



## LAKE WHATCOM WATER & SEWER DISTRICT

1220 Lakeway Drive  
Bellingham, WA, 98229

(360) 734-9224  
Fax 738-8250

# MEMORANDUM

Date: February 3, 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 February 9, 2022 work session and/or 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.

### February 9, 2022 Work Session & Regular Board Meeting

Work Session 5:30 PM – 6:30 PM (PST)

Regular Meeting 6:30 PM – 8:30 PM (PST)

Join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/942658325>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 942-658-325

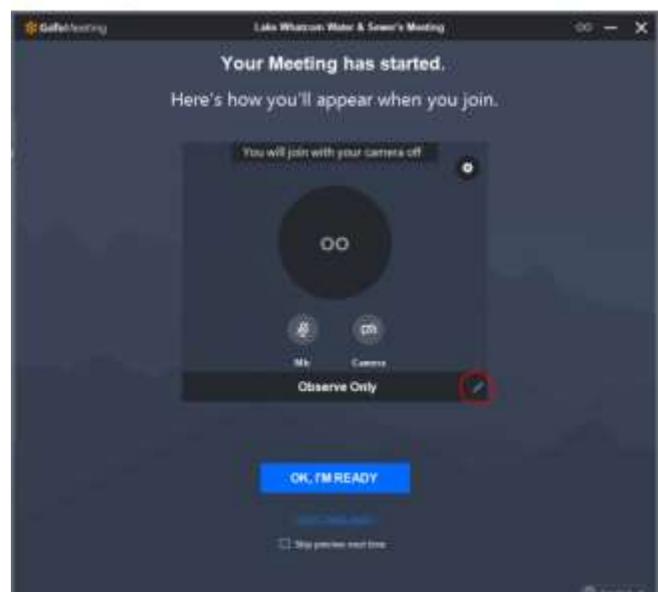
New to GoToMeeting? Get the app now and be ready when the meeting starts:

<https://global.gotomeeting.com/install/942658325>

### 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](mailto: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**

*February 9, 2022*

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. Interlocal Agreement with Whatcom Conservation District for Water Conservation Public Outreach Support Services
  - B. Hazard Mitigation Grant Agreement with the Washington State Military Department for Receipt of Phase I Funding from the Federal Emergency Management Agency Supporting the Division 7 Water Reservoir Replacement Project
  - C. Customer Appeal—Water/Sewer Utility Bill
8. OTHER BUSINESS
9. STAFF REPORTS
  - A. General Manager
10. PUBLIC COMMENT OPPORTUNITY
11. ADJOURNMENT



**AGENDA  
BILL  
Item 6**

**Consent Agenda**

DATE SUBMITTED:	February 3, 2022	MEETING DATE:	February 9, 2022
TO: BOARD OF COMMISSIONERS	FROM: Rachael Hope		
GENERAL MANAGER APPROVAL	<i>Rachael Hope</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 02.09.2022\*\***

**BACKGROUND / EXPLANATION OF IMPACT**

- Meeting Minutes for the 01.12.22 Regular Board Meeting
- Meeting Minutes for the 01.26.22 Regular Board Meeting
- Payroll for Pay Period #03 (01/22/2022 through 02/03/2022) total to be added
- Payroll Benefits for Pay Period #03 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

*January 12, 2022*

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 Bruce Ford	Finance Manager/Treasurer Jenny Signs
Commissioner Leslie McRoberts	Operations Manager Brent Winters
Recording Secretary Rachael Hope	District Legal Counsel Bob Carmichael

Also in attendance were Melanie Mankamyer and Brian Smith of Wilson Engineering; as well as the following District constituents:

- Tom Rosenberg
- Kirstin & Alan Doud
- Fred & Sandy Dentinger
- Erin & Mike Laska
- Clair Beiser
- Doug Swanson
- E Crosby (*No Microphone*)
- Edna & Eugene Arthurs
- Ryan & Michelle Heathers
- Barry & Jo Levenson
- Maureen Osen
- Jennifer Hine
- Aaron Brown
- Maureen & Brian Sullivan
- Ted Sayre
- Ha Family

**Excused Absences:** Commissioner John Carter

All attendees participated remotely by phone or video conferencing. One attendee participated in "observation only" mode.

### **Oaths of Office**

Commissioners Laura Abele and Leslie McRoberts took the oaths of office to begin their new term of 2022-2027 following their re-election in the November 2021 election.

### **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

Citron moved, Ford seconded, approval of:

- Meeting Minutes for the December 08, 2021 Regular Board Meeting
- Payroll for Pay Period #25 (11/27/2021 through 12/10/2021) totaling \$50,220.96
- Payroll Benefits for Pay Period #25 totaling \$53,062.96
- Payroll for Pay Period #26 (12/11/2021 through 12/24/2021) totaling \$53,19.63
- Payroll Benefits for Pay Period #26 totaling \$29,934.24
- Accounts Payable Vouchers totaling \$140,525.22
- Payroll for Pay Period #01 (12/25/2021 through 01/07/2022) totaling \$57,391.69
- Payroll Benefits for Pay Period #01 totaling \$59,500.16
- Accounts Payable Vouchers totaling \$271,172.89

Motion passed.

### Election of Board Officers

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

### Action Taken

Ford moved, Citron seconded, to appoint Commissioner Abele to serve as District Board president for the 2022 calendar year. Motion passed.

McRoberts moved, Ford seconded, to appoint Commissioner Citron to serve as District Board secretary for the 2022 calendar year. Motion passed.

### Appointment of Board Representatives to the District’s Investment Committee

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

### Action Taken

McRoberts moved, Ford seconded, to appoint Commissioner Carter and Commissioner Citron to serve as the Board’s representatives on the District’s Investment Committee for the 2022 calendar year. Motion passed.

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

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

### Action Taken

Abele moved, McRoberts seconded, to appoint Commissioner Citron to serve as the District’s representative on the Whatcom County Council of Governments for the 2022 calendar year. There

were no additional nominations, and Commissioner Citron indicated acceptance of the nomination and appointment.

Citron moved, Ford seconded, to appoint Commissioner McRoberts to serve as the District's representative on the Lake Whatcom Management Program Policy Group for the 2022 calendar year. There were no additional nominations, and Commissioner McRoberts indicated acceptance of the nomination and appointment.

#### **Conclusion of Emergency Declaration associated with the November 2021 Flood Event**

On or around November 12, 2021, a significant rain event began that caused flooding throughout Whatcom County and specifically within the District's service area. The flood event exceeded the capacity of the District's infrastructure, resulting in the need to procure assistance from external sources to assist the District in mitigating damage and other impacts. The General Manager declared an emergency associated with the flood event on November 15, 2021, and executed public works contracts to assist the District in its response.

Clary highlighted that during its regularly scheduled meeting on November 24, 2021, the Board adopted Resolution No. 880, which affirmed the General Manager's emergency declaration. Per Section 3, Timing and Effect, of Resolution No. 880, the emergency declaration shall "remain in full force and effect until a subsequent Board determination that the emergency has been adequately abated." While the District continues to recover from the impacts of the November 2021 flood event, response no longer warrants the need to waive statutory competitive bidding requirements. Therefore, staff recommended the Board conclude the emergency declaration.

#### **Action Taken**

**Ford moved, Citron seconded, to conclude the emergency declaration associated with the November 2021 flood event. Motion passed.**

#### **Eagleridge Water Booster Station Conversion Project Update**

Clary explained that the District's Eagleridge Water System serves 70 single family residential homes situated on the north shore of Lake Whatcom. Water service is provided to this neighborhood via an intertie with the City of Bellingham's water system. The neighborhood's water and sewer infrastructure was constructed by the private developer of the subdivision in 1988 and dedicated to the District.

In 2020, the District requested that Wilson Engineering perform a detailed hydraulic analysis to determine if the City's current system pressure on their side of the intertie is sufficient to meet regulatory requirements in the Eagleridge system. This hydraulic analysis concluded that the domestic pumps are no longer necessary and can be removed from service. The hydraulic analysis also found that the existing fire pumps are oversized, and concluded that the existing pump control valves for the fire pumps should be modified to add a pressure reducing function.

Based upon District policy, staff submitted a report to DOH in August 2021 seeking approval for removal of the domestic pumps. DOH granted project approval in November 2021. With the District's determination that system pressures meet current District policy and DOH's approval of the project, the District then provided outreach to Eagleridge system customers via a letter dated December 6, 2021. Since issuance of the December 6 letter, District staff have been contacted by a number of customers seeking additional information on the project.

Discussion followed, and all attendees were provided with an opportunity to express concerns or pose questions. No action was taken, however the Board requested the topic be further discussed at an upcoming meeting or work session.

**General Manager's Report**

Clary updated the Board on several topics, including the District's continued response to the COVID-19 pandemic as well as recognizing the Operations Crew for continued diligence and work during winter flood and freezing events. Discussion followed.

With no further business, Abele adjourned the Regular Session 8:52 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

## January 26, 2022

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	Finance Manager/Treasurer Jenny Signs
Commissioner Bruce Ford	Operations Manager Brent Winters
Commissioner Leslie McRoberts	Recording Secretary Rachael Hope

**Excused Absences:** Commissioner John Carter

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**

**Citron moved, Ford seconded, approval of:**

- **Payroll for Pay Period #02 (01/08/2022 through 01/21/2022) totaling \$45,303.77**
- **Payroll Benefits for Pay Period #02 totaling \$51,986.99**
- **4th Quarter 2021 Payroll Taxes totaling \$7,444.88**
- **Accounts Payable Vouchers totaling \$167,622.42**

**Motion passed.**

### **General Manager's Report**

Clary updated the board on several topics including his attendance at the Eagleridge Homeowners Association annual meeting, progress on claims and repairs in relation to the Ford Transit which was stolen and subsequently recovered in December, and the open Maintenance Worker I position. He also presented several graphs with information requested by the Board regarding to monthly and annual sewer flow volumes conveyed from the District to the City of Bellingham over the past six years. Discussion followed.

**Engineering Department Report**

Clary briefly highlighted several areas, including bid advertising for the upcoming Euclid Sewer Pump Station project, upcoming advertising for phase 2 of the Lake Whatcom Boulevard sewer main rehabilitation project, and deployment of updates to the District computer servers scheduled for February.

**Finance Department Report**

Signs presented the District’s 4<sup>th</sup> Quarter 2021 Financial Report, highlighting that since the end of the late fee and shut-off moratorium in September the District has seen a 48% decrease in account arrearage. Signs and Clary both recognized the work the Opportunity Council has done within Whatcom County, which has directly benefited District customers.

**Operations & Maintenance Department Report**

Winters gave a report on field crew operations, including ongoing safety training, continued high turbidity in the Sudden Valley Water Treatment Plant, and the North Point Sewer Pump Station. Clary recognized Winters for excellent work with customers affected by the temporary diesel pump in place during repairs to that station.

With no further business, Abele adjourned the Regular Session 8:45 a.m.

\_\_\_\_\_  
Board President, Laura Abele

Attest: \_\_\_\_\_  
Recording Secretary, Rachael Hope

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



**AGENDA  
BILL  
Item 7.A**

**Interlocal Agreement with  
Whatcom Conservation District  
for Water Conservation Public  
Outreach Support Services**

DATE SUBMITTED:	February 2, 2022	MEETING DATE:	February 9, 2022
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Draft Interlocal Agreement between the District and Whatcom Conservation District		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

Growing communities, agriculture, industry, and the importance of conserving water for fish have placed an increasing demand on Washington’s water resources. To help meet these growing needs, the Washington State Legislature passed the Municipal Water Law in 2003, which includes requirements for municipal water suppliers to adopt water supply efficiency measures. Subsequently, in 2007 the Water Use Efficiency rule became effective, requiring municipal water suppliers to develop and implement water conservation measures in their water system comprehensive plans. The District’s Water Use Efficiency Plan was recently updated and adopted by the Board this past December.

Recognizing that greater success can be achieved through common messaging and economies of scale, coupled with the significant focus on water use and rights in Water Resource Inventory Area (WRIA) No. 1, Whatcom County reconvened the Whatcom Water Alliance (WWA) in 2019 and hired the Whatcom Conservation District to facilitate development of an enhanced countywide water conservation program. The WWA is partnership of Water County water utilities that collaborate and coordinate on water conservation, supply, and delivery activities with the goal of increasing the efficiency and effectiveness of each partner’s water conservation program. Through multiple meetings and discussion, the WWA developed a multi-year program that focusses efforts on priorities communicated by the member organizations. The Board formerly approved submittal of a letter in September 2020 to the Whatcom County executive supporting the multi-year program, which includes development of a website, media kit and water conservation how-to videos, and new for 2022, a voluntary rebate program. Though Whatcom County continues to finance the bulk of the Whatcom Conservation District’s WWA support efforts, consistent with the District’s September 2020 letter of support, the attached interlocal agreement would commit the District to \$1,716 (\$0.30 per connection, plus a \$396 overhead charge) in 2022.

**FISCAL IMPACT**

The fiscal impact would \$1,716, which has been included in the 2022 Budget.

**APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

Community Sustainability

Water Resource Sustainability

Stakeholder Understanding and Support

**RECOMMENDED BOARD ACTION**

Staff recommends that the Board approve the proposed agreement.

**PROPOSED MOTION**

A recommended motion is:

“I move to authorize the general manager to execute the Interlocal Agreement with the Whatcom Conservation District for water conservation public outreach support services, as presented.”

**INTERLOCAL AGREEMENT**  
**LAKE WHATCOM WATER AND SEWER DISTRICT - WHATCOM CONSERVATION DISTRICT**  
Water Conservation Community Education and Outreach Program

This Interlocal Agreement is made and entered into by the Lake Whatcom Water and Sewer District, a Washington special purpose district authorized under Title 57 Revised Code of Washington (RCW), hereinafter referred to as the “District”, and the Whatcom Conservation District, a Washington governmental subdivision, hereinafter referred to as the “WCD”, collectively referred to as “Parties”, to establish an arrangement pursuant to RCW Chapter 39.34 wherein the District will provide funding to the WCD to provide water conservation community education and outreach to the mutual advantage of the Parties.

WHEREAS, the WCD is equipped to provide the additional water conservation public outreach services needed by the District; and

WHEREAS, it is in the best interest of each party to enter into this Agreement; and

WHEREAS, the recitals herein are a material part of this Agreement;

NOW THEREFORE, the WCD and District agree as follows:

- I. *Purpose:* The purpose of this Agreement is to set the terms whereby the District will make available funds to the WCD to implement a water conservation community education and outreach program for District customers.
- II. *Administration:* No new or separate legal or administrative entity is created to administer the provisions of this Agreement.
- III. *Whatcom Conservation District Responsibilities:* The WCD hereby agrees to provide services as described in Exhibit A, Scope of Work, attached hereto.
- IV. *District Responsibilities:* The District hereby agrees to reimburse the WCD, not to exceed the total budget amount allocated to the WCD as shown in Exhibit B attached hereto, for the costs in providing and performing the services stated in the scope of work.
- V. *Payment:* The WCD shall submit a single invoice by April 1, 2022 for the full amount defined in Exhibit B associated with services to be rendered. The District will pay the WCD for the full invoice amount within thirty (30) days following receipt of an approved invoice, provided all other terms and conditions of the contract have been met and are certified as such by the Contract Administrator.
- VI. *Term:* This Agreement shall be effective from March 1, 2022 through December 31, 2022; however, this Agreement may be extended an additional year if both parties agree to the terms.
- VII. *Responsible Persons:* The persons responsible for administration of this Agreement shall be the District General Manager and the WCD District Manager, or their respective designees.

- VIII. *Treatment of Assets and Property:* No fixed assets or personal or real property will be jointly or cooperatively acquired, held, used, or disposed of pursuant to this Agreement.
- IX. *Relationship of the Parties:* The Parties are separate entities organized under the laws of the State of Washington and this Agreement is not intended to create any new legal or corporate entity. No agent, employee, servant, or representative of any party shall be deemed to be an employee, agent, servant, or representative or any other party for any purpose. Each party will be solely responsible for its acts and for the acts of its agents, employees, and servants during the term of this Agreement.
- X. *Indemnification:* Each party agrees to be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of their officials, officers, agents, or employees to the fullest extent required by law, and further agrees to save, indemnify, defend, and hold the other party harmless from any such liability. It is further provided that no liability shall attach to the Parties by reason of entering into this Agreement except as expressly provided herein.
- XI. *Non-discrimination in Employment and Client Services:* Neither Party shall discriminate against any person on the grounds of race, creed, color, national origin, sex, marital status, age, religion, or on the presence of any sensory, mental or physical handicap. No Party shall discriminate against any employee or applicant for employment because of handicap; provided that, this provision shall not apply if the particular disability prevents proper performance of the work involved.
- XII. *Termination:* This Agreement may be terminated by either party effective upon sixty (60) days written notice, mailed postage pre-paid by certified mail, return receipt requested, to the other party's last known address for the purposes of giving notice under this section. If this Agreement is so terminated, the Parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.
- XIII. *Modifications:* This Agreement may be changed, modified, amended or waived only by written agreement executed by the Parties hereto. Waiver or breach of any term or condition of this Agreement shall not be considered a waiver of any prior or subsequent breach.
- XIV. *Applicable Law:* In the performance of this Agreement, it is mutually understood and agreed upon by the Parties hereto that this Agreement shall be governed by the laws and regulations of the State of Washington and the federal government, both as to interpretation and performance. The venue of any action arising here from shall be in the Superior Court of the State of Washington in and for Whatcom County.
- XV. *Severability:* In the event any term or condition of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions, or applications of this Agreement that can be given effect without the invalid term, condition, or application. To this end the terms and conditions of this Agreement are declared severable.
- XVI. *Entire Agreement:* This Agreement contains all the terms and conditions agreed upon by the Parties. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to

bind any of the Parties hereto.

XVII. *Counterparts*: This Agreement may be executed in multiple counterparts and each shall be deemed an original, but all of which together constitute a single instrument.

XVIII. *Effective Date*: This Agreement shall be in full force and effect at date of signature.

IN WITNESS WHEREOF, the Parties have signed this Agreement this \_\_\_\_ day of \_\_\_\_\_, 2022.

WHATCOM CONSERVATION DISTRICT

LAKE WHATCOM WATER AND SEWER DISTRICT

By: \_\_\_\_\_  
Heather Christianson, WCD Chair

By: \_\_\_\_\_  
Justin Clary, General Manager

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM ).

I certify that I know or have satisfactory evidence that Justin Clary is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the General Manager of the Lake Whatcom Water and Sewer District to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at\_\_\_\_\_.  
My commission expires: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF WHATCOM ).

I certify that I know or have satisfactory evidence that Heather Christianson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Chair for the Whatcom Conservation District to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State  
of Washington, residing at\_\_\_\_\_.  
My commission expires: \_\_\_\_\_

**EXHIBIT A - SCOPE OF WORK**

**Task 1: Water Conservation Education and Outreach**

WCD will collaborate with the District to implement a community education and outreach program for water conservation in partnership with Whatcom Water Alliance.

**Tasks include, but are not limited to the following:**

- Develop and distribute education materials on water conservation
- Coordinate and administer water conservation rebate program and home audit
- Partner with other organizations to amplify efforts

**Deliverables:**

1. Educational materials generated (consumer confidence report, web design, print materials)
2. Report on number of rebate applications and home audits completed
3. Other projects for specific audiences as needed
4. Annual written reports to include a summary of outreach & education efforts

**EXHIBIT B - BUDGET**

<b>Item</b>	<b>Budget</b>
<b>Water Conservation Education and Outreach</b> (# of connections 4,400 x \$0.30)	\$ 1,320
<b>Overhead 30%</b>	\$396
<b>Contract Total</b>	<b>\$1,716</b>



**AGENDA  
BILL  
Item 7.B**

**Hazard Mitigation Grant  
Agreement for FEMA Funding  
Supporting the Division 7  
Reservoir Replacement Project**

DATE SUBMITTED:	February 2, 2022	MEETING DATE:	February 9, 2022
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Hazard Mitigation Grant Agreement with Washington State Military Department		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

A structural analysis of the Lake Whatcom Water and Sewer District Division 7 Water Reservoir found significant deficiencies in its ability to meet existing earthquake code requirements (BHC report, December 2016). The 2017 Water System Plan also analyzed the capacity of the Division 7 reservoir and found it to be significantly oversized. Technical memoranda prepared by Wilson Engineering LLC (dated February 8, 2018 and December 28, 2020) provided alternatives analyses that investigated several options associated with future use of the reservoir or replacement. The recommended alternative replaces the existing welded steel 1-million gallon Division 7 reservoir with two smaller concrete 185,000 gallon reservoirs.

In 2018, the District submitted a FEMA Hazard Mitigation Grant application to replace the Division 7 Reservoir with two new reservoirs constructed to meet seismic standards, and to implement ShakeAlert (earthquake early warning system) on the new reservoirs. The grant application was developed in conjunction with Washington State Emergency Management Division (WA-EMD) of the Washington State Military Department and the Federal Emergency Management Agency (FEMA) as a Hazard Mitigation project. The cost sharing is as follows: FEMA 75% (\$1,710,750), WA-EMD 12.5% (\$285,125), and Lake Whatcom Water and Sewer District 12.5% (\$285,125).

The project has been split into two phases: Phase I – Design/Permitting; and Phase II – Construction. Phase I is in progress with the goal to complete in 2022. Phase II targets construction during the summer of 2023.

The attached agreement provides for receipt of Phase 1 funding, which is administered through the Washington State Military Department (\$337,456.50 in federal funding with a District match of \$112,497.50).

**FISCAL IMPACT**

The Water Utility System Reinvestment Plan defined within the 2022 Budget accommodates the required federal match of \$112,497.50.

**APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

Infrastructure Strategy and Performance  
Community Sustainability

**RECOMMENDED BOARD ACTION**

Staff recommends that the Board authorize the General Manager to execute the Hazard Mitigation Grant Agreement with the Washington Military Department.

**PROPOSED MOTION**

Recommended motion is:

“I move to authorize the general manager to execute the Hazard Mitigation Grant Agreement with the Washington State Military Department to enable receipt of federal funds supporting Phase I of the Division 7 Reservoir Replacement Project as presented.”

**Washington State Military Department  
HAZARD MITIGATION GRANT AGREEMENT FACE SHEET**

1. Subrecipient Name and Address: <b>Lake Whatcom Water &amp; Sewer District 1220 Lakeway Drive Bellingham, WA 98229</b>		2. Total Grant Amount: <b>\$ 449,954.00</b> F: \$ 337,456.50; S: \$ 56,244.25; L: \$ 56,244.25		3. Grant Number: <b>D22-018</b>									
4. Subrecipient Contact, phone/email: <b>Rich Munson, (360) 734-9224 Rich.munson@lwwsd.org</b>		5. Grant Start Date: <b>December 7, 2021</b>		6. Grant End Date: <b>March 15, 2023</b>									
7. Department Program Manager, phone/email: <b>Tim Cook, (253) 512-7072 <a href="mailto:tim.cook@mil.wa.gov">tim.cook@mil.wa.gov</a></b>		8. Data Universal Numbering System (DUNS): <b>169164845</b>		9. UBI # (state revenue): <b>600151207</b>									
10. Funding Authority: <b>Washington State Military Department</b> (the "DEPARTMENT"), and <b>Federal Emergency Management Agency (FEMA)</b>													
11. Funding Source Agreement #: <b>FEMA DR 4309-18-R</b>		12. Program Index <b>Fed-774P7 State-772N7</b>		13. Catalog of Federal Domestic Asst. (CFDA) # & Title: <b>97.039 (HMGP)</b>									
14. Total Federal Award Amount: <b>\$ 337,456.50</b>		15. Federal Award Date: <b>December 7, 2021</b>		16. TIN or SSN: <b>91-6001327</b>									
17. Service Districts: (BY LEGISLATIVE DISTRICT): <b>42nd</b> (BY CONGRESSIONAL DISTRICT): <b>1st</b>		18. Service Area by County(ies): <b>Whatcom</b>		19. Women/Minority-Owned, State Certified?: <input checked="" type="checkbox"/> N/A <input type="checkbox"/> NO <input type="checkbox"/> YES, OMWBE # _____									
20. Contract Classification: <input type="checkbox"/> Personal Services <input type="checkbox"/> Client Services <input checked="" type="checkbox"/> Public/Local Gov't <input type="checkbox"/> Research/Development <input type="checkbox"/> A/E <input type="checkbox"/> Other _____			21. Contract Type (check all that apply): <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Grant <input checked="" type="checkbox"/> Agreement <input type="checkbox"/> Intergovernmental (RCW 39.34) <input type="checkbox"/> Interagency										
22. Contractor Selection Process: <input checked="" type="checkbox"/> "To all who apply & qualify" <input type="checkbox"/> Competitive Bidding <input type="checkbox"/> Sole Source <input type="checkbox"/> A/E RCW <input type="checkbox"/> N/A <input type="checkbox"/> Filed w/OFM? <input type="checkbox"/> Advertised? <input type="checkbox"/> YES <input type="checkbox"/> NO _____			23. Contractor Type (check all that apply) <input type="checkbox"/> Private Organization/Individual <input type="checkbox"/> For-Profit <input checked="" type="checkbox"/> Public Organization/Jurisdiction <input checked="" type="checkbox"/> Non-Profit <input type="checkbox"/> VENDOR <input checked="" type="checkbox"/> SUBRECIPIENT <input checked="" type="checkbox"/> OTHER										
24. PURPOSE/DESCRIPTION: FEMA's Hazard Mitigation Grant Program provides grants for mitigation planning and cost-effective mitigation actions after a Presidential disaster declaration to reduce the risk of loss of life and property damage in future disasters.  Title: <b>Division 7 Water Reservoir Seismic Retrofit-Phase I</b> . The purpose of this Agreement is to provide funds to the SUBRECIPIENT for the herein proposed project as noted in Statement of Work and/or Description of the Project (Attachment 3), Project Development Schedule (Attachment 4), Project Budget (Attachment 5), and the FEMA approved project application, each of which are incorporated herein by this reference.  The DEPARTMENT is the Recipient and Pass-through Entity of the Presidential Disaster Declaration <b>#FEMA-4309-DR-WA</b> Hazard Mitigation <b>Program (HMGP)</b> Washington Severe Winter Storms, Flooding, Landslides, and Mudslides and FEMA State Agreement, which are incorporated by reference, and makes a subaward of Federal award funds to the SUBRECIPIENT pursuant to this Agreement. The SUBRECIPIENT is accountable to the DEPARTMENT for use of Federal award funds provided under this Agreement and the associated matching funds.													
IN WITNESS WHEREOF, the DEPARTMENT and SUBRECIPIENT acknowledge and accept the terms of this Agreement, exhibits, references and attachments hereto and have executed this Agreement as of the date and year written below. This Agreement Face Sheet; Special Terms & Conditions (Attachment 1); General Terms and Conditions (Attachment 2); Statement of Work and/or Description of Project (Attachment 3); Project Development Schedule (Attachment 4); Project Budget (Attachment 5); and all other documents, exhibits and attachments expressly referenced and incorporated herein contain all the terms and conditions agreed upon by the parties and govern the rights and obligations of the parties to this Agreement. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.													
In the event of an inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: <table style="width:100%; border:none;"> <tr> <td style="width:50%;">1. Applicable Federal and State Statutes and Regulations</td> <td style="width:50%;">5. Special Terms and Conditions</td> </tr> <tr> <td>2. DHS Standard Terms and Conditions</td> <td>6. General Terms and Conditions, and,</td> </tr> <tr> <td>3. Presidential Declaration, FEMA State Agreement, and other associated documents</td> <td>7. Other provisions of the contract incorporated by reference.</td> </tr> <tr> <td>4. Statement of Work and/or Project Description as outlined in FEMA approved Project Application</td> <td></td> </tr> </table>						1. Applicable Federal and State Statutes and Regulations	5. Special Terms and Conditions	2. DHS Standard Terms and Conditions	6. General Terms and Conditions, and,	3. Presidential Declaration, FEMA State Agreement, and other associated documents	7. Other provisions of the contract incorporated by reference.	4. Statement of Work and/or Project Description as outlined in FEMA approved Project Application	
1. Applicable Federal and State Statutes and Regulations	5. Special Terms and Conditions												
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3. Presidential Declaration, FEMA State Agreement, and other associated documents	7. Other provisions of the contract incorporated by reference.												
4. Statement of Work and/or Project Description as outlined in FEMA approved Project Application													
WHEREAS, the parties hereto have executed this Agreement on the day and year last specified below.													
FOR THE DEPARTMENT:			FOR THE SUBRECIPIENT:										
Signature _____		Date _____		Signature _____									
Regan Anne Hesse, Chief Financial Officer				Justin Clary									
Washington State Military Department				General Manager									
APPROVED AS TO FORM: Signature on File _____			APPROVED AS TO FORM:										
Brian E. Buchholz		4/17/2020		_____									
Assistant Attorney General		Date		Date									

**Washington State Military Department  
SPECIAL TERMS AND CONDITIONS**

**ARTICLE I. KEY PERSONNEL:**

The individuals listed below shall be considered key personnel for point of contact under this Agreement. Any substitution of key personnel by either party shall be made by written notification to the current key personnel.

SUBRECIPIENT		MILITARY DEPARTMENT	
Name	Rich Munson	Name	Tim Cook
Title	Eng. Tech./Safety Officer	Title	State Hazard Mitigation Officer
E-Mail	rich.munson@lwgsd.org	E-Mail	<a href="mailto:tim.cook@mil.wa.gov">tim.cook@mil.wa.gov</a>
Phone	360-734-9224	Phone	253-512-7072
Name	Justin Clary	Name	Ryan Chandler
Title	General Manager	Title	Hazard Mitigation Program Supervisor
E-Mail	Justin.clary@lwgsd.org	E-Mail	Ryan.Chandler@mil.wa.gov
Phone	360-734-9224	Phone	(253) 533-1249
Name	Bill Hunter	Name	Kirsten Weinmeister
Title	District Gen. Mgr./Asst. GM	Title	Hazard Mitigation Program Coordinator
E-Mail	Bill.hunter@lwgsd.org	E-Mail	kirsten.weinmeister@mil.wa.gov
Phone	360-734-9224	Phone	(253) 512-7128

**ARTICLE II ADMINISTRATIVE REQUIREMENTS**

The SUBRECIPIENT shall comply with all applicable state and federal laws, rules, regulations, requirements, and program guidance identified or referenced in this Agreement and the informational documents published by FEMA applicable to the Presidential Disaster Declaration including, but not limited to, all criteria, restrictions, and requirements of the "FEMA State Agreement" published by FEMA and the federal regulations commonly applicable to FEMA grants, all of which are incorporated herein by reference. The FEMA Award Letter and its attachments are incorporated in this Agreement as Attachment 6.

The SUBRECIPIENT acknowledges that since this Agreement involves federal award funding, the period of performance described herein may begin prior to the availability of appropriated federal funds. The SUBRECIPIENT agrees that it will not hold the DEPARTMENT, the State of Washington, or the United States liable for any damages, claim for reimbursement, or any type of payment whatsoever for services performed under this Agreement prior to distribution of appropriated federal funds, or if federal funds are not appropriated or in a particular amount.

**A. STATE AND FEDERAL REQUIREMENTS FOR HAZARD MITIGATION GRANTS:**

The following requirements apply to all FEMA Hazard Mitigation Grants administered by the DEPARTMENT.

**1. SUBAWARDS & CONTRACTS BY SUBRECIPIENTS**

- a. The SUBRECIPIENT must make a case-by-case determination whether each agreement it makes for the disbursement of HMGP funds received under this Agreement casts the party receiving the funds in the role of a subrecipient or contractor in accordance with 2 CFR 200.331.

**2. PROJECT FUNDING**

The DEPARTMENT will administer the Hazard Mitigation Grant Program and will pass through the federal match and commit the available state match. The SUBRECIPIENT will commit the required local match.

- a. The total cost of the project (total project cost) for the purposes of this Agreement is \$ 449,954.00 dollars; PROVIDED that, if the total cost of the project when completed, or when this Agreement is terminated, is actually less than above, the actual cost shall be substituted herein.
- b. The value of the contributions by the SUBRECIPIENT to the project shall be \$ 56,244.25 dollars, or **12.5** percent, at minimum, of the total project cost. The SUBRECIPIENT's contributions may be cash or in-kind, must be from a non-federal source, must be reasonable, allowable and allocable, and must comply with all Federal requirements and regulations.
- c. When the DEPARTMENT enters into an agreement with the Federal Emergency Management Agency (FEMA) to contribute federal funds to this project, that federal contribution will be \$ 337,456.50 dollars, or **75** percent of the total project cost, whichever is less.
- d. The value of the contributions by the DEPARTMENT to the project shall be \$ 56,244.25 dollars, or **12.5** percent, at minimum, of the total project cost. The DEPARTMENT's contributions must be from a non-federal source and must comply with all Federal requirements and regulations.
- e. The DEPARTMENT shall not be obligated to pay any amount beyond that set out in Subsections c and d above, unless that additional amount has been approved in advance by both the DEPARTMENT and SUBRECIPIENT and is incorporated by written amendment into this Agreement.
- f. A written amendment will be required if the SUBRECIPIENT expects cumulative transfers between project budgets, as identified in the Project budget (Attachment 5) and the Statement of Work and/or description of Project (Attachment 3), to exceed 10% of the Grant Agreement Amount. Any changes to project budgets other than in compliance with this paragraph will not be reimbursed.

### 3. GRANT AGREEMENT PERIOD

Activities payable under this Agreement and to be performed by the SUBRECIPIENT under this Agreement shall only be those after the obligation of federal funds on **December 7, 2021** and shall terminate on **March 15, 2023**. This period shall be referred to herein as the Grant Agreement Period and/or Period of Performance, unless expressly stated otherwise. Costs incurred during the Grant Agreement Period shall include pre-award costs authorized in writing by FEMA as well as eligible costs incurred after the effective date of the Grant Agreement Period and before termination.

- a. The SUBRECIPIENT shall complete the project as described in the FEMA approved project application **DR 4309-18-R**, incorporated in and made a part of this Agreement by reference, and as described in Attachments 3, 4, and 5. In the event of extenuating circumstances, the SUBRECIPIENT may request, in writing, that the DEPARTMENT extend the deadline for Grant Agreement completion.
- b. The Grant Agreement Period shall only be extended by (1) written notification of FEMA approval of the Grant Agreement Period followed by execution of a mutually agreed written amendment, or (2) written notification from the DEPARTMENT to the SUBRECIPIENT addressing extensions of the Department's underlying federal grant performance period or to provide additional time for completion of the SUBRECIPIENT's project(s).
- c. No expenditure made, or obligation incurred, before or after the Grant Agreement Period shall be eligible, in whole or in part, for grant funds with the exception of pre-award costs authorized in writing by FEMA. In addition to any remedy the DEPARTMENT may have under this Agreement, the amounts set out in Article II, section A.2 **Project Funding**, above, may be reduced to exclude any such expenditure from participation.

- d. Failure to complete the project in a timely manner, as outlined in Attachment 4, is a material breach of this Agreement for which the DEPARTMENT is entitled to termination or suspension under Attachment 2, section A.36.

#### **4. REIMBURSEMENT AND BUDGET REQUIREMENTS**

The DEPARTMENT, using disaster funds from PL 93-288, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, and the State of Washington, for the Hazard Mitigation Grant Program, shall issue payments to the SUBRECIPIENT as follows:

- a. All payment requests shall be made to the SUBRECIPIENT upon submission and approval of eligible, reimbursable work completed and billed on an A-19, form, State of Washington Invoice Voucher Distribution. Approval is subject to receipt of acceptable documentation by the DEPARTMENT, to include, but not limited to, copies of receipts for all goods and services purchased, copies of invoices from contractors and subcontractors for work completed, and copies of timesheets for staff involved with the project, sign-in/sign-out sheets for donated personnel and/or volunteer time spent on the project, and documentation to support other in-kind contributions.
- b. The DEPARTMENT reserves the right to withhold disbursement of up to 10 percent of the total project cost, as specified in Article II, Section A.2.f Project Funding, to the SUBRECIPIENT until the project has been completed and given final approval by the DEPARTMENT.
- c. Final Payment: Final payment of any remaining, or withheld, funds will be made within 60 days after submission by the SUBRECIPIENT of the final report, final A-19, Voucher Distribution, and completion of all final inspections by the DEPARTMENT.  
Final payment by the DEPARTMENT also may be conditioned upon a financial review, if determined necessary by the DEPARTMENT. Adjustments to the final payment may be made following any audits conducted by the DEPARTMENT, Washington State Auditor's Office, the United States Inspector General, or their authorized representatives.
- d. Within the total Grant Amount of this Agreement, budget categories will be reimbursed on an actual cost basis unless otherwise provided in this Agreement.
- e. The maximum amount of all reimbursement requests permitted to be submitted under this Agreement, including the final reimbursement request, is limited to and shall not exceed the total Grant Amount of this Agreement.
- f. For travel costs, SUBRECIPIENTs shall comply with 2 CFR 200.475 and should consult their internal policies, state rates set pursuant to RCW 43.03.050 and RCW 43.03.060 as now existing or amended, and federal maximum rates set forth at <http://www.gsa.gov>, and follow the most restrictive. If travel costs exceed set state or federal limits, travel costs shall not be reimbursed without written approval by DEPARTMENT's Key Personnel.
- g. Receipts and/or backup documentation for any approved items that are authorized under this Agreement must be maintained by the SUBRECIPIENT consistent with record retention requirements of this Agreement, and be made available upon request by the DEPARTMENT, and local, state, or federal auditors.
- h. The SUBRECIPIENT will submit reimbursement requests to the DEPARTMENT by submitting a properly completed State A-19 Invoice Form, Interagency Electronic Funds Transfer, or Agency/Business invoice with support documentation detailing the expenditures for which reimbursement is sought. Reimbursement requests must be submitted by email to both the DEPARTMENT's Hazard Mitigation Program Coordinator and the Program Manager no later than the due dates listed within the Grant Timeline (Attachment 4), but not more frequently than monthly.
- i. All work under this Agreement must end on or before the Grant Agreement End Date, and the final reimbursement request must be submitted to the DEPARTMENT within 45

days after the Grant Agreement End Date, except as otherwise authorized by written amendment of this Agreement and issued by the DEPARTMENT.

- j. If applicable, no costs for purchases of equipment/supplies will be reimbursed until the related equipment/supplies have been received by the SUBRECIPIENT, its contractor, or any non-federal entity to which the SUBRECIPIENT makes a subaward, and is invoiced by the vendor.
- k. Failure to timely submit complete reports and reimbursement requests as required by this Agreement (including but not limited to those reports in the Project Development Schedule Attachment 4) will prohibit the SUBRECIPIENT from being reimbursed until such complete reports and reimbursement requests are submitted and the DEPARTMENT has had reasonable time to conduct its review. Final reimbursement requests will not be approved for payment until the SUBRECIPIENT is current with all reporting requirements contained in this Agreement.
- l. SUBRECIPIENTS shall only use federal award funds under this Agreement to supplement existing funds, and will not use them to replace (supplant) non-federal funds that have been budgeted for the same purpose.

The SUBRECIPIENT may be required to demonstrate and document that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

## 5. REPORTING REQUIREMENTS

In addition to the reports as may be required elsewhere in this Agreement, the SUBRECIPIENT shall promptly prepare and submit the following reports to the DEPARTMENT's Key Personnel:

- a. Quarterly progress reports, no later than the 15<sup>th</sup> day following the end of the fiscal quarter, indicating the status of the project, to include a brief narrative on progress during the quarter. The report shall identify the costs incurred to date, the percentage of work completed, the anticipated completion date of the project, and whether cost under runs or over runs are expected. In addition, the SUBRECIPIENT should note any challenges or issues associated with the project. Failure to submit a complete quarterly report within 15 days following the end of the quarter will result in suspension of all payments to the SUBRECIPIENT until a complete quarterly report is received by the DEPARTMENT.
- b. A final report when the project is completed, prematurely terminated, or project assistance is terminated. The report shall include a final accounting of all expenditures and a description of work accomplished. If the project is not completed, the report shall contain an estimate of the percentage of completion, and shall indicate the degree of usefulness of the completed project. The report shall account for all expenditures not previously reported and shall include a summary for the entire project.
- c. The SUBRECIPIENT shall submit a quarterly progress report describing current activities as outlined in the Timeline.
- d. The SUBRECIPIENT shall submit a Final Report with final reimbursement no later than 45 days after Agreement End Date.
- e. The SUBRECIPIENT shall also comply with the Federal Funding Accountability and Transparency Act (FFATA) and related OMB Guidance consistent with Public Law 109-282 as amended by section 6202(a) of Public Law 110-252 (see 31 U.S.C. 6101 note), and complete and return to the DEPARTMENT the FFATA Form located at <http://mil.wa.gov/emergency-management-divison/grants/requiredgrantforms>; which is incorporated by reference and made a part of this Agreement.

## 6. PROCUREMENT

The SUBRECIPIENT shall comply with all procurement requirements of 2 CFR Part 200.318 through 200.326 and as specified in the General Terms and Conditions, **Attachment 2**, A.11.

## 7. TIME EXTENSIONS

A time extension request for Agreement completion must be submitted by the SUBRECIPIENT to the DEPARTMENT no later than 60 days before the end of the Period of Performance. A time extension request must be in writing and identify the project, the reason the project will not be completed within the approved Period of Performance, a current status of the completion of the work, a detailed timeline for completion of the remaining elements, and an anticipated completion date for the completion of the remaining work. Failure to timely submit a complete time extension request may result in denial of the time extension and loss of funding for the project.

## 8. SUBRECIPIENT MONITORING

- a. The DEPARTMENT will monitor the activities of the SUBRECIPIENT from award to closeout. The goal of the DEPARTMENT'S monitoring activities will be to ensure that agencies receiving federal pass-through funds are in compliance with this Agreement, federal and state audit requirements, federal grant guidance, and applicable federal and state financial regulations, as well as 2 CFR Part 200 Subpart F.
- b. To document compliance with 2 CFR Part 200 Subpart F requirements, the SUBRECIPIENT shall complete and return to the DEPARTMENT "2 CFR Part 200 Subpart F Audit Certification Form" located at <http://mil.wa.gov/emergency-management-division/grants/requiredgrantforms> with the signed Agreement and each fiscal year thereafter until the Agreement is closed, which is incorporated by reference and made a part of this Agreement.
- c. Monitoring activities may include, but are not limited to:
  - i. review of financial and performance reports;
  - ii. monitoring and documenting the completion of Agreement deliverables;
  - iii. documentation of phone calls, meetings, e-mails, and correspondence;
  - iv. review of reimbursement requests and supporting documentation to ensure allowability and consistency with Agreement work plan, budget, and federal requirements;
  - v. observation and documentation of Agreement related activities, such as exercises, training, funded events, and equipment demonstrations;
  - vi. on-site visits to review equipment records and inventories, to verify source documentation for reimbursement requests and performance reports, and to verify completion of deliverables.
- d. The SUBRECIPIENT is required to meet or exceed the monitoring activities, as outlined above and in 2 CFR Part 200, for any non-federal entity to which the SUBRECIPIENT makes a subaward as a pass-through entity under this Agreement.
- e. Compliance will be monitored throughout the performance period to assess risk. Concerns will be addressed through a Corrective Action Plan.

## 9. CLOSE-OUT

To initiate close-out, the SUBRECIPIENT is required to certify in writing the date completed and total amount expended on the project on FINAL PROJECT REPORT form to the DEPARTMENT. After receipt of the FINAL PROJECT REPORT form, the DEPARTMENT will conduct a site inspection and review supporting documentation for compliance with the requirements of the Agreement.

Prior to project close-out, the SUBRECIPIENT shall provide the DEPARTMENT with acceptable documentation supporting compliance with the Agreement. General documentation supporting compliance with the Agreement typically includes, but is not limited to, the following:

- Photographs of the structures or properties involved in the project **prior** to project implementation **and after** project implementation.

- Digital geospatial coordinates (latitude and longitude) for each structure with an accuracy of  $\pm 20$  meters (64) feet.
- Certificate of occupancy or equivalent documentation from the appropriate regulatory authority for each structure to certify it is code-compliant.
- Certification that the SUBRECIPIENT has met the environmental and historic preservation conditions of the grant award as described in this Agreement.
- Copies of all compliance and consultation documentation required by the grant award as described in the Agreement (e.g., coastal zone management consistency determination from Department of Ecology).
- Copies of all documentation related to inspection for and removal and disposal of asbestos and other hazardous materials from each property.

Specific additional documentation requirements for projects to acquire properties for open space include, but are not limited to, the following:

- Signed Statement of Voluntary Participation from owner of each acquired property.
- Documentation of dates of acquisition and structure demolition or removal from property for each property.
- Copy of recorded open space deed restrictions for each acquired property.
- Copy of AW-501 form filed with National Flood Insurance Program for each acquired repetitive loss property.
- Documentation of consultation with Army Corps of Engineers and State Department of Transportation regarding future use of each property.

Specific additional documentation requirements for projects to elevate structures above the base flood elevation include, but are not limited to, the following:

- Photographs of the structures prior to elevation, and front, rear and side photos post-elevation.
- Copies of the pre-project elevation certificate for each structure, or documentation of methodology used to calculate the first-floor elevations.
- Copies of the post-project elevation certificate for each structure.
- Copies of certificate of occupancy for each elevated structure to certify that it is code compliant.
- Certification by an engineer, floodplain manager or other senior official of the SUBRECIPIENT that each completed structural elevation is in compliance with local ordinances and National Flood Insurance Program regulations and technical bulletins.
- Copy of AW-501 form filed with National Flood Insurance Program for each elevated repetitive loss property.
- Copies of proof of flood insurance for each elevated structure.
- Copies of the recorded deed restriction related to maintenance of flood insurance for each property within the Special Flood Hazard Area.

The DEPARTMENT will consult with the SUBRECIPIENT regarding other documentation requirements of the Agreement throughout the Period of Performance.

The SUBRECIPIENT is required to retain all documentation which adequately identifies the source and application of all mitigation grant funds for six years following the closure of this grant. For all funds received, source documentation includes adequate accounting of actual costs and recoveries incurred.

## **10. LIMITED ENGLISH PROFICIENCY (CIVIL RIGHTS ACT OF 1964 TITLE VI)**

All SUBRECIPIENTS must comply with the Title VI of the Civil Rights Act of 1964 (Title VI) prohibition against discrimination on the basis of national origin, which requires that SUBRECIPIENTS of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services.

Providing meaningful access for persons with LEP may entail providing language assistance services, including oral interpretation and written translation. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000), requires federal agencies to issue guidance to recipients, assisting such organizations and entities in understanding their language access obligations. DHS published the required recipient guidance in April 2011, DHS Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, 76 Fed. Reg. 21755-21768, (April 18, 2011). The Guidance provides helpful information such as how a recipient can determine the extent of its obligation to provide language services; selecting language services; and elements of an effective plan on language assistance for LEP persons. For additional assistance and information regarding language access obligations, please refer to the DHS Recipient Guidance at <https://www.dhs.gov/guidance-published-help-department-supported-organizations-provide-meaningful-access-people-limited> and additional resources on <http://www.lep.gov>.

## **11. ADDITIONAL SPECIAL CONDITIONS**

- a. Construction Documents, Contracts, Change Orders
  - i. Construction Document Approval: The SUBRECIPIENT agrees to submit one copy of all construction plans and specifications to the DEPARTMENT for review and approval prior to solicitation of bids for construction.
  - ii. The SUBRECIPIENT shall use a competitive procurement process in the procurement and award of any contracts with contractors or sub-contractors that are entered into under the original contract award. The procurement process followed shall be in accordance with 2 CFR Part 200.318 General procurement standards through 200.326 Contract Provisions. Copies of all bids and contracts awarded shall be submitted to the DEPARTMENT upon request. Where all bids are substantially in excess of project estimates, the DEPARTMENT may, by notice in writing, suspend the project for determination of appropriate action, which may include termination of the Agreement.
  - iii. Construction Change Order: All change orders must be in writing and shall be submitted to the DEPARTMENT. The SUBRECIPIENT shall pay any increase in the cost of the project as the result of a change order, unless the DEPARTMENT has agreed to the change with a written amendment to this Agreement.

## **12. EQUIPMENT AND SUPPLY MANAGEMENT**

- a. If applicable, SUBRECIPIENTS and any non-federal entity to which the SUBRECIPIENT makes a subaward shall comply with 2 CFR 200.318 – 200.326, to include but not limited to:
  - i. Upon successful completion of the terms of this Agreement, all equipment and supplies purchased through this Agreement will be owned by the SUBRECIPIENT, or a recognized non-federal entity to which the SUBRECIPIENT has made a subaward, for which a contract or other means of legal transfer of ownership is in place.
  - ii. All equipment, and supplies as applicable, purchased under this Agreement will be recorded and maintained in the SUBRECIPIENT's inventory system.
  - iii. Equipment records shall include: a description of the property; the manufacturer's serial number, model number, or other identification number; the source of the equipment, including the Federal Award Identification Number (FAIN); Catalogue of Federal Domestic Assistance (CFDA) number; who holds the title; the acquisition date; the cost of the equipment and the percentage of Federal participation in the cost; the location, use and condition of the equipment at the date the information was reported; and disposition data including the date of disposal and sale price of the property.

- iv. The SUBRECIPIENT shall take a physical inventory of the equipment and reconcile the results with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the records shall be investigated by the SUBRECIPIENT to determine the cause of the difference. The SUBRECIPIENT shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
  - v. The SUBRECIPIENT shall be responsible for any and all operational and maintenance expenses and for the safe operation of their equipment and supplies including all questions of liability. The SUBRECIPIENT shall develop appropriate maintenance schedules and procedures to ensure the equipment and supplies are well maintained and kept in good operating condition.
  - vi. The SUBRECIPIENT must obtain and maintain all necessary certifications and licenses for the equipment.
  - vii. The SUBRECIPIENT shall develop a control system to ensure adequate safeguards to prevent loss, damage, and theft of the property. Any loss, damage, or theft shall be investigated, and a report generated and sent to the Department.
  - viii. If the SUBRECIPIENT is authorized or required to sell the property, proper sales procedures must be established and followed to ensure the highest possible return.
  - ix. If, upon termination or at the Grant Agreement End Date, there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value which will not be needed for any other Federal award, or when original or replacement equipment is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, the SUBRECIPIENT must comply with following procedures:
    - a) The SUBRECIPIENT may retain the supplies for use on other non-Federal related activities or sell them but must compensate the Federal sponsoring agency for its share.
    - b) The SUBRECIPIENT must dispose of equipment as follows:
      - i). Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of by the SUBRECIPIENT with no further obligation to the awarding agency.
      - ii). Items of equipment with a current per-unit fair market value of more than \$5,000 may be retained or sold and the SUBRECIPIENT shall compensate the Federal-sponsoring agency for its share.
  - x. Records for equipment shall be retained by the SUBRECIPIENT for a period of six years from the date of the disposition, replacement, or transfer. If any litigation, claim, or audit is started before the expiration of the six-year period, the records shall be retained by the SUBRECIPIENT until all litigation, claims, or audit findings involving the records have been resolved.
- b. Unless expressly provided otherwise, all equipment must meet all mandatory regulatory and/or DHS/FEMA adopted standards to be eligible for purchase using Federal award funds.
  - c. Equipment purchased with DHS federal award funds is to be marked with "Purchased with funds provided by the U.S. Department of Homeland Security" when practicable.
  - d. As a SUBRECIPIENT of federal funds, the SUBRECIPIENT must pass on equipment and supply management requirements that meet or exceed the requirements outlined

above to any non-federal entity to which the SUBRECIPIENT makes a subaward of federal award funds under this Agreement.

**B. DHS FFY21 STANDARD TERMS AND CONDITIONS**

As a SUBRECIPIENT of HMGP funding, the SUBRECIPIENT shall comply with all applicable FEMA/DHS terms and conditions of the FEMA Award Letter and its associated documents for DHS, which are incorporated in and made a part of this Agreement as Attachment 6.

**Washington State Military Department**  
**GENERAL TERMS AND CONDITIONS**  
**Mitigation Grants**

A.1 DEFINITIONS

As used throughout this Agreement, the following terms will have the meaning as defined in 2 CFR 200 Subpart A (which is incorporated herein by reference), except as otherwise set forth below:

- a. **"DEPARTMENT"** means the Washington State Military Department, as a state agency, any division, section, office, unit or other entity of the DEPARTMENT, or any of the officers or other officials lawfully representing that Department. DEPARTMENT is a recipient of a federal award directly from a federal awarding agency and is pass-through entity making a subaward to a subrecipient under this Agreement.
- b. **"SUBRECIPIENT"** when capitalized is primarily used throughout this Agreement in reference to the non-federal entity identified on the Face Sheet of this Agreement that has received a subaward from the DEPARTMENT. However, the definition of "subrecipient" is the same as in 2 CFR 200.93 for all other purposes. "
- c. **"Monitoring Activities"** means all administrative, financial, or other review activities that are conducted to ensure compliance with all state and federal laws, rules, regulations, authorities, and policies.
- d. **"Project"** shall mean those activities as described in the FEMA approved project application (insert application number), which are incorporated in and made a part of this Agreement by reference, and as described in Attachments 3, 4, and 5.
- e. **"Investment Justification"** means grant application investment justification submitted by the SUBRECIPIENT describing the project for which federal funding is sought and provided under this Agreement. Such grant application investment justification is hereby incorporated in and made a part of this Agreement by reference.

A.2 ADVANCE PAYMENTS

The DEPARTMENT shall make no payments in advance or in anticipation of goods or services to be provided under this Agreement. The SUBRECIPIENT shall not invoice the DEPARTMENT in advance of delivery and invoicing of such goods or services.

A.3 AMENDMENTS AND MODIFICATIONS

The SUBRECIPIENT or the DEPARTMENT may request, in writing, an amendment or modification of this Agreement. Modifications may be requested for Grant Agreement end date, budget or scope change. However, such amendment or modification shall not be binding, take effect or be incorporated herein until made in writing and signed by the authorized representatives of the DEPARTMENT and the SUBRECIPIENT. No other understandings or agreements, written or oral, shall be binding on the parties.

A.4 AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, 42 U.S.C. 12101 ET SEQ. AND ITS IMPLEMENTING REGULATIONS ALSO REFERRED TO AS THE "ADA" 28 CFR Part 35.

The SUBRECIPIENT must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunication.

A.5 APPLICATION REPRESENTATION-MISREPRESENTATION, INACCURACY AND BREACH

The DEPARTMENT relies upon the SUBRECIPIENT's application in making its determinations as to eligibility for, selection for, and scope of funding grants. Any misrepresentation, error or inaccuracy in any part of the application may be deemed a breach of this Agreement.

A.6 ASSURANCES

DEPARTMENT and SUBRECIPIENT agree that all activity pursuant to this Agreement will be in accordance with all the applicable current federal, state and local laws, rules and regulations.

A.7 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, OR INELIGIBILITY

As federal funds are a basis for this Agreement, the SUBRECIPIENT certifies that the SUBRECIPIENT is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in this Agreement by any federal department or agency.

The SUBRECIPIENT shall complete, sign, and return a Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion form located at <http://mil.wa.gov/emergency-management-divison/grants/requiredgrantforms>. Any such form completed by the SUBRECIPIENT for this Agreement shall be incorporated into this Agreement by reference.

Further, the SUBRECIPIENT agrees to comply with all applicable federal regulations concerning the federal debarment and suspension system, including 2 CFR Part 180. The SUBRECIPIENT certifies that it will ensure that potential sub-contractors or sub-recipients or any of their principals are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in "covered transactions" by any federal department or agency. "Covered transactions" include procurement contracts for goods or services awarded under a non-procurement transaction (e.g. grant or cooperative agreement) that are expected to equal or exceed \$25,000, and sub-awards to sub-recipients for any amount. With respect to covered transactions, the SUBRECIPIENT may comply with this provision by obtaining a certification statement from the potential sub-contractor or sub-recipient or by checking the System for Award Management (<http://www.sam.gov>) maintained by the federal government. The SUBRECIPIENT also agrees not to enter into any arrangements or contracts with any party on the Washington State Department of Labor and Industries' "Debarred Contractor List" (<http://www.lni.wa.gov/TradesLicensing/PrevWage/AwardingAgencies/DebarredContractors/>). The SUBRECIPIENT also agrees not to enter into any agreements or contracts for the purchase of goods and services with any party on the Department of Enterprise Services' Debarred Vendor List (<http://www.des.wa.gov/services/ContractingPurchasing/Business/Pages/Vendor-Debarment.aspx>).

**A.8 CERTIFICATION REGARDING RESTRICTIONS ON LOBBYING**

As required by 44 CFR Part 18, the SUBRECIPIENT hereby certifies that to the best of their knowledge and belief: (1) no federally appropriated funds have been paid or will be paid by or on behalf of the SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement; (2) that if any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Agreement, grant, loan, or cooperative agreement, the SUBRECIPIENT will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; (3) and that, as applicable, the SUBRECIPIENT will require that the language of this certification be included in the award documents for all subawards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into, and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code.

**A.9 COMPLIANCE WITH APPLICABLE STATUTES, RULES AND DEPARTMENT POLICIES**

The SUBRECIPIENT and all its contractors shall comply with, and the DEPARTMENT is not responsible for determining compliance with, any and all applicable federal, state, and local laws, regulations, executive orders, OMB Circulars, and/or policies. This obligation includes, but is not limited to: nondiscrimination laws and/or policies, Equal Employment Opportunity, as amended by Executive Order 11375 of October 13, 1967, as supplemented by Department of Labor regulations (41 CFR chapter 60); Copeland Anti-Kickback Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3); Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5); Clean Air Act (42 U.S.C. 1857(h), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, Environmental Protection Agency regulations (40 CFR part 15); Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5); Energy Policy and Conservation Act (PL 94-163, 89 Stat. 871, as amended), the Americans with Disabilities Act (ADA), Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Civil rights Act of 1968, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, (PL 93-288, as amended), Title 44 of the Federal Regulations, 2 CFR Part 3002, Ethics in Public Service (RCW 42.52), Covenant Against Contingent Fees (48 CFR Section 52.203-5), Public Records Act (RCW 42.56), Prevailing

Wages on Public Works (RCW 39.12), State Environmental Policy Act (RCW 43.21C), Shoreline Management Act of 1971 (RCW 90.58), State Building Code (RCW 19.27), Energy Related Building Standards (RCW 19.27A), Provisions in Buildings for Aged and Handicapped Persons (RCW 70.92), and safety and health regulations.

DEPARTMENT and SUBRECIPIENT agree that all activity pursuant to this Agreement will be in accordance with all the applicable current federal, state and local laws, rules and regulations.

In the event of the SUBRECIPIENT's or its contractor's noncompliance or refusal to comply with any applicable law, regulation, executive order, OMB Circular or policy, the DEPARTMENT may rescind, cancel, or terminate the Agreement in whole or in part in its sole discretion.

The SUBRECIPIENT is responsible for all costs or liability arising from its failure to comply with applicable laws, regulations, executive orders, OMB Circulars or policies.

#### A10. CONFLICT OF INTEREST

No officer or employee of the DEPARTMENT; no member, officer, or employee of the SUBRECIPIENT or its designees or agents; no member of the governing body of the jurisdiction in which the project is undertaken or located; and no other official of such the SUBRECIPIENT who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the project assisted under this Agreement. The SUBRECIPIENT shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to this provision.

#### A.11 CONTRACTING & PROCUREMENT

a. The SUBRECIPIENT shall use a competitive procurement process in the procurement and award of any contracts with contractors or sub-contractors that are entered into under the original contract award. The procurement process followed shall be in accordance with 2CFR Part 200.318 General procurement standards through 200.326 Contract Provisions.

As required by Appendix II to 2 CFR Part 200, all contracts entered into by the SUBRECIPIENT under this Agreement must include the following provisions, as applicable:

1) Contracts for more than the simplified acquisition threshold currently set at \$250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

2) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

3) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

4) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The

decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

The procurement process followed shall be in accordance with 2 CFR Parts 200 and 3002, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations, as applicable to the SUB-GRANTEE. All subcontracting agreements entered into pursuant to this Agreement shall incorporate this Agreement by reference.

5) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

6) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

7) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

8) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

9) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of

Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

10) Procurement of recovered materials -- As required by 2 CFR 200.322, a non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

11) Notice of Federal awarding agency requirements and regulations pertaining to reporting.

12) Federal awarding agency requirements and regulations pertaining to copyrights and rights in data.

13) Access by the DEPARTMENT, the SUBRECIPIENT, the Federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

14) Retention of all required records for six years after the SUBRECIPIENT has made final payments and all other pending matters are closed.

15) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

- b. The DEPARTMENT reserves the right to review the SUBRECIPIENT procurement plans and documents, and require the SUBRECIPIENT to make changes to bring its plans and documents into compliance with the requirements of 2 CFR Part 200.318 through 200.326/. The SUBRECIPIENT must ensure that its procurement process requires contractors and subcontractors to provide adequate documentation with sufficient detail to support the costs of the project and to allow both the SUBRECIPIENT and DEPARTMENT to make a determination on eligibility of project costs.
- c. All sub-contracting agreements entered into pursuant to this Agreement shall incorporate this Agreement by reference.

#### A.12 DISCLOSURE

The use or disclosure by any party of any information concerning the DEPARTMENT for any purpose not directly connected with the administration of the DEPARTMENT's or the SUBRECIPIENT's responsibilities with respect to services provided under this Agreement is prohibited except by prior written consent of the DEPARTMENT or as required to comply with the state Public Records Act, other law or court order.

#### A.13 DISPUTES

Except as otherwise provided in this Agreement, when a bona fide dispute arises between the parties and it cannot be resolved through discussion and negotiation, either party may request a dispute resolution panel to resolve the dispute. A request for a dispute resolution board shall be in writing, state the disputed issues, state the relative positions of the parties, and be sent to all parties. The panel shall consist of a representative appointed by the DEPARTMENT, a representative appointed by the Contractor and a third party mutually agreed upon by both parties. The panel shall, by majority vote, resolve the dispute. Each party shall bear the cost for its panel member and its attorney fees and costs, and share equally the cost of the third panel member.

A.14 DUPLICATION OF BENEFITS

The SUBRECIPIENT agrees that the funds for which federal or state assistance is requested does not, or will not, duplicate benefits or funds received for the same loss from any other source. The SUBRECIPIENT will pursue, and require sub-recipients to pursue, full payment of eligible insurance benefits for properties or any other losses covered in a project under this Agreement. The SUBRECIPIENT will repay the DEPARTMENT any funds provided under this grant agreement that are duplicated by other benefits, funds, or insurance proceeds. The SUBRECIPIENT will also seek recovery against any party or parties whose negligence or other intentional or tortious conduct may have caused or contributed to the expenditures for which these grants funds are provided. The SUBRECIPIENT will repay the DEPARTMENT any funds recovered by settlement, judgment or other court order in an action to recover funds provided by this grant. The SUBRECIPIENT shall notify the DEPARTMENT as early as possible and work cooperatively in conjunction with the DEPARTMENT and FEMA to ensure appropriate apportionment of any duplicated or recovered payment.

A.15 HAZARDOUS SUBSTANCES

The SUBRECIPIENT shall inspect and investigate the proposed development/construction site for the presence of hazardous substances. The SUBRECIPIENT shall fully disclose to the DEPARTMENT the results of its inspection and investigation and all other knowledge the SUBRECIPIENT has as to the presence of any hazardous substances at the proposed development/construction project site. The SUBRECIPIENT will be responsible for any associated clean-up costs. "Hazardous Substance" is defined in RCW 70.105D.020 (10).

A.16 LEGAL RELATIONS

It is understood and agreed that this Agreement is solely for the benefit of the parties to the Agreement and gives no right to any other party. No joint venture or partnership is formed as a result of this Agreement.

To the extent allowed by law, the SUBRECIPIENT, its successors or assigns, will protect, save and hold harmless the DEPARTMENT, the State of Washington, and the United States Government and their authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever by reason of the acts or omissions of the SUBRECIPIENT, its sub-contractors, assigns, agents, contractors, consultants, licensees, invitees, employees or any person whomsoever arising out of or in connection with any acts or activities authorized by this Agreement.

To the extent allowed by law, the SUBRECIPIENT further agrees to defend the DEPARTMENT and the State of Washington and their authorized agents and employees in any litigation; including payment of any costs or attorneys' fees for any claims or action commenced thereon arising out of or in connection with acts or activities authorized by this Agreement.

This obligation shall not include such claims, costs, damages or expenses which may be caused by the sole negligence of the DEPARTMENT; provided, that if the claims or damages are caused by or result from the concurrent negligence of (1) the DEPARTMENT, and (2) the SUBRECIPIENT, its agents, or employees, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the SUBRECIPIENT, or SUBRECIPIENT's agents or employees.

Insofar as the funding source, the Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA), is an agency of the Federal government, the following shall apply:

44 CFR 206.9 Non-liability. The Federal government shall not be liable for any claim based upon the exercise or performance of, or the failure to exercise or perform a discretionary function or duty on the part of a federal agency or an employee of the federal government in carrying out the provisions of the Stafford Act.

A.17 LIMITATION OF AUTHORITY – Authorized Signature

The signatories to this Agreement represent that they have the authority to bind their respective organizations to this Agreement. Only the DEPARTMENT's Authorized Signature representative and the Authorized Signature representative of the SUBRECIPIENT or Alternate for the SUBRECIPIENT, formally designated in writing, shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Agreement. Any alteration, amendment, modification, or waiver of any clause or condition of this Agreement is not effective or binding unless made in writing

and signed by both parties Authorized Signature representatives. Further, only the Authorized Signature representative or Alternate for the SUBRECIPIENT shall have signature authority to sign reimbursement requests, time extension requests, amendment and modification requests, requests for changes to projects or work plans, and other requests, certifications and documents authorized by or required under this Agreement.

A.18 LOSS OR REDUCTION OF FUNDING

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to normal completion or end date, the DEPARTMENT may unilaterally reduce the scope of work and budget or unilaterally terminate all or part of the Agreement as a "Termination for Cause" without providing the SUBRECIPIENT an opportunity to cure. Alternatively, the parties may renegotiate the terms of this Agreement under "Amendments and Modifications" to comply with new funding limitations and conditions, although the DEPARTMENT has no obligation to do so.

A.19 NONASSIGNABILITY

Neither this Agreement, nor any claim arising under this Agreement, shall be transferred or assigned by the SUBRECIPIENT.

A.20 NONDISCRIMINATION

The SUBRECIPIENT shall comply with all applicable federal and state non-discrimination laws, regulations, and policies. No person shall, on the grounds of age, race, creed, color, sex, sexual orientation, religion, national origin, marital status, honorably discharged veteran or military status, or disability (physical, mental, or sensory) be denied the benefits of, or otherwise be subjected to discrimination under any project, program, or activity, funded, in whole or in part, under this Agreement.

A.21 NOTICES

The SUBRECIPIENT shall comply with all public notices or notices to individuals required by applicable local, state and federal laws and shall maintain a record of this compliance.

A.22 OCCUPATIONAL SAFETY/HEALTH ACT and WASHINGTON INDUSTRIAL SAFETY/ HEALTH ACT (OSHA/WISHA)

The SUBRECIPIENT represents and warrants that its work place does now or will meet all applicable federal and state safety and health regulations that are in effect during the SUBRECIPIENT's performance under this Agreement. To the extent allowed by law, the SUBRECIPIENT further agrees to indemnify and hold harmless the DEPARTMENT and its employees and agents from all liability, damages and costs of any nature, including but not limited to, costs of suits and attorneys' fees assessed against the DEPARTMENT, as a result of the failure of the SUBRECIPIENT to so comply.

A.23 OWNERSHIP OF PROJECT/CAPITAL FACILITIES

The DEPARTMENT makes no claim to any capital facilities or real property improved or constructed with funds under this Agreement, and by this grant of funds does not and will not acquire any ownership interest or title to such property of the SUBRECIPIENT. The SUBRECIPIENT shall assume all liabilities arising from the ownership and operation of the project and agrees to hold the DEPARTMENT, the state of Washington, and the United States government harmless from any and all causes of action arising from the ownership and operation of the project.

A.24 POLITICAL ACTIVITY

No portion of the funds provided herein shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or influence the approval or defeat of any ballot issue.

A.25 PRIVACY

Personal information collected, used or acquired in connection with this agreement shall be used solely for the purposes of this agreement. SUBRECIPIENT and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the DEPARTMENT or as provided by law or court order. SUBRECIPIENT agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to personal information.

The DEPARTMENT reserves the right to monitor, audit, or investigate the use of personal information collected, used or acquired by the SUBRECIPIENT through this contract. The monitoring, auditing or

investigating may include but is not limited to “salting” by the DEPARTMENT. Salting is the act of placing a record containing unique but false information in a database that can be used later to identify inappropriate disclosure of data contained in the database.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The SUBRECIPIENT agrees to indemnify and hold harmless the DEPARTMENT for any damages related to the SUBRECIPIENT’s unauthorized use, loss or disclosure of personal information.

For purposes of this provision, personal information includes, but is not limited to, information identifiable to an individual that relates to a natural person’s health, finances, education, business, use or receipt of governmental services, or other activities, names, addresses, telephone numbers, social security numbers, driver license numbers, financial profiles, credit card numbers, financial identifiers and other identifying numbers.

**A.26 PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION**

The assistance provided under this Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such assistance or any other approval or concurrence under this Agreement provided, however, that reasonable fees or bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

**A.27 PUBLICITY**

The SUBRECIPIENT agrees to submit to the DEPARTMENT prior to issuance all advertising and publicity matters relating to this Agreement wherein the DEPARTMENT’s name is mentioned or language used from which the connection of the DEPARTMENT’s name may, in the DEPARTMENT’s judgment, be inferred or implied. The SUBRECIPIENT agrees not to publish or use such advertising and publicity matters without the prior written consent of the DEPARTMENT.

The SUBRECIPIENT may copyright original work it develops in the course of or under this Agreement; however, pursuant to 2 CDR Part 200.315, FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use the work for government purposes.

The SUBRECIPIENT shall include language which acknowledges the funding contribution of the DEPARTMENT and FEMA to this project in any release or other publication developed or modified for, or referring to, the project.

Publication resulting from work performed under this Agreement shall include an acknowledgement of FEMA’s financial support, by CFDA number, and a statement that the publication does not constitute an endorsement by FEMA or reflect FEMA’s views.

**A.28 RECAPTURE PROVISION**

In the event the SUBRECIPIENT fails to expend funds under this Agreement in accordance with applicable federal, state, and local laws and/or the provisions of the Agreement, the DEPARTMENT reserves the right to recapture funds in an amount equivalent to the extent of noncompliance. Such right of recapture shall exist for the life of the project following Agreement termination. Repayment by the SUBRECIPIENT of funds under this recapture provision shall occur within 30 days of demand.

In the event the DEPARTMENT is required to institute legal proceedings to enforce the recapture provision, the DEPARTMENT shall be entitled to its costs and expenses thereof, including attorney fees from the SUBRECIPIENT.

**A.29 RECORDS**

- a. The SUBRECIPIENT agrees to maintain all books, records, documents, receipts, invoices and all other electronic or written records necessary to sufficiently and properly reflect the SUBRECIPIENT’s contracts, subawards, grant administration, and payments, including all direct and indirect charges, and expenditures in the performance of this Agreement (the “records”).
- b. The SUBRECIPIENT’s records related to this Agreement and the projects funded may be inspected and audited by the DEPARTMENT or its designee, by the Office of the State Auditor, DHS, FEMA or their designees, by the Comptroller General of the United States or its designees, or by other state or federal officials authorized by law, for the purposes of

determining compliance by the SUBRECIPIENT with the terms of this Agreement and to determine the appropriate level of funding to be paid under the Agreement.

- c. The records shall be made available by the SUBRECIPIENT for such inspection and audit, together with suitable space for such purpose, at any and all times during the SUBRECIPIENT's normal working day.
- d. The SUBRECIPIENT shall retain and allow access to all records related to this Agreement and the funded project(s) for a period of at least six (6) years following final payment and closure of the grant under this Agreement. Despite the minimum federal retention requirement of three (3) years, the more stringent State requirement of six (6) years must be followed.

**A.30 RECOVERY OF FUNDS**

Any person who intentionally causes a condition for which funds are provided under this Agreement shall be liable for the costs incurred by the state and federal governments in responding to such disaster. In addition to its own duty to recover duplicated funds or funds expended due to the intentional or negligent actions of others. SUBRECIPIENT will cooperate in a reasonable manner with the DEPARTMENT and the United States in efforts to recover expenditures under this Grant Agreement.

**A.31 RESPONSIBILITY FOR PROJECT/STATEMENT OF WORK/WORK PLAN**

While the DEPARTMENT undertakes to assist the SUBRECIPIENT with the project/statement of work/work plan (project) by providing Federal award funds pursuant to this Agreement, the project itself remains the sole responsibility of the SUBRECIPIENT. The DEPARTMENT undertakes no responsibility to the SUBRECIPIENT, or to any third party, other than as is expressly set out in this Agreement.

The responsibility for the design, development, construction, implementation, operation and maintenance of the project, as these phrases are applicable to this project, is solely that of the SUBRECIPIENT, as is responsibility for any claim or suit of any nature by any third party related in any way to the project.

Prior to the start of any construction activity, the SUBRECIPIENT shall ensure that all applicable Federal, State, and local permits and clearances are obtained, including but not limited to FEMA compliance with the National Environmental Policy Act, the National Historic Preservation Act, the Endangered Species Act, and all other environmental laws, regulations, and executive orders.

The SUBRECIPIENT shall defend, at its own cost, any and all claims or suits at law or in equity, which may be brought against the SUBRECIPIENT in connection with the project.

The SUBRECIPIENT shall not look to the DEPARTMENT, or to any state or federal agency, or to any of their employees or agents, for any performance, assistance, or any payment or indemnity, including but not limited to cost of defense and/or attorneys' fees, in connection with any claim or lawsuit brought by any third party related to any design, development, construction, implementation, operation and/or maintenance of a project.

**A.32 SEVERABILITY**

If any court of rightful jurisdiction holds any provision or condition under this Agreement or its application to any person or circumstances invalid, this invalidity does not affect other provisions, terms or conditions of the Agreement, which can be given effect without the invalid provision. To this end, the terms and conditions of this Agreement are declared severable.

**A.33 SINGLE AUDIT ACT REQUIREMENTS (including all AMENDMENTS)**

Non-federal entities, as SUBRECIPIENTS of a federal award, that expend \$750,000 or more in one fiscal year of federal funds from all sources, direct and indirect, are required to have a single or a program-specific audit conducted in accordance with 2 CFR Part 200 Subpart F. Non-federal entities that spend less than \$750,000 a year in federal awards are exempt from federal audit requirements for that year, except as noted in 2 CFR Part 200 Subpart F. As defined in 2 CFR Part 200, the term "non-federal entity" means a State, local government, Indian tribe, institution of higher education, or non-profit organization that carries out a federal award as a recipient or SUBRECIPIENT.

SUBRECIPIENTS that are required to have an audit must ensure the audit is performed in accordance with Generally Accepted Government Auditing Standards (GAGAS) as found in the Government Auditing Standards (the Revised Yellow Book) developed by the United States Comptroller General

and the OMB Compliance Supplement. The SUBRECIPIENT has the responsibility of notifying its auditor and requesting an audit in compliance with 2 CFR Part 200 Subpart F, to include the Washington State Auditor's Office, a federal auditor, or a public accountant performing work using GAGAS, as appropriate. Costs of the audit may be an allowable grant expenditure as authorized by 2 CFR Part 200 Subpart F.

The SUBRECIPIENT shall maintain auditable records and accounts so as to facilitate the audit requirement and shall ensure that any sub-contractors also maintain auditable records.

The SUBRECIPIENT is responsible for any audit exceptions incurred by its own organization or that of its sub-contractors. Responses to any unresolved management findings and disallowed or questioned costs shall be included with the audit report. The SUBRECIPIENT must respond to DEPARTMENT requests for information or corrective action concerning audit issues or findings within 30 days of the date of request. The DEPARTMENT reserves the right to recover from the SUBRECIPIENT all disallowed costs resulting from the audit.

Once the single audit has been completed and it includes any audit findings, the SUBRECIPIENT must send a full copy of the audit to the DEPARTMENT and its corrective action plan no later than nine (9) months after the end of the SUBRECIPIENT's fiscal year(s) to:

**Contracts Office  
Washington Military Department  
Finance Division, Building #1 TA-20  
Camp Murray, WA 98430-5032**

If SUBRECIPIENT claims it is exempt from the audit requirements of 2 CFR Part 200 Subpart F, SUBRECIPIENT must send a letter identifying this Agreement and explaining the criteria for exemption no later than nine (9) months after the end of the SUBRECIPIENT fiscal year(s) to the address listed above.

The DEPARTMENT retains the sole discretion to determine whether a valid claim for an exemption from the audit requirements of this provision has been established.

The SUBRECIPIENT shall include the above audit requirements in any subawards.

Conducting a single or program-specific audit in compliance with 2 CFR Part 200 Subpart F is a material requirement of this Agreement. In the absence of a valid claim of exemption from the audit requirements of 2 CFR Part 200 Subpart F, the SUBRECIPIENTs failure to comply with said audit requirements may result in one or more of the following actions in the DEPARTMENT's sole discretion: a percentage of federal awards being withheld until the audit is completed in accordance with 2 CFR Part 200 Subpart F; the withholding or disallowing of overhead costs; the suspension of federal awards until the audit is conducted and submitted; or termination of the federal award.

**A.34 SUBRECIPIENT NOT EMPLOYEE**

The parties intend that an independent contractor relationship will be created by this Agreement. The SUBRECIPIENT, and/or employees or agents performing under this Agreement are not employees or agents of the DEPARTMENT in any manner whatsoever. The SUBRECIPIENT will not be presented as nor claim to be an officer or employee of the DEPARTMENT by reason of this Agreement, nor will the SUBRECIPIENT make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the DEPARTMENT or of the State of Washington by reason of this Agreement, including, but not limited to, Workmen's Compensation coverage, unemployment insurance benefits, social security benefits, retirement membership or credit, or privilege or benefit which would accrue to a civil service employee under Chapter 41.06 RCW.

It is understood that if the SUBRECIPIENT is another state department, state agency, state university, state college, state community college, state board, or state commission, that the officers and employees are employed by the state of Washington in their own right and not by reason of this Agreement.

**A.35 TAXES, FEES AND LICENSES**

Unless otherwise provided in this Agreement, the SUBRECIPIENT shall be responsible for, pay and maintain in current status all taxes, unemployment contributions, fees, licenses, assessments, permit

charges and expenses of any other kind for the SUBRECIPIENT or its staff required by statute or regulation that are applicable to Agreement performance.

A.36 TERMINATION FOR CONVENIENCE

Notwithstanding any provisions of this Agreement, the SUBRECIPIENT may terminate this Agreement by providing written notice of such termination to the DEPARTMENT's Key Personnel identified in the Agreement, specifying the effective date thereof, at least thirty (30) days prior to such date.

Except as otherwise provided in this Agreement, the DEPARTMENT, in its sole discretion and in the best interests of the State of Washington, may terminate this Agreement in whole or in part by providing ten (10) calendar days written notice, beginning on the second day after mailing to the SUBRECIPIENT. Upon notice of termination for convenience, the DEPARTMENT reserves the right to suspend all or part of the Agreement, withhold further payments, or prohibit the SUBRECIPIENT from incurring additional obligations of funds. In the event of termination, the SUBRECIPIENT shall be liable for all damages as authorized by law. The rights and remedies of the DEPARTMENT provided for in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

A.37 TERMINATION OR SUSPENSION FOR CAUSE

In the event the DEPARTMENT, in its sole discretion, determines the SUBRECIPIENT has failed to fulfill in a timely and proper manner its obligations under this Agreement, is in an unsound financial condition so as to endanger performance hereunder, is in violation of any laws or regulations that render the SUBRECIPIENT unable to perform any aspect of the Agreement, or has violated any of the covenants, agreements or stipulations of this Agreement, the DEPARTMENT has the right to immediately suspend or terminate this Agreement in whole or in part.

The DEPARTMENT may notify the SUBRECIPIENT in writing of the need to take corrective action and provide a period of time in which to cure. The DEPARTMENT is not required to allow the SUBRECIPIENT an opportunity to cure if it is not feasible as determined solely within the DEPARTMENT's discretion. Any time allowed for cure shall not diminish or eliminate the SUBRECIPIENT liability for damages or otherwise affect any other remedies available to the DEPARTMENT. If the DEPARTMENT allows the SUBRECIPIENT an opportunity to cure, the DEPARTMENT shall notify the SUBRECIPIENT in writing of the need to take corrective action. If the corrective action is not taken within ten (10) calendar days or as otherwise specified by the DEPARTMENT, or if such corrective action is deemed by the DEPARTMENT to be insufficient, the Agreement may be terminated in whole or in part.

The DEPARTMENT reserves the right to suspend all or part of the Agreement, withhold further payments, or prohibit the SUBRECIPIENT from incurring additional obligations of funds during investigation of the alleged compliance breach, pending corrective action by the SUBRECIPIENT, if allowed, or pending a decision by the DEPARTMENT to terminate the Agreement in whole or in part.

In the event of termination, the SUBRECIPIENT shall be liable for all damages as authorized by law, including but not limited to, any cost difference between the original Agreement and the replacement or cover Agreement and all administrative costs directly related to the replacement Agreement, e.g., cost of administering the competitive solicitation process, mailing, advertising and other associated staff time. The rights and remedies of the DEPARTMENT provided for in this section shall not be exclusive and are in addition to any other rights and remedies provided by law.

If it is determined that the SUBRECIPIENT: (1) was not in default or material breach, or (2) failure to perform was outside of the SUBRECIPIENT's control, fault or negligence, the termination shall be deemed to be a "Termination for Convenience".

A.38 TERMINATION PROCEDURES

In addition to the procedures set forth below, if the DEPARTMENT terminates this Agreement, the SUBRECIPIENT shall follow any procedures specified in the termination notice. Upon termination of this Agreement and in addition to any other rights provided in this Agreement, the DEPARTMENT may require the SUBRECIPIENT to deliver to the DEPARTMENT any property specifically produced or acquired for the performance of such part of this Agreement as has been terminated.

If the termination is for convenience, the DEPARTMENT shall pay to the SUBRECIPIENT agreed upon price, if separately stated, for properly authorized and completed work and services rendered or goods delivered to and accepted by the DEPARTMENT prior to the effective date of Agreement termination,

and the amount agreed upon by the SUBRECIPIENT and the DEPARTMENT for (i) completed work and services and/or equipment or supplies provided for which no separate price is stated, (ii) partially completed work and services and/or equipment or supplies provided which are accepted by the DEPARTMENT, (iii) other work, services and/or equipment or supplies which are accepted by the DEPARTMENT, and (iv) the protection and preservation of property.

Failure to agree with such amounts shall be a dispute within the meaning of the "Disputes" clause of this Agreement. If the termination is for cause, the DEPARTMENT shall determine the extent of the liability of the DEPARTMENT. The DEPARTMENT shall have no other obligation to the SUBRECIPIENT for termination. The DEPARTMENT may withhold from any amounts due the SUBRECIPIENT such sum as the DEPARTMENT determines to be necessary to protect the DEPARTMENT against potential loss or liability.

The rights and remedies of the DEPARTMENT provided in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law.

After receipt of a notice of termination, and except as otherwise directed by the DEPARTMENT in writing, the SUBRECIPIENT shall:

- a. Stop work under the Agreement on the date, and to the extent specified, in the notice;
- b. Place no further orders or sub-contracts for materials, services, supplies, equipment and/or facilities in relation to this Agreement except as may be necessary for completion of such portion of the work under the Agreement as is not terminated;
- c. Assign to the DEPARTMENT, in the manner, at the times, and to the extent directed by the DEPARTMENT, all of the rights, title, and interest of the SUBRECIPIENT under the orders and sub-contracts so terminated, in which case the DEPARTMENT has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and contracts;
- d. Settle all outstanding liabilities and all claims arising out of such termination of orders and contracts, with the approval or ratification of the DEPARTMENT to the extent the DEPARTMENT may require, which approval or ratification shall be final for all the purposes of this clause;
- e. Transfer title to the DEPARTMENT and deliver in the manner, at the times, and to the extent directed by the DEPARTMENT any property which, if the Agreement had been completed, would have been required to be furnished to the DEPARTMENT;
- f. Complete performance of such part of the work as shall not have been terminated by the DEPARTMENT in compliance with all contractual requirements; and
- g. Take such action as may be necessary, or as the DEPARTMENT may require, for the protection and preservation of the property related to this Agreement which is in the possession of the SUBRECIPIENT and in which the DEPARTMENT has or may acquire an interest.

**A.39 UTILIZATION OF MINORITY AND WOMEN BUSINESS ENTERPRISES (MWBE)**

The SUBRECIPIENT shall comply with 2 CFR §200.321 and will take all necessary affirmative steps allowed by law to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible and will take all necessary affirmative steps allowed by law to utilize business firms that are certified as minority-owned and/or women-owned in carrying out the purposes of this Agreement. The following steps are required by the subrecipient if any contracts with contractors or sub-contractors are entered into under the original contract award:

- a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and
- e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

The SUBRECIPIENT may also set utilization standards, based upon local conditions or may utilize the State of Washington MWBE goals, as identified in. WAC 326-30-041.

A.40 VENUE

This Agreement shall be construed and enforced in accordance with, and the validity and performance shall be governed by, the laws of the state of Washington. Venue of any suit between the parties arising out of this Agreement shall be the Superior Court of Thurston County, Washington. The SUBRECIPIENT, by execution of this Agreement acknowledges the jurisdiction of the courts of the State of Washington.

A.41 WAIVERS

No conditions or provisions of this Agreement can be waived unless approved in advance by the DEPARTMENT in writing. The DEPARTMENT's failure to insist upon strict performance of any provision of the Agreement or to exercise any right based upon a breach thereof, or the acceptance of any performance during such breach, shall not constitute a waiver of any right under this Agreement.

**STATEMENT OF WORK AND/OR DESCRIPTION OF PROJECT**

SUBRECIPIENT: **Lake Whatcom Water and Sewer District**  
 PROJECT TITLE: **Division 7 Water Reservoir Seismic Retrofit- Phase I**

The purpose of this project is for Lake Whatcom Water and Sewer District (LWWSD) to conduct **only Phase 1** of the proposed project, which involves performing preliminary and final design, permitting, and required actions to complete those elements. Phase 2, once awarded and contracted under a separate agreement, will include construction of 2 reservoirs and all appurtenances, inspections, and project closeout.

The entire project, phase 1 and 2, involves LWWSD performing seismic upgrades to its water system by upgrading their Division 7 water reservoir by construction of two smaller reservoirs of comparable total volume. LWWSD has already installed the ShakeAlert – Earthquake Early Warning System.

A specific and more detailed scope of work is found in the FEMA approved Project Application DR 4309-18-R, which is incorporated herein by reference.

Lake Whatcom Water and Sewer District Agrees To:

1. Comply with the terms of this Agreement and all Attachments, including but not limited to, accomplish tasks and conditions outlined in the Statement of Work And/Or Description of Project-Attachment 3, comply with the Project Development Schedule-Attachment 4, and comply with the Project Budget-Attachment 5.
2. Submit quarterly reports that cover the previous three months no later than the 15<sup>th</sup> of the following month (or the next work day) in January, April, July and October until all requirements are fulfilled. Quarterly reports are required regardless of the level of work completed during the reporting period. Quarterly reports must include sufficient narrative to determine the degree to which the project has been implemented, the estimated time for completion, and significant developments such as delays or adverse conditions that might raise costs or delay completion, as well as favorable conditions allowing lower costs or earlier completion. Failure of the SUBRECIPIENT to submit a complete quarterly report within 15 days following the end of the quarter will result in suspension of all payments until a complete quarterly report is received by the DEPARTMENT.
3. Submit pen-and-ink signed, approved invoice vouchers (state form A-19) for eligible, reimbursable work completed, no more frequently than monthly and no less frequently than quarterly. Each billing must identify the task(s) completed and any other funding identification pertinent to the task(s), including match. Supporting documentation is required for all costs, to include tracking of staff time spent on the project through timesheets or other documentation approved by the DEPARTMENT; dated invoices from all contractors and subcontractors for work completed; dated invoices for goods and services purchased; and documentation tracking in-kind contributions of personnel, equipment and supplies, if used on the project. Project costs must be tracked and reported by approved budget cost categories as found in Project Budget, Attachment 5. Documentation of expenditures by approved budget cost categories should be made on a separate spreadsheet or table and included with each A-19, along with documentation to substantiate all project costs.
4. Return by DEPARTMENT staff of invoices to the SUBRECIPIENT if the SUBRECIPIENT is unable to provide sufficient documentation to staff within 15 calendar days of the staff's written request for additional documentation to support the reimbursement request.
5. Submit a signed final project report before final reimbursement is made by the DEPARTMENT.
6. **PROGRAMMATIC, ENVIRONMENTAL AND HISTORIC PRESERVATION CONDITIONS**

In completing this project, the SUBRECIPIENT must adhere to the following programmatic, environmental and historic preservation conditions:

- a. **Scope of Work Change:** Requests for changes to the Scope of Work after grant award are permissible as long as they do not change the nature or total project cost of the activity, properties identified in the application, the feasibility and effectiveness of the project, or reduce the Benefit Cost Ratio below 1.0. Requests must be supported by adequate justification, including a description of the proposed change; a written explanation of the reason or reasons for the change; an outline of remaining funds available to support the change; and a full description of the work necessary to complete the activity.

A proposed change to the approved Scope of Work (as presented in the FEMA approved project application) must be submitted to the DEPARTMENT and FEMA in advance of implementation for re-evaluation for compliance with National Environmental Policy Act (NEPA) and other Laws and

Executive Orders. Prior approval for a change to the approved Scope of Work must be obtained from the DEPARTMENT and FEMA before the change is implemented. Failure to obtain prior approval for a revised Scope of Work could result in ineligibility of resulting costs.

- b. Comply with all applicable federal, state and local laws and regulations. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding provided by this Agreement.
- c. Ensure that all completed work is in compliance with applicable state and local buildings codes and flood damage prevention legislation.
- d. Monitor site work during ground-disturbing activities for evidence of potential archaeological resources that are uncovered. SUBRECIPIENT must halt the project in the event historically or archaeologically significant materials or sites (or evidence thereof) are discovered. By way of example, such evidence may include, but is not limited to, artifacts such as arrowheads, bone fragments, pottery shards, and features such as fire pits or structural elements. All reasonable measures must be taken to avoid or minimize harm to such resources until such time as the SUBRECIPIENT notifies the DEPARTMENT, and FEMA, in consultation with the State Historic Preservation Officer (SHPO) and appropriate Native American tribes, determines appropriate measures have been taken to ensure that the project is in compliance with the National Historic Preservation Act. In addition, upon discovery of human skeletal remains, the SUBRECIPIENT is required by state law to notify the county coroner and local law enforcement in the most expeditious manner possible and to immediately stop any activity which may cause further ground disturbance.
- e. Determine the presence of hazardous materials and/or toxic waste, and identifying, handling, managing, abating and disposing of such materials in accordance with the requirements and to the satisfaction of the governing local, state and federal agencies, including but not limited to the Washington Department of Ecology. Such materials may include, but are not limited to, asbestos, lead-based paint, propane cylinders, sand blasting residue, discarded paints and solvents, cleaning chemicals, containers of pesticides, lead-acid batteries, items containing chlorofluorocarbons (CFCs), motor oil and used oil filters, and unlabeled tanks or containers.
- f. Conduct work during the non-flood season as determined by the local floodplain administrator. However, should construction be required during the flood season, as determined by the local floodplain administrator, all construction equipment shall be staged in an area not susceptible to flood events or be readily transportable out of the floodplain to minimize flood damage.
- g. Dispose of all debris at an approved and permitted location. No debris shall be temporarily staged or disposed of in a floodplain and/or a wetland.
- h. Confirm with the State Department of Ecology whether this project will require a consistency determination under the Coastal Zone Management Act. If required, the SUBRECIPIENT shall obtain and comply with all requirements of the determination prior to starting the project.
- i. Select, implement, monitor, and maintain Best Management Practices (BMPs) to control soil erosion and sedimentation, reduce spills and pollution, and provide habitat protection. The acquisition site shall be stabilized from erosion and silt laden runoff by implementing these BMPs and securing the site from transient vehicle access. Any excavation and/or grading shall be done within and/or adjacent to the existing building footprint area and not beyond undisturbed portions of the site.
- j. Resubmit the project to the DEPARTMENT and FEMA prior to implementation if any in-water work will occur or if any work will occur below the ordinary high water mark of any water resource in the area, so further coordination/consultation can take place with the National Marine Fisheries Service (NMFS) to determine whether appropriate measures have been taken to ensure the project is in compliance with the Endangered Species Act.
- k. Resubmit the project to the DEPARTMENT and FEMA for re-evaluation for compliance with national environmental policies if the "Project Limits" (including clearing, excavation, temporary staging, construction, and access areas) extend into: 1) an area not previously identified for environmental and historic preservation review, or 2) previously undisturbed ground. Additionally, all work on the project in these areas must stop until this re-evaluation is completed.
- l. National Historic Preservation Act Section 106 requirement: All proposed repair and construction activities on buildings listed in or eligible for the National Register of Historic Places (historic properties) should be done in-kind to match existing materials and form. In-kind means that the result of the proposed activities will match all physical and visual aspects of existing historic materials, including

form, color and workmanship. In-kind mortar also will match the strength and joint tooling of existing historic mortar.

- m. (Additional requirements as noted by FEMA in grant award document).
- n. Cost overruns in excess of the approval budget are fully the responsibility of the SUBRECIPIENT, including those costs resulting from a change in the Scope of Work. The project must remain cost effective (i.e., Benefit Cost Ratio of 1.0 or greater) in the event of cost overrun.

For Hazard Mitigation Grant Program (HMGP) only: A request for additional funds to cover a cost overrun may be granted by the DEPARTMENT and FEMA only if funds are available within the HMGP ceiling for this disaster, FEMA-DR-4309-WA. A request for additional funds must be fully documented and justified.

## 7. SPECIAL FLOOD HAZARD AREA REQUIREMENTS

Pursuant to the Flood Disaster Protection Act of 1973, those structures that remain in the Special Flood Hazard Area (SFHA) after the implementation of the mitigation project, flood insurance must be maintained for the life of the structure. The SFHA is defined as the land in the floodplain within a community subject to a 1 percent or greater chance of flooding in any given year.

The following National Flood Insurance Program Eligibility Requirements contained in the 2015 Hazard Mitigation Assistance Unified Guidance apply to any project involving the alteration of existing structures, to include Mitigation Reconstruction projects that are sited within an SFHA.

- a. When the project is implemented, all structures that will not be demolished or relocated out of the SFHA must be covered by a National Flood Insurance Program (NFIP) flood insurance policy to an amount at least equal to the project cost or to the maximum limit of coverage made available with respect to the particular property, whichever is less.
- b. The SUBRECIPIENT (or property owner) must legally record with the county or appropriate jurisdiction's land records agency a notice that includes the name of the current property owner (including book/page reference to record of current title, if readily available), a legal description of the property, and the following notice of flood insurance requirements as identified on page 44 of the 2015 Hazard Mitigation Assistance Unified Guidance:

"This property has received Federal hazard mitigation assistance. Federal law requires that flood insurance coverage on this property must be maintained during the life of the property regardless of transfer of ownership of such property. Pursuant to 42 U.S.C. § 5154a, failure to maintain flood insurance on this property may prohibit the owner from receiving Federal disaster assistance with respect to this property in the event of a flood disaster. The Property Owner is also required to maintain this property in accordance with the floodplain management criteria of 44 CFR § 60.3 and City/County Ordinance."

- c. Copies of the recorded notices for each property will be provided to the DEPARTMENT at project closeout.

### **The Military Department Agrees To:**

- 1. Provide staff coordination and input regarding grant administration for funding and technical assistance for project and reviews for mitigation construction projects, as necessary.
- 2. Except as otherwise provided in Article II, A.4, of this Agreement, reimburse Lake Whatcom Water and Sewer District within 30 days of receipt and approval of signed, dated invoice voucher(s) (state form A-19) with sufficient documentation of costs to include completion of tasks to date and dated invoices for goods and services purchased. Costs must be categorized according to the budget item and cost classification shown in the Project Budget, Attachment 5. The DEPARTMENT will return invoices to the SUBRECIPIENT if the SUBRECIPIENT is unable to provide sufficient documentation within 15 calendar days of the DEPARTMENT's written request for additional documentation to support the reimbursement request.
- 3. Coordinate with the staff of Lake Whatcom Water and Sewer District to schedule any sub-recipient monitoring, site visits or final inspections by DEPARTMENT staff.

**PROJECT DEVELOPMENT SCHEDULE**

SUBRECIPIENT: **Lake Whatcom Water and Sewer District**  
 PROJECT TITLE: **Division 7 Water Reservoir Seismic Upgrade- Phase I**

<b><i>DESCRIPTION OF ACTIVITY/TASK</i></b>	<b><i>SCHEDULED COMPLETION DATE</i></b>
Advertise and Select Engineering Firm	1 month
Design of new reservoirs and seismic valve	3 months
Permitting	6 months
Total Time Required to Complete This Project: 6-10 months	
Quarterly Reports Due on Project Progress, Final Project Report and all documentation, site visits and inspections.	April 15,2022 July 15,2022 October 15, 2022 January 15, 2023; April 15, 2023 (final report)

**PROJECT BUDGET**

SUBRECIPIENT: **Lake Whatcom Water and Sewer District**  
 PROJECT TITLE: **Division 7 Water Reservoir Seismic Upgrade- Phase I**

<b><i>APPROVED BUDGET CATEGORY</i></b>	<b><i>ESTIMATED COST</i></b>
Pre-award	\$ 30,750.00
Land Structures, Right of Way, appraisals	\$ 11,750.00
Architectural Engineering Geotechnical etc.	\$ 249,979.51
Miscellaneous	\$ 157,474.49
Phase I Costs	<b>\$449,954.00</b>
<b>Total Project Cost for Phase I \$ 449,954.00</b>	
<p><b>Tracking and Reporting Project Costs:</b> Project expenses for which reimbursement is sought must be tracked and reported by approved budget cost categories, above. Documentation of expenditures by approved budget cost categories should be made on a separate spreadsheet or table and included with each A-19. Supporting documentation of all costs shall include, but not be limited to: tracking of staff time spent on the project through timesheets or other similar documentation; dated invoices from contractors and subcontractors for work completed; dated invoices for goods and services purchased; and documentation of in-kind contributions of personnel, equipment and supplies.</p> <p><b>Final Payment:</b> Final payment of any remaining, or withheld, funds will be made upon submission by the SUBRECIPIENT within 60 days of completion of the project of the final report and an A-19, Voucher Distribution, and completion of all final inspections by the DEPARTMENT. Final payment also may be conditioned upon a financial review, if determined necessary by the DEPARTMENT. Adjustments to the final payment may be made following any audits conducted by the DEPARTMENT, Washington State Auditor's Office, the United States Inspector General, or their authorized representatives.</p>	

For Hazard Mitigation Grant Program only: A request for additional funds to cover a cost overrun may be granted by the DEPARTMENT and FEMA only if funds are available within the HMGP ceiling for this disaster, FEMA-DR-4309-WA. A request for additional funds must be fully documented and justified.



**AGENDA  
BILL  
Item 7.C**

**Customer Appeal—Water/Sewer  
Utility Bill**

DATE SUBMITTED:	February 2, 2022	MEETING DATE:	February 9, 2022
TO: BOARD OF COMMISSIONERS	FROM: Jennifer Signs, Finance Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. Letter from Mr. & Mrs. Worline – 6 Doe Court with attached pictures 2. Administrative Code reference 3. Customer February 2022 bill & account history		
TYPE OF ACTION REQUESTED	RESOLUTION <input type="checkbox"/>	FORMAL ACTION/ MOTION <input checked="" type="checkbox"/>	INFORMATIONAL /OTHER <input type="checkbox"/>

**BACKGROUND / EXPLANATION OF IMPACT**

Through its Administrative Code, the District has set policy on how it administers its services, including water/sewer utility billing processes. To maintain consistency, District staff implements the Administrative Code as written. Per Section 2.1, “The General Manager shall be the administrator of the District. Appeals of the General Manager’s instructions, interpretation of District policy, or decisions may be made to the Board of Commissioners in writing for consideration before a regular or special meeting of the Board.” Section 3.7.1 provides additional direction regarding appeals of the General Manager’s decisions “Any Customer or other person who believes that he/she has been wrongfully treated by a decision of the District may have that decision reviewed by the District’s Board of Commissioners.”

The District received a letter on February 2, 2022, (attached) from Trang & Corby Worline requesting an appeal to the Board for relief from water consumption charges. Mr. & Mrs. Worline’s appeal is associated with water utility charges incurred as a result of a leak in a water line break located in a crawl space that occurred during the bi-monthly billing period of February 1, 2022, which included usage from December 2021 through January 2022.

District Administrative Code allows for leak adjustments (Section 2.10.8) when leak adjustments are for “...water bills resulting from in-ground water service line breaks between the water meter and the outermost exterior walls of the structure.” This leak doesn’t qualify for an adjustment under Section 2.10.8 due to the location of the break.

Historically, staff has completed an administrative leak adjustment credit in instances where the excess consumption has been specifically attributed to a qualifying leak. District staff has informed Mr. and Mrs. Worline that under current District Code, their bill can’t be reduced due to this type of leak.

When staff explained this to Mrs. Worline, she stated that her family couldn't pay the bill in full and that the monthly payments of a bill this high would put a financial burden on their already stressed financial situation. Staff explained to her that the District is a public agency that must consistently administer its policies, as defined in the Administrative Code, and that staff does not have the authority to further reduce water consumption charges outside of the leak adjustment policy defined in the Administrative Code. Mrs. Worline was not satisfied with this response and elected to appeal the General Manager's decision to the Board, as allowed under the Administrative Code.

Following provides a summary of events relative to Mr. Heidenreich's appeal:

- January 20, 2022: Meter was read; consumption of 50,233 cubic feet recorded.
- January 21, 2022: Staff went back to the property to perform a new read to verify consumption. Account noted of 24-hour leak; hose was connected, and pipe broke on inside wall; water was shut-off and renter was shown the issue.
- January 26, 2022: District criteria for notifying customer of high usage (2,500 cubic feet per Administrative Code Section 4.4.3(7)) prompted a letter being sent pointing out regarding the high usage.
- February 1, 2022: Utility bill was mailed to customer. Owner called regarding the high use letter was received. Water leak was "inside in crawl space of home leading to an outdoor faucet" and not the pipe between the house and the meter. District policy explained to customer as noted above. Staff also offered a 12-month payment plan at which the customer declined at this time stating the monthly payments would be too much of a burden as well.
- February 2, 2022: Mr. & Mrs. Worline submitted a letter to the District office stating circumstances around the usage and leak. They state in their letter that they are working with a plumber and will initiate repairs as soon as possible. They believe that for now the pipe is no longer leaking as there is no water supplied to it. Mr. & Mrs. Worline are requesting in their letter that the bill be reduced to the normal amount. Staff explained to them that under the Administrative Code the bill can't be reduced. Staff also explained that the code doesn't allow for an adjustment to completely reduce a bill regarding water usage leaked out of the system. The customer felt they shouldn't be responsible for the whole bill. As a result, the sole recourse is to appeal this bill to the Board of Commissioners.

#### **Enclosed Documents for Reference**

- Letter from customer stating concerns and their findings
- Customer's February 2022 billing
- Account history of water consumption and billing history of customer's account

#### **FISCAL IMPACT**

Customer request would reduce Mr. & Mrs. Worline's February 2022 billing by \$6,596.69 with amount owing of \$300.

#### **APPLICABLE EFFECTIVE UTILITY MANAGEMENT ATTRIBUTE(S)**

Financial Viability

#### **RECOMMENDED BOARD ACTION**

The District must apply billing policies consistently to all customers. Staff recommends that the Board uphold its billing policies, as implemented.

**PROPOSED MOTION**

Should the Board wish to uphold current policy, as defined in the Administrative Code and implemented by staff, a recommended motion is:

“I move to uphold the District Administrative Code as written and implemented by the General Manager, and decline Mr. & Mrs. Worline’s appeal for a full leak adjustment.”

Should the Board wish to revise District policy regarding leak adjustments under this scenario, staff recommends the Board provide verbal direction to work with District legal counsel in drafting a resolution for Board consideration that amends the District Administrative Code to allow for leak adjustment credits beyond current policy, and under what scenario(s) said leaks should be allowed.

Trang and Corby Worline  
6 Doe Court, Bellingham WA 98229  
Phone: 925-457-4880

▶ Lake Whatcom Water & Sewer  
Board of Commissioners  
1220 Lakeway Drive  
Bellingham, WA 98229

'22FEB 2 2:17PM

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Subject: Request for Reduction of Water Bill at 6 Doe Court

Dear LWW&S Board of Commissioners,

I am writing this letter to request a water bill reduction for the property listed at 6 Doe Court, Bellingham WA. This is a rental property that my husband and I have own since December 2019 and our tenant have live there since March of 2020.

On January 21<sup>st</sup>, 2022, a water leak was discovered by one of your employee that was doing a meter check. My tenants were notified by that LWW&S employee and I received the call from them on the same day. The water was turn off immediately from the street by your employee. My husband and I came that same day to investigate the leak. We discover the cause of the leak was from a water line that was feeding into an outside faucet. The waterline was in a crawl space that was not visible from inside or outside the house. During this billing cycle, there was a deep freeze in Sudden Valley. We believe that the pipe burst under our crawl space when the weather got warmer and it thaw out the second week of January. Because the leak occurred within a hidden area of the property's crawl space and the water leak into the ground of the property, we were not aware of the leak nor how long water was leaking from that burst pipe. Once we were brought aware of the unusually water usage by your employee, we closed off the water valve that was the supply water to the exterior faucet. We verified using the water meter as a check point that the leak was stopped. To the best of our knowledge, the leak has been stopped. We have plan for a plumber to fix/replace the burst pipe and to make sure something like this won't happen again, but as you may be aware many homes had frozen pipes this past month and finding a plumber at this time is a waiting process.

Today, we received the courtesy water notification in regards to the November 18<sup>th</sup> to January 20th water bill. We are in the shock to see the amount of \$6725.02 and that the water usage according to the bill was 50233 cubic feet of water? The normal water usage for this property is about 800 to 1000 cubic feet and the water bill averages around \$275-\$290 every two months. You can see that in property's statements

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history. The amount of water that shows for this billing cycle is more than 4 years worth of water usage for this property. I am overwhelm at this water bill and am seeking assistant from you the Board to help us in any way you can.

This is a major expense my family and I cannot afford to take on. We cannot afford to pay this \$6725 water bill, which calculate to be over 4 years of water usage. My husband has been on reduced hours from his work since October of 2021 and I have taken an unpaid leave of absence from my part time work due to my health status and the rise of Covid cases at my work. Currently it is my husband's unemployment that is helping us subsidized our household income. We barely make enough to cover our own mortgage and house expenses. The rent we charge to our tenant covers just the mortgage for the rental property and HOA fee associated with the property. There is no extra income associated with the property to cover such a major water bill expense.

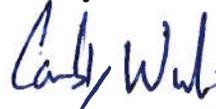
We understand we are responsible for part of the water bill usage, but we ask that the Board take into consider this past month's unusual weather situation, the location of the leak (see attach photos), the amount of unused water that was leaked into the ground, and our current financial situation within our household and grant us a reduction on the December/January water bill of \$6725. We ask that the bill be reduced to what is the normal usage for this property of \$270-\$300, or at least provide us a more feasible and reasonable charge. We know water leak are the responsibly of the homeowner and we are willing to pay a reasonable fee associated with this leak, but the amount ask of us for a leak that was not foreseen or discovered due its hidden location would cause a financial hardship and add another financial obligation onto our already limited income funds. Whatever help or reduction you could give us would help our family stay afloat financially and allow us to meet our debt obligations and expenses to our household would be greatly appreciate. Thank you for taking the time to read this request.

Sincerely,

 2-2-22

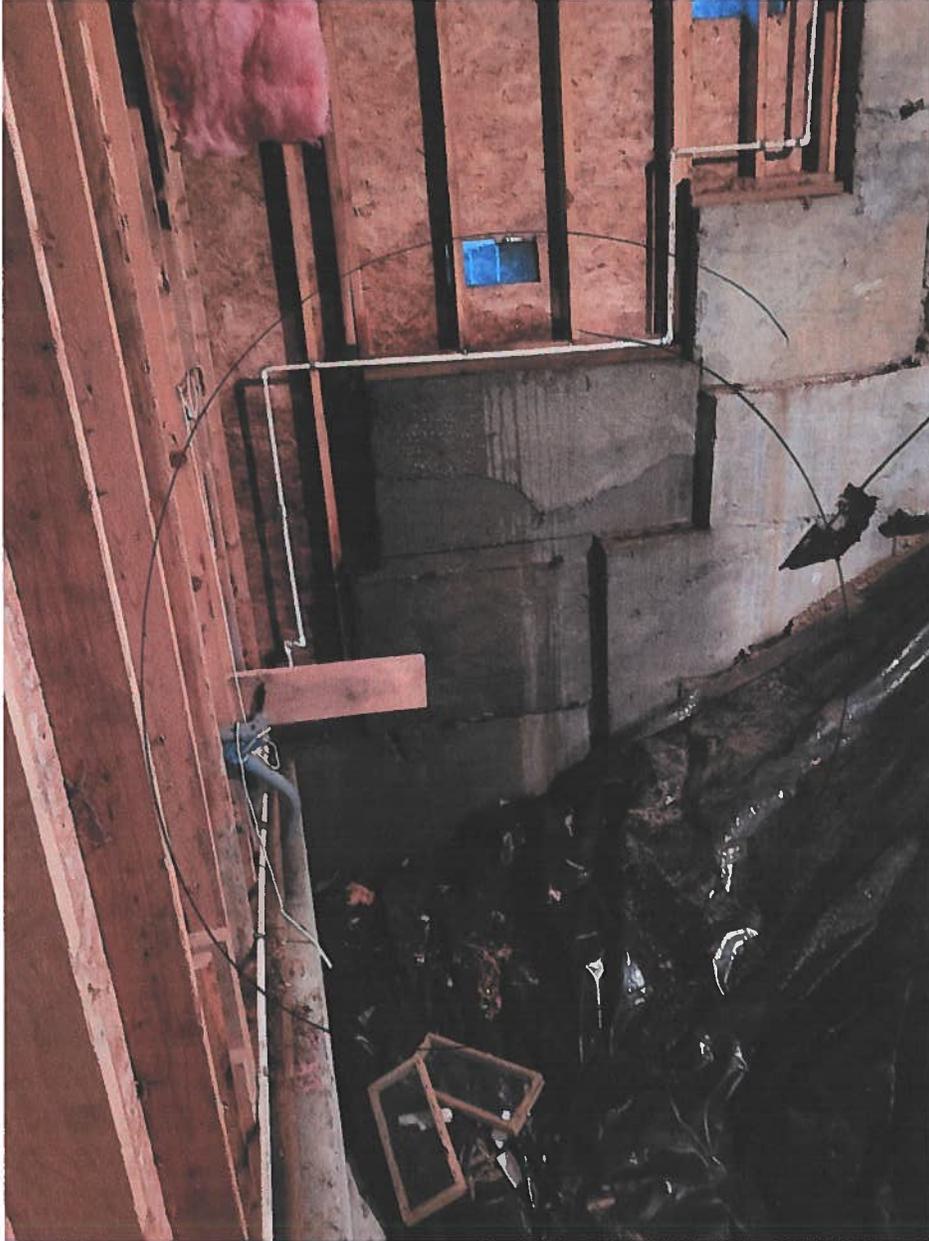
Trang N Worline  
Owner of 6 Doe Court

Sincerely,

 2-2-22

Corby B Worline  
Owner of 6 Doe Court

Attachment: Photo of the crawl space where the pipe burst



water  
leak location  
into ground

Attachment: Photo of the crawl space where the pipe burst



Attachment: Photo of burst pipe location



broken  
pipe

### **2.10.8 Water Leak Adjustments**

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

1. Water consumption figures from the same billing period in the previous year are used to calculate the leak adjustment. If less than one year's usage history exists, the current base rate allowance will be used as a non-leak quantity basis. The District will credit qualifying leak adjustment dollar amounts to the current or next customer bill. The adjustment credit shall not exceed \$1,000 or 50 percent of the amount determined to be the excess water usage charge, whichever is less.
2. The District has adopted a tiered rate structure for water. Water usage exceeding 2,500 cubic feet in a two-month billing period is billed at a higher "water conservation" rate. For the purpose of calculating leak adjustment credits, water usage over 2,500 cubic feet will be billed at the lower tier rate.
3. Water leak adjustments are limited to one adjustment per owner during the life of that metered service. When a leak occurs, the overage may be reflected on more than one consecutive billing cycle. In those instances, the District will utilize both contiguous cycles for the purpose of calculating leak adjustment credits.
4. The District will set up an incremental payment schedule on the remaining balance of the leak amount at the customer's request. Payment schedules must be arranged in a way that ensures payment of the current two-month minimum billing plus an installment on the extraordinary portion of the bill. The extraordinary portion of the bill must be paid in full within 12 months of incurring the charges. Late charges on the leak amount will be waived if the customer adheres to the prearranged payment schedule. [Resolution Nos . 821, 861, 870]

**Account Information**

Statement Date: 02/01/2022 Due: 03/20/2022  
 Billing Period: Dec. & Jan.  
 Account Number 000001213  
 Service Address: 6 DOE CT



Due Date: 03/20/2022  
 Please Remit: 6,896.69  
 Check #: \_\_\_\_\_  
 Amount Paid: \_\_\_\_\_

CORBY & TRANG WORLINE  
 18 DOE CT  
 BELLINGHAM, WA 98229

Please remit payment to:

LWWSD  
 1220 Lakeway Drive  
 Bellingham, WA 98229

Please contact us if you have any questions at (360) 734-9224, Monday through Thursday, 8am to 5pm.

You may also email us 24 hours a day, 7 days a week at ar@lwwsd.org, or visit our website at www.lwwsd.org.

**Account Information**

Statement Date: 02/01/2022 Due: 03/20/2022  
 Account Number: 000001213  
 Service Address: 6 DOE CT  
 Service Number: 220022332  
 Billing Period: Dec. & Jan.  
 Water Units: 1.00 3/4" Meter  
 Sewer Units: 1.00 Sewer Base Charge  
 Misc Units:  
 Water 2 Units: 1.00 Written From Filter Search

**Meter Information**

Previous	Current	Factor	Date	Consumption
36697	86930	1.0000	01/20/2022	50233

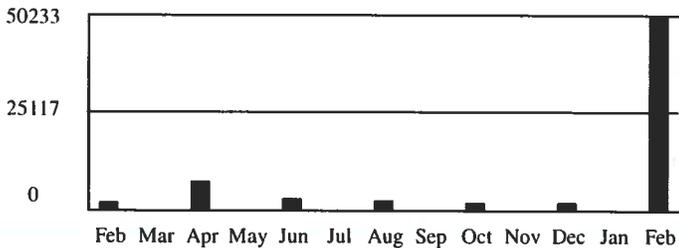
**Account Name**

CORBY & TRANG WORLINE  
 18 DOE CT  
 BELLINGHAM, WA 98229

**Account Activity**

Water Base Charge 76.05  
 Water Consumption 6,648.97  
 Sewer Base Charge 171.67

**Your Monthly Consumption**



**Message**

**Account Balance**

Previous Balance: 259.05  
 Adjustments: 0.00  
 Payments: 259.05  
 Current Charges: 6,896.69  
**Balance: 6,896.69**

Account  
 1213

30:	0.00	60:	0.00	90+:	0.00
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# UTILITY ACCOUNT HISTORY

Lake Whatcom W-S District

Time: 14:29:47 Date: 02/02/2022  
Page: 1

02/01/2021 To: 02/02/2022

WORLINE, CORBY & TRANG: 000001213; Service Location: 220022332

6 DOE CT	Current	Previous	Water Usage	Sewer Usage	Current	Previous	electric Usage	Demand	Chg/Pymt	Balance
02/01/2021 Bill	25748	24863	885					0	270.19	270.19
02/12/2021 Payment								0	-270.19	0.00
04/01/2021 Bill	32106	25748	6358					0	973.56	973.56
04/05/2021 Bill		32106					*	0	-104.55	869.01
04/12/2021 Payment								0	-869.01	0.00
06/01/2021 Bill	34139	32106	2033					0	402.34	402.34
06/12/2021 Payment								0	-402.34	0.00
08/01/2021 Bill	35222	34139	1083					0	299.84	299.84
08/12/2021 Payment								0	-299.84	0.00
10/01/2021 Bill	35992	35222	770					0	266.06	266.06
10/12/2021 Payment								0	-266.06	0.00
12/01/2021 Bill	36697	35992	705					0	259.05	259.05
12/12/2021 Payment								0	-259.05	0.00
02/01/2022 Bill	86930	36697	50233					0	6,896.69	6,896.69

Billing Periods 7 Billed Amt: 9,367.73 Avg 1,338.25



**AGENDA  
BILL  
Item 9.A**

**General Manager's  
Report**

DATE SUBMITTED:	February 3, 2022	MEETING DATE:	February 9, 2022
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, February 9, 2022 – 6:30 p.m.

**Important Upcoming Dates**

Lake Whatcom Water & Sewer District			
Regular Board Meeting	Wed Feb 23, 2022	8:00 a.m.	Remote Attendance
Employee Staff Meeting	Thu Feb 10, 2022	8:00 a.m.	Remote Attendance Commissioner Citron to attend
Investment Comm. Meeting	Wed Apr 27, 2022	10:00 a.m.	Remote Attendance
Safety Committee Meeting	Thu Feb 24, 2022	8:00 a.m.	Remote Attendance
Lake Whatcom Management Program			
Policy Group Meeting	Wed Feb 16, 2022	3:00 p.m.	Remote Attendance
Joint Councils Meeting	Wed Mar 23, 2022	6:30 p.m.	Remote Attendance
Other Meetings			
WASWD Section III Meeting	Tue Mar 8, 2022	6:00 p.m.	Remote Attendance
Whatcom Water Districts Caucus Meeting	Wed Feb 16, 2022	2:00 p.m.	Remote Attendance
Whatcom County Council of Governments Board Meeting	Wed May 11, 2022	3:00 p.m.	Remote Attendance

**Committee Meeting Reports**

Safety Committee:

- Committee met on January 21; discussion included the testing of potential fall protection anchors at sewer lift station wet wells, the completion of asbestos hazard and forklift operator certifications by operations staff, and the status of annual employee online safety training and review of various District safety programs.

Investment Committee:

- Committee met on January 26 to review the recent bond purchases (investments).

**Upcoming Board Meeting Topics**

- Site lease agreement with DISH Wireless LLC
- 2020 census commissioner redistricting alternatives presentation, public hearing and adoption
- Euclid Sewer Lift Station Improvement Project construction contract award
- Design and construction standards update
- Lake Whatcom Boulevard Sewer Interceptor Improvement Project construction contract award
- Personnel policies manual update
- General facilities charges (GFC) analysis 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.  
*A District-consultant meeting was conducted on January 27; next steps are for management to review the draft document inventory list and analyze integration of records protection/recovery into applicable District emergency response documents.*

#### Safety Program Update

- Continue systematic review and revision of District's safety programs by updating nine programs in 2022.  
*The safety committee is finalizing an update to the personal protection equipment (PPE) program and has initiated review of the safety responsibilities 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 attended the WASWD general managers' meeting on February 2.*
- *J Clary attended the Washington State Public Works Board meeting on February 4.*
- *J Clary scheduled to present (District Winter Storm Response) at the WASWD Section III meeting on February 8.*
- *J Clary scheduled to meet with Senator Sefzik on February 9.*

## **Lake Whatcom Water Quality**

### Lake Whatcom Management Program

- Participate in meetings of Lake Whatcom Management Program partners.  
*No LWMP-related meetings have been held since the January 26 board meeting.*

### 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.*