007 | Administrative Server Hardware | \$25,000 | \$23,986 | \$1,014 | | | | | | | | | | | | |
| C 2011 | Convert Eagleridge Booster to Metering Station | \$30,000 | \$26,823 | \$3,177 | | | | | | | | | | | | |
| C 2012 | Austin-Fremont PRV Rebuild | \$10,000 | \$0 | \$10,000 | | | | | | | | | | | | |
| C 2016 | SVWTP Misc Component Replacement (CCB Fiberglass Ladder, Spare 300 Amp Breakers, Div 22 Finish Meter, Raw Meter, CCB Pressure Transmitter, Intake Anchorage Warning Signs) | \$40,000 | \$14,559 | \$25,441 | | | | | | | | | | | | |
| C 2104 | Exterior Receptacles for Block Heaters and Battery Chargers | \$16,290 | | \$16,290 | | | | | | | | | | | | |
| C 2106 | SVWTP to SVPS Telemetry Comm Study, Testing | \$10,000 | \$1,882 | \$8,118 | | | | | | | | | | | | |
| C 2107 | Camp Firwood Dead End Water Main Auto Flusher | \$5,000 | | \$5,000 | | | | | | | | | | | | |
| C 2109 | Geneva Res Insertavalve for Emergency Isolation | \$10,000 | | \$10,000 | | | | | | | | | | | | |
| C 2110 | Division 30 Booster PLC and UPS Improvements | \$60,000 | | \$60,000 | | | | | | | | | | | | |
| C 2111 | Div 7 Reservoir Predesign, Esmts & Permitting | \$63,000 | \$15,403 | \$47,597 | | | | | | | | | | | | |
| C 2112 | Rocky Ridge & Lakewood Predesign and Shoreline Permitting | \$272,700 | \$221 | \$272,479 | | | | | | | | | | | | |
| C 2113 | Flat Car Reverse Flow to SVPS - Design & Permitting | \$153,000 | | \$153,000 | | | | | | | | | | | | |
| C 2114 | LWBI CIPP, and I&I | \$180,000 | \$149,923 | \$30,077 | | | | | | | | | | | | |
| A 2116 | Commissioner District Boundary Census Update | \$10,000 | | | | | | | | | | | | | | |
| A 2119 | Sewer Capacity Analysis | \$10,000 | \$2,344 | | | | | | | | | | | | | |
| M 2120 | Nov 2021 Flood Event - Emergency Response | | \$110,261 | | | | | | | | | | | | | |
| C 2201 | LWBI CIPP Renewal Project - 2022 Phase | \$123,600 | | | | | | | | | | | | | | |
| C 2202 | Replace Sewer Camera Equipment | \$150,000 | | | | | | | | | | | | | | |
| C 2203 | Sudden Valley Sewer Pump Station PLC and UPS Impr | \$77,250 | | | | | | | | | | | | | | |
| C 2204 | Sewer System Rehab and Replacement Projects | \$113,000 | | | | | | | | | | | | | | |
| M 2205 | Afternoon Beach SPS Pump 1 Replace Electrical Lead | \$3,000 | | | | | | | | | | | | | | |
| M 2206 | Mitigation Area Landscape Maint (Country Club & Geneva) | \$5,000 | | | | | | | | | | | | | | |
| M 2207 | UPS and Battery Backup Mods (Various stations) | \$15,000 | | | | | | | | | | | | | | |
| M 2208 | Tomb SPS Control Panel Mods | \$8,000 | | | | | | | | | | | | | | |
| M 2209 | Ranch House Berm Replace Aquadam | \$3,500 | | | | | | | | | | | | | | |
| A 2210 | Reservoir and WTP Site Security Assessment and Plan | \$50,000 | | | | | | | | | | | | | | |
| C 2211 | South Geneva Booster Standby Generator and ATS | \$60,000 | | | | | | | | | | | | | | |
| C 2212 | Fire Hydrant Replacements | \$20,000 | | | | | | | | | | | | | | |
| C 2213 | Pinto Creek PRV Replacement (labor by District crew) | \$14,000 | | | | | | | | | | | | | | |
| A 2214 | Lead Service Line Inventory Planning | \$15,000 | | | | | | | | | | | | | | |
| A 2215 | Exterior Coating Assessment/Estimates for D22 roof and D30 | \$25,000 | | | | | | | | | | | | | | |
| C 2216 | Replace Tool Truck | \$85,000 | | | | | | | | | | | | | | |
| C 2217 | Stand-alone Temporary Control Panel | \$14,000 | | | | | | | | | | | | | | |
| M 2218 | Spare PLC Components | \$20,000 | | | | | | | | | | | | | | |
| C 2219 | 1000 Gal Diesel Fuel Tank at Shop | \$20,000 | | | | | | | | | | | | | | |
| M 2220 | 3-Phase Electrical Data Logger | \$3,500 | | | | | | | | | | | | | | |
| M 2221 | Shop Perimeter Fence and Elarge Rear Gate Opening | \$10,000 | | | | | | | | | | | | | | |
| M 2222 | Increase Repair Parts Inventory | \$50,000 | | | | | | | | | | | | | | |
| C 2223 | VHF Radios at Beaver and Flat Car | \$8,000 | | | | | | | | | | | | | | |

NOTATION LEGEND

A _____ Administrative Project
C _____ Capital Project
M _____ Maintenance Project

Sewer Project (Green Font)

Water Project (Blue Font)


Sewer and Water Project (Black Font)

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



**AGENDA
BILL
Item 8.C**

**Finance Department
Report**

| | | | |
|----------------------------|--|--|--|
| DATE SUBMITTED: | January 20, 2022 | MEETING DATE: | January 26, 2022 |
| TO: BOARD OF COMMISSIONERS | FROM: Jennifer Signs, Finance Manager | | |
| GENERAL MANAGER APPROVAL |  | | |
| ATTACHED DOCUMENTS | 1. 2021 Q4 Quarterly Financial Report | | |
| | 2. | | |
| | 3. | | |
| TYPE OF ACTION REQUESTED | RESOLUTION <input type="checkbox"/> | FORMAL ACTION/ MOTION <input type="checkbox"/> | INFORMATIONAL /OTHER <input checked="" type="checkbox"/> |

BACKGROUND / EXPLANATION OF IMPACT

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

FISCAL IMPACT

None

APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)

Financial Viability

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None



Quarterly Financial Report Fourth Quarter 2021

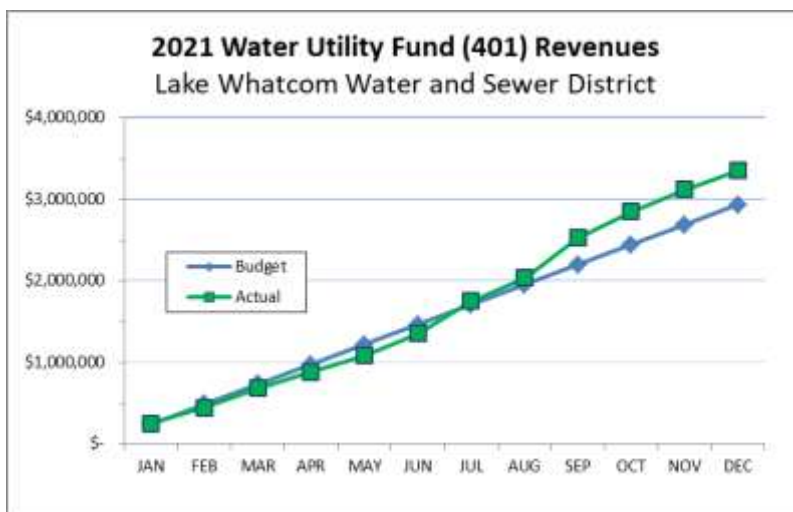
Lake Whatcom Water and Sewer District
Bellingham, Washington

Summary

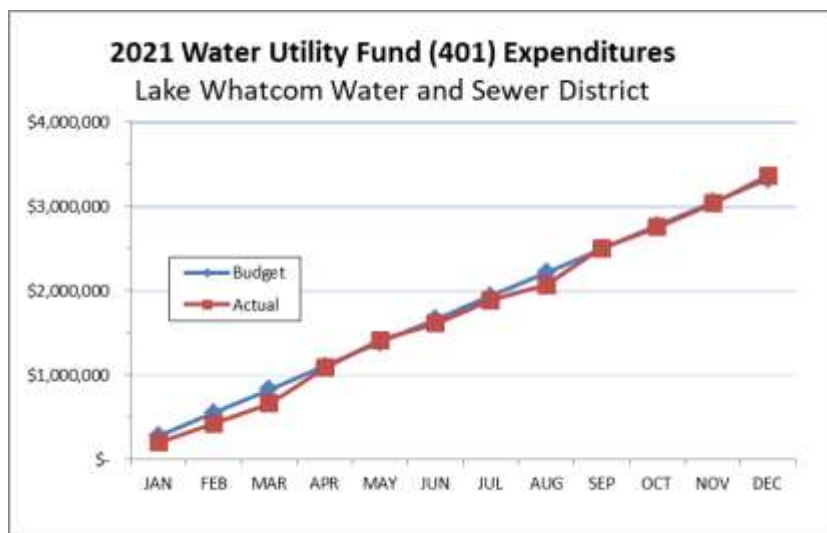
Revenues associated with the Lake Whatcom Water and Sewer District's (District) Water Utility Fund (Fund 401) and Sewer Utility Fund (Fund 402), which serve as the primary operational funds for the District's water and sewer utilities, respectively, experienced a slightly higher trend than what was reflected in the 2021 Budget through yearend. This is in large part due increased permit sales and a change in District policy enacted by the Board of Commissioners in 2021 regarding voluntary billing suspensions. Many of the accounts that were on voluntary billing suspension under the prior policy expired at the end of the third quarter resulting in fewer accounts on voluntary billing suspensions during the fourth quarter of 2021. 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 were consistent with projections through the fourth quarter of the year, and finished the year slightly above projections. This is attributed to 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). In addition, both the Water and Sewer utilities experienced unexpected costs associated with the historic November flood event that were realized in December and are ongoing as the District continues to recover from this natural disaster. 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 utility shut-off moratorium ending September 30, 2021, the District made multiple attempts to communicate with these customers available payment options to avoid shut-off in the fourth quarter. Through those efforts, the District was able to significantly reduce the number of shut-offs, provide guidance on the approved Low-Income Housing Water Assistance Program, and continues to work closely with the Opportunity Council to help customers receive those funds.

Water Utility Fund (Fund 401)

Water Utility Fund revenues through yearend were \$3,352,665, which was about 14 percent above the revenues projected for the year in the 2021 Budget (\$2,933,316). This increase can be attributed to several factors that occurred in 2021. Specifically, the District's revision to its policy regarding voluntary billing suspensions reduced the amount of time in which an account may



remain on billing suspension from unlimited to four months per calendar year. Many accounts' four month billing suspension term expired during the fourth quarter, which resulted in increased revenues in the fourth quarter. Another factor that impacted water utility revenues during 2021 was the unprecedented heat wave experienced in June, as well as a year-over-year increase of 7% in water consumption during the third quarter compared to 2020. Lastly, the District was able to recoup most of the costs from its insurer in September associated with the Division 30 main break that occurred in February (\$137,564).

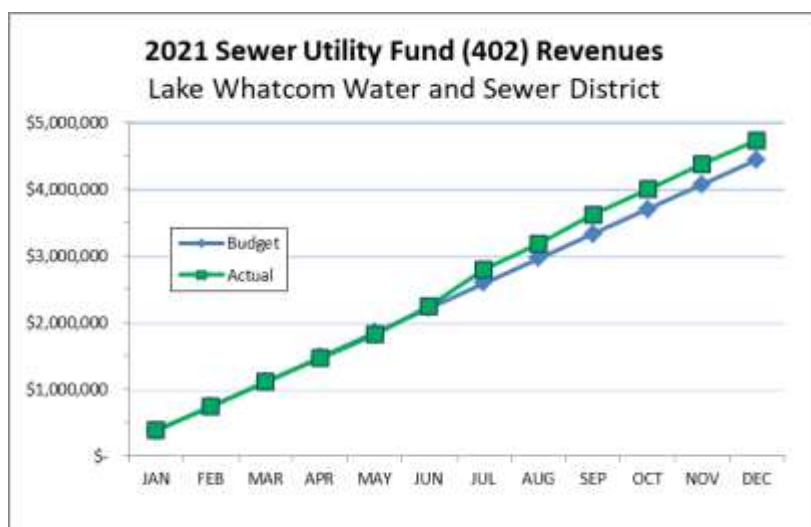


Though Water Utility fund expenditures were below 2021 Budget projections through the first quarter of the year, a couple of large capital costs were incurred during the second quarter that resulted in expenditures finishing the year slightly above budget (\$3,363,307 vs. \$3,324,000). The significant capital costs included replacement of the Agate Heights water treatment plant,

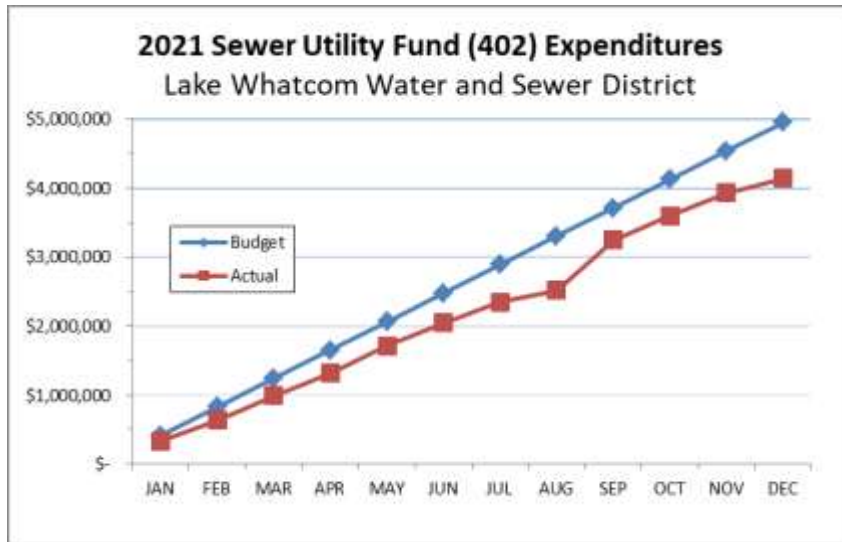
and approximately \$150,000 associated with the unbudgeted emergency repairs to the Division 30 water transmission main in February.

Sewer Utility Fund (Fund 402)

Sewer Utility Fund revenues finished the year slightly higher than 2021 Budget projections (\$4,734,169 vs \$4,734,169). 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 and Water Utility Fund sections above, the Sewer Utility realized greater than projected revenues also as a result from the District's revision to its billing suspension policy.



Sewer Utility Fund expenditures continued to lag behind projections through yearend (\$4,143,819 in actual expenditures relative to \$4,952,280 budgeted). Sewer Utility expenditures typically increase significantly during the summer months, which did occur in September, however, the Sewer Utility Fund's expenditures did lag through yearend due to some of the major capital projects scheduled for



2021 being moved into 2022. That said, capital expenditures, as anticipated, grew significantly during the second quarter relative to first quarter expenditures (\$508,000 vs. \$94,000), but remained well below the projected expenditures through yearend (expenditures were approximately \$792,595 vs budgeted of \$1,623,000 for capital projects in 2022).

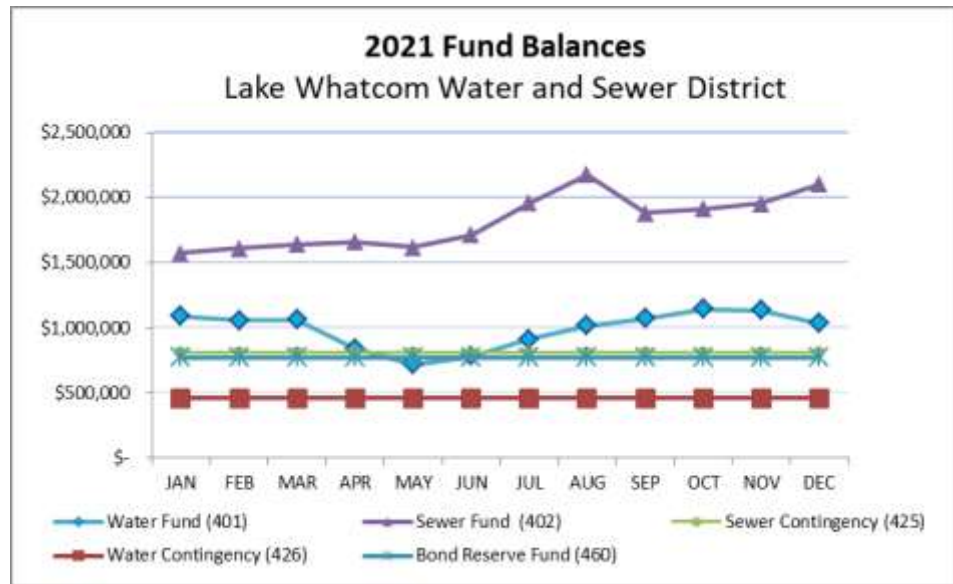
District Fund Balances

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 yearend 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). 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 and fourth quarters and expenditures remaining on budget, the Water Utility Fund Balance for year end 2021 was relatively

similar to yearend 2020 (\$1,034,772 vs. \$1,042,064). The drop during the second quarter was anticipated and associated with 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 to offset the costs associated with the emergency repairs in September and experienced greater than projected revenue in the fourth quarter to close out 2021 with relatively the same balance that it entered the year.

Sewer Utility Fund (Fund 402)

Like the Water Utility Fund, the Sewer Utility Fund serves as the primary operating fund for the District's sewer utility. Revenues are comprised primarily of rates charged to sewer customers, and expenditures consist of general operating expenses (personnel salary and benefits, professional services, utilities, etc.), payments relative to debt service on past capital improvement projects, and expenditures on sewer system reinvestment-defined equipment and projects. Also managed within the fund are monies allocated towards an operating reserve, which is equal to the cost of operating the sewer utility for 60 days (\$430,000). The fund entered 2021 with a balance of \$1,515,055. Through yearend, fund revenues outpaced expenditures, coupled with expenditures remaining below budget, allowed for an increase in fund balance at yearend (\$2,105,875). However, with several capital projects from 2021 ongoing, the excess funds have been carried forward for expenditure in 2022 to complete those projects.

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 2021.

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 2021.

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 2021.

District Investments

In accordance with its financial policies, the District invests its funds in a manner that provides the highest return with maximum security while meeting daily cash flow demands. Attached is the Investment/Cash Summary as of December 31, 2021.



LAKE WHATCOM WATER AND SEWER

INVESTMENTS/CASH AS OF 12/31/2021

| | | |
|----------------------|--------------|-------|
| Petty Cash | \$ 1,600 | |
| Cash | \$ 1,136,153 | 0.00% |
| Public Funds Account | \$ 503,190 | 0.35% |

| | | |
|-------------------|---------------------|--|
| WA Federal | \$ 1,640,943 | |
|-------------------|---------------------|--|

| | | |
|------------------------------------|-------------------|--------------|
| Local Gov't Investment Pool | \$ 236,525 | 0.18% |
|------------------------------------|-------------------|--------------|

| | | PAR VALUE | | YIELD |
|-----------------------------|--------------|---------------------|--------|-------|
| FHLMC - Pro Equity | Non-callable | \$ 997,122 | Jan-22 | 0.06% |
| FNMA-Pro Equity | Non-callable | \$ 1,039,976 | Jan-23 | 0.13% |
| FFCB - Pro Equity | Callable | \$ 799,999 | Jan-24 | 0.19% |
| FANNIE MAE - Pro Equity | Callable | \$ 500,823 | Jun-24 | 0.21% |
| Discounts, Accrued Interest | | (\$27,406) | | |
| US Bank Safekeeping | | \$ 3,310,514 | | |

| | |
|--------------|---------------------|
| TOTAL | \$ 5,187,982 |
|--------------|---------------------|

USE OF FUNDS:

| | |
|---------------------------|---------------------|
| Bond Reserve - Restricted | \$ 772,334 |
| Contingency - Assigned | \$ 1,275,000 |
| Operating - Unassigned | \$ 970,000 |
| Unassigned | \$ 2,170,648 |
| | \$ 5,187,982 |


Fund Balance Summary

| | |
|------------------------------|---------------------|
| Water Utility Fund (401) | \$ 1,034,773 |
| Sewer Utility Fund (402) | \$ 2,105,875 |
| Sewer Contingency Fund (425) | \$ 815,000 |
| Water Contingency Fund (426) | \$ 460,000 |
| Bond Reserve Fund (460) | \$ 772,334 |
| | \$ 5,187,982 |



**AGENDA
BILL
Item 8.D**

**Operations Department
Report**

| | | | |
|----------------------------|--|--|--|
| DATE SUBMITTED: | January 20, 2022 | MEETING DATE: | January 26, 2022 |
| TO: BOARD OF COMMISSIONERS | | FROM: Brent Winters, Operations Manager | |
| GENERAL MANAGER APPROVAL | |  | |
| ATTACHED DOCUMENTS | | 1. Operations Department Report | |
| | | 2. Status of District Water & Sewer Systems | |
| TYPE OF ACTION REQUESTED | RESOLUTION <input type="checkbox"/> | FORMAL ACTION/ MOTION <input type="checkbox"/> | INFORMATIONAL /OTHER <input checked="" type="checkbox"/> |

BACKGROUND / EXPLANATION OF IMPACT

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

FISCAL IMPACT

None.

RECOMMENDED BOARD ACTION

None required.

PROPOSED MOTION

None.



Lake Whatcom Water & Sewer District Operations & Maintenance Department Report

Prepared for the January 26 ,2022 Board Meeting
Data Compiled 01/20/22 by RH, BW, RM

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

| Safety Program Summary | | | |
|--|-------------|-------------|------------|
| Completed by Rich Munson & Brent Winters | | | |
| Summary of Annual Safety Training | | | |
| <i>2022 Testing Period - Jan 1, 2021 to April 30, 2021</i> | | | |
| | Enrollments | Completions | % Complete |
| Engineering - Managers | | | 54% |
| Engineering - Staff | | | 100% |
| Field Crew - Managers | | | 0% |
| Field Crew - Staff | | | 30% |
| Office - Staff | | | 15% |
| Overall | 0 | 0 | 40% |

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

| Dates of Completed Safety Committee Meetings | | | | | | |
|--|---------------|------|------|------|------|------|
| 1/21/2022 | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Summary of Work-Related Injuries & Illnesses | | | | | | |
| | Current Month | 2022 | 2021 | 2020 | 2019 | 2018 |
| Total Number of Work Related Injuries Defined as a work related injury or illness that results in: • Death • Medical treatment beyond first aid • Loss of consciousness • Significant injury or illness diagnosed by a licensed health care professional • Days away from work (off work) • Restricted work or job transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Number of Days of Job Transfer or Restriction (light duty or other medical restriction) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Number of Days Away from Work (at home, in hospital, not at work) | 0 | 0 | 0 | 0 | 0 | 0 |
| Near Misses | 0 | 0 | 0 | 0 | 2 | 2 |
| Safety Coordinator Update | | | | | | |
| | | | | | | |

Status of District Water and Sewer Systems
Prepared by Brent Winters Operations and Maintenance Manager
1/26/2022 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 0.55 million gallons per day (MGD). b. Raw water turbidity remains high due to water shed run off. 2. Agate Heights <ol style="list-style-type: none"> a. Plant is operating well. b. Nothing new to report. | |
| <i>Distribution System</i> <ol style="list-style-type: none"> 1. Recent water main locating revealed that our water main on Polo Park Dr. is not located within the damaged portion of the road. It crosses the creek outside the roadway. 2. Continuing leak detection in the Division 22 and 30 areas as weather permits. | |
| Sewer Utility Activities | |
| <i>Lift Stations</i> <ol style="list-style-type: none"> 1. North Point <ol style="list-style-type: none"> a. Pump 1 continues to over current under load after refurbishing and rewind. Pump may have magnetic core issue. Working with Meyers Pump Engineers to resolve issue. b. Pump 2 is being used as a backup to the engine driven pump with about 1 hour run time before an over temp shuts it down. Pump could have same magnetic core issue as pump 1. c. Engine driven pump set up as primary pump. d. Ordered (2) Meyers replacement pumps at a cost of \$19,000.00 each. Both pumps are delayed due to supply chain issues. We are expecting one pump March 15th and the other May 15th. e. Rich is working with FEMA to recover the cost of repair and replacement. We are exploring the possibility of replacing with Flygt pumps at a cost of \$60,000 each if we can secure funding from FEMA. Flygt pumps have a 14-16 week lead time and could be a better long term solution. 2. Flat Car pump 1 is at Mac & Mac for repair. Shop is down to just Eddie working due to Covid, unknown repair ETA. We have 2 of 3 pumps functioning at Flat Car. 3. Beaver transfer switch – Cummins replaced (2) circuit boards & discovered it also needs a new harness. Ordered parts. Transfer switch does operate manually. 4. Working on lift station recovery issues such as cleaning the debris from the bottom of the wet wells, cleaning check valves and minor repairs to instrumentation. | |
| <i>Collection System</i> <ol style="list-style-type: none"> 1. Inspected manhole structures in the areas of high runoff (creeks & ditches) and found no issues. 2. Jonathan televised the Marina/Tomb area last week and found some significant leaks. Sent video to Kristin to add to repair list. | |

Status of District Water and Sewer Systems
Prepared by Brent Winters Operations and Maintenance Manager
1/26/2022 Board Meeting

| | |
|---|--|
| Fleet | |
| <i>Vehicles</i> 1. All vehicles are ready to go to work. | |
| <i>Equipment</i> 1. All equipment is ready to go to work. 2. We are very thankful for the snowplow purchase. We plowed twice to get the vac truck to an unexpected project. | |
| Facilities | |
| <i>Shop Building</i> 1. Nothing new to report. | |
| Training | |
| 1. All staff completed their CEU requirement and were successful renewing their certification. 2. Working on annual safety training. | |
| Development | |
| 1. Inspector is actively working with thirteen (13) permit holders making connection to our system. Recent weather has probably kept construction activity to a minimum. | |