



1220 Lakeway Drive
Bellingham, WA 98229
(360) 734-9224

March 30, 2022

Re: Eagleridge Water Booster Conversion Project

Dear Eagleridge Water System Customer:

The District appreciates our ongoing dialogue with the Eagleridge Homeowners Association and the seven water system customers located on Donald Avenue regarding the planned Eagleridge Booster Station Conversion Project. The District received a letter dated February 8, 2022, from Tom Rosenberg and Claire Beiser representing the Donald Avenue customers, and a letter dated February 9, 2022, from Brian and Maureen Sullivan representing the Eagleridge HOA. Both letters are enclosed for ease of reference. The purpose of this letter is to address comments raised within both letters, request clarification on a few of the comments, and to assist in better understanding the effects of proposed water pressures at customers' homes.

Project Background and Impact

The District provides water service to Eagleridge customers via a connection with the City of Bellingham's water system (referred to as an "intertie"). At the time of design and construction of the Eagleridge water system, the pressure within the City's water system necessitated construction of the booster station to meet Washington State regulations for a public water system. Washington Administrative Code 246-290-230 requires a minimum of 30 pounds per square inch (psi) under *peak hourly demand* conditions (the highest-use scenario under normal operating conditions). The District required the developer, Eagle Ridge Associates, to construct the booster station as a condition of development. At some point after construction of the Eagleridge water system, the City constructed improvements within its water system that resulted in an increase in Eagleridge water system pressures far above the State requirements (current peak hourly demand pressures within the Eagleridge system range between 68 and 101 psi). As a public agency expected to operate its systems in the most cost-efficient manner possible, as the booster station components approached the end of their useful lives, the District performed a hydraulic analysis to determine whether replacement was necessary to meet State requirements. The analysis concluded that the domestic pumps are not required and may be removed from service. Based upon this analysis, the Washington State Department of Health (DOH), which regulates public drinking water systems, approved removing the domestic pumps from service.

As has been voiced by a number of customers, the proposed project would result in a drop in pressures within the Eagleridge water system of approximately 34 psi under peak hourly demand scenarios; however, a drop of this magnitude is not anticipated within most of your homes. District standards require that all homes have a pressure reducing valve (PRV), which is typically set somewhere between 40-80 psi. This is an optimal range for residential water pressure and protects the home and its appliances against pressure that is so high it may cause damage. The District developed a map (enclosed) showing anticipated water pressures the Eagleridge system will deliver under *average day demand* (typical) conditions at the ground floor of each home. One

can anticipate a 4- to 5-psi drop from that value on the second floor of a home, assuming a 9- to 12-foot rise in elevation. Most homes are expected to be within the optimal 40-80 psi range at which the home's PRV should currently be set.

Response to Rosenberg/Beiser February 8 Letter

The following responses are provided numerically to correspond with the comments in Mr. Rosenberg and Ms. Beiser's letter.

1. The District's first letter, dated December 6, 2021, incorrectly stated the estimated replacement cost of the domestic booster pumps as \$275,000. This was the cost estimated to replace the three domestic pumps *and* the two fire pumps, *and* all system controls. The mistake was corrected in the District's letter dated January 4, 2022. The capital cost of replacing the three domestic pumps would be closer to \$156,000 (\$130,000 for construction/equipment with a 20 percent multiplier for engineering design). Operation of the pumps would then be an additional \$50,000 over the 20-year planning horizon.
2. Please refer to the discussion above pertaining to anticipated project impacts. While there would be a decrease in the public water system, typical water pressures at most of the homes served by the water system would be in the optimal service range that each home's PRV should currently be set at.
3. The stated opinion that the regulatory requirement of 30 psi at the meter is not an appropriate household standard is noted and will be considered by the Board. As to what was stated by the DOH engineer to Mr. Rosenberg, the District was not a party to the discussion and therefore cannot comment on it.
4. The stated opinion that the cost to customers will be very burdensome and unreasonable is noted and will be considered by the Board. As to the possible workarounds not mentioned in the December 6, 2021 letter, the purpose of that letter was to notify all 70 customers of the planned project, most of whom are not expected to be significantly impacted (refer to discussion above). The District intended to follow up with outreach to customers at higher elevations of the system after the holidays; however, contact from a number of customers in mid- to late-December initiated that phase of outreach.

The February 8 letter also references a concern regarding the project's fairness relating to a reduction in level-of-service. The District has adopted a uniform rate structure whereby all customers pay the same rate regardless of location (Eagleridge, Agate Heights, Geneva, Sudden Valley, etc.). The water system pressures anticipated following project implementation would be consistent with pressures currently provided in the District's other water systems. Therefore, the proposed project would provide a level-of-service (in the form of water pressures) consistent with that provided other District customers at the same rate those customers currently pay.

Response to Sullivan February 9 Letter

The following responses are provided numerically to correspond with the comments in Mr. and Ms. Sullivan's letter. The responses also attempt to clarify the purpose of separate agreements that the District entered between the City of Bellingham (for connection to the City's water system) and the private Eagleridge developer (for acceptance of the Eagleridge water [and sewer] system infrastructure).

1. The District entered an interlocal agreement with the City of Bellingham in June 1988, which was subsequently amended in June 1989. The purpose of the interlocal agreement and its amendment was to allow for District connection to the City's water system and for District purchase of City water, in support of the Eagleridge development and adjacent parcels. At the time of development of the interlocal agreement and its amendment, the City's water system could not meet water pressures required by the State within the future water system of the proposed development. Therefore, a clause was included within the agreement (Paragraph No. 3 of the original and Paragraph Nos. 3 and 4 of the amendment) whereby the District would pay the City \$35,000 to perform upgrades to the City's water system to provide sufficient pressures for the Eagleridge development, unless the District constructed or had constructed a water pumping station. Because the Eagleridge developer constructed the water pumping station, the District was not required to pay the City and the City did not perform the above-mentioned water system upgrades.

The District entered into separate developer extension agreements (DEAs) with the private developer, Eagle Ridge Associates, for construction of water and sewer infrastructure necessary to serve the planned Eagleridge subdivision as a condition of the District providing water and sewer service to the development.

None of the agreements or amendments obligated the District to meet service standards exceeding state regulatory requirements for the Eagleridge development.

2. Paragraph No. 4 of the amended interlocal agreement between the District and the City of Bellingham executed in June 1989 references a \$300 fee the District would pay to the City of Bellingham for each future connection to the District's water system that would be served by the water supplied through the City-District intertie. This fee compensated the City for each connection's proportionate share of impacts to the City of Bellingham's water system capacity. The March 5, 1990, letter from the District to the Eagleridge developer accepted the dedication of the developer-constructed water and sewer infrastructure to the District with assurances that the District has capacity to "meet all state and county health department standards for a public water supply system." Acceptance of the infrastructure did not create an obligation of the District to provide water service beyond state regulatory requirements.
3. As indicated, the water booster station was required at the time of development of Eagleridge subdivision because pressures in the City of Bellingham's water system were insufficient to meet minimum operational regulatory requirements throughout the planned subdivision. The City subsequently increased pressures within its water system, which in turn increased pressures within the Eagleridge water system. The increased pressure did not create an obligation of the District to provide water service beyond state requirements.
4. Please refer to the Project Impacts section above and the enclosed figure. Most water system customers will have 40-80 psi water pressure at their homes, consistent with what their PRVs are currently regulating pressures at. Based on the information at hand, it does not appear most residents will require supplemental pumping systems. Supplemental pumping systems could be beneficial for homes located at higher elevations of the system where owners desire a higher water pressure based on their personal preference and needs.
5. The proposed project was reviewed, found to comply with applicable state laws and regulations, and approved by the DOH Office of Drinking Water.

6. The District requests additional information and/or explanation of the claims that it has accrued more than 150% of funds in capital reserves billed to Eagleridge customers and that over \$170,000 in rates was paid by Eagleridge customers to replace the existing pumps and operate for the next 20 years. Please note that the District operates under a cash basis of accounting, not accrual accounting. As such, the District does not depreciate its equipment/infrastructure. Rather, a component within the District's rate structure generates annual funding dedicated to system reinvestment, which is based at approximately 1% of the original value of the District's combined infrastructure for that utility. The District funds its capital (system reinvestment) program based upon its six-year capital improvement program, which identifies and prioritizes projects necessary to ensure continuity of service in compliance with State and federal regulations for the entire District system. The domestic pumps of the Eagleridge booster station were not included in the District's six-year capital improvement plan because they are not required for the water system to meet State and federal regulations.

Next Steps

As indicated earlier, the District appreciates that it is difficult to evaluate the impact of the proposed project to water pressures at one's tap without experiencing it. The HOA's proposal to conduct a *test day* in which the domestic pumps are turned off to allow customers to assess resulting water pressure is well taken. We will be collaborating with you soon to identify a date(s) that are mutually agreeable.

In the meantime, though the project was originally scheduled for implementation this Spring, this is no longer the case. The District intends to provide time for affected customers to provide input, and for the Board to consider all additional information, before deciding how to proceed. Discussion on the project is scheduled for the Board's April 13, 2022, meeting (meeting starts at 6:30 p.m. and an access link will be available on the District's website on or before April 8).

Again, thank you for the ongoing dialogue regarding this project. Should you have any questions, please do not hesitate to contact me at 360.734.9224. Also, additional information specific to this project is available on the District's website (www.lwwsd.org)—select the "Eagleridge Water Booster Conversion Project" from the "Projects" dropdown menu in the website banner.

Sincerely,

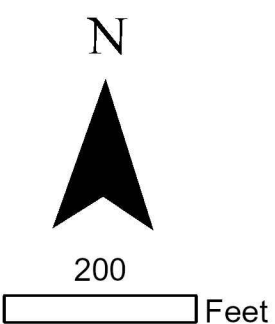
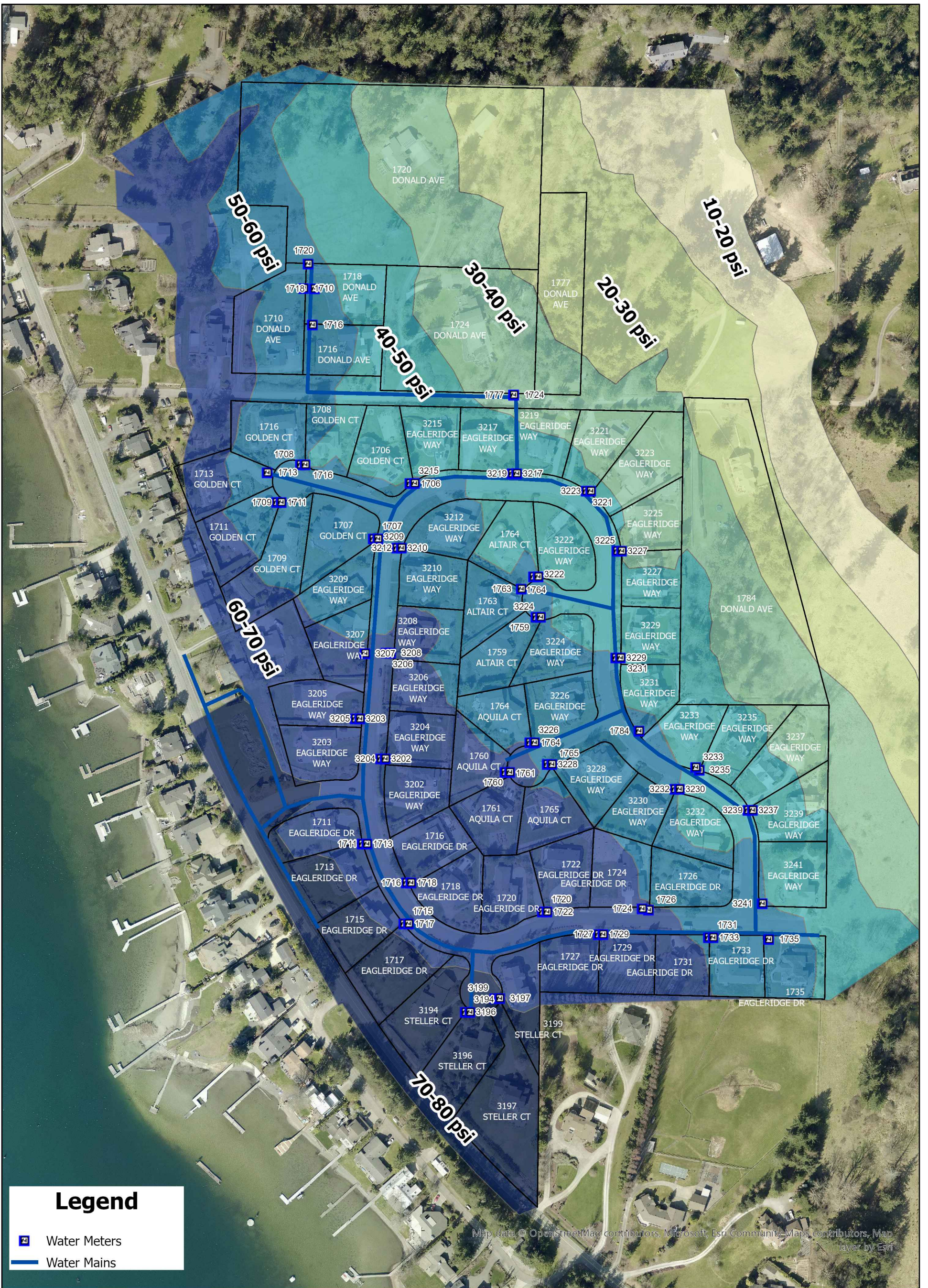
Lake Whatcom Water and Sewer District



Justin L. Clary
General Manager

Enc. Water Pressure Map after Removal of Domestic Pumps
Tom Rosenberg and Claire Beiser letter dated February 8, 2022
Brian and Maureen Sullivan letter dated February 9, 2022

cc: Board of Commissioners



Eagleridge Water System

**Calculated Water Pressure
for Average Day Demand
after Removal of Domestic Booster Pumps**

District Project #C2011
Map prepared by Lake Whatcom Water and Sewer District
2/16/2022

8 February 2022

Dear Lake Whatcom Water District Commissioners

It has been approximately two months since the Eagleridge and Donald Avenue homeowners received the letter from Justin Clary dated December 6, 2021 and several weeks since the January 12 meeting of the Commissioners. We have spoken to many Donald Avenue and Eagleridge homeowners, and we believe many people now have a better understanding of the potential implications of this project. We expect that the Commissioners now have a better understanding of the project's implications as well.

Here is what we have learned in the weeks since we initially received the letter of December 6:

- 1) The cost to replace the domestic pumps is approximately \$122,000, not \$275,000 as stated in the letter.
- 2) The decrease in service is not "slight" as mentioned in the December 6 letter. In many cases the decrease in service will be 40-60% or more, which is unacceptable. Some homes would be rendered completely nonfunctional.
- 3) The regulatory requirement of 30 psi at the meter is not an appropriate standard for a functioning household. It is a standard merely to prevent contamination. When we spoke to the engineer at the Department of Health who approved this project, she told us 30 psi represented a "D minus level of service". She could not understand why the District would want to make this change.
- 4) The cost to the customers to compensate for this decrease in service (booster pumps, generators, electrical service, etc.) is very burdensome and frankly unreasonable. Of note, these "workarounds" were not mentioned in the December 6 letter. These suggestions only came to light after several homeowners contacted Mr. Clary.

We and many of the other affected homeowners cannot understand why this project is being considered. From a fairness perspective reducing the level of service to so many customers who have been paying high rates that should accommodate operation, maintenance and replacement is just not right. This is not how loyal customers should be treated. The project also doesn't seem to make financial sense.

Spend the \$122,000 to upgrade the pumps to provide the same level of service for the next 20-30 years. Don't transfer the responsibility to provide appropriate level of service to your customers after they have been financing the replacement of the pumps for over 30 years.

We are happy to discuss this issue with you further and look forward to attending the work session on February 9.

Thank you for your indulgence.

Respectfully,

Tom Rosenberg and Claire Beiser

February 9, 2022

Lake Whatcom Water & Sewer District
Justin Clary
General Manager
1220 Lakeway Drive
Bellingham, WA 98229

Dear Mr. Clary,

The homeowners of the Eagleridge Development formed a sub-committee to address concerns with LWWS&S's proposal to decommission the Eagleridge Water Booster Pumps. The necessity for the pumps was deemed necessary by the District to provide "adequate" PSI to residents of the Eagleridge Development and other homes on the north shore of Lake Whatcom.

Since receiving the December 6, 2021, letter from the District, you have heard from Eagleridge and effected Donald Avenue homeowners expressing the harm and the many reasons "why" the decommissioning of pumps is neither fair nor equitable. We ask that the District Commissioners and staff take a step back, review how they came to their decision to decommission pumps and objectively take into consideration the following key points:

1. The District and the City of Bellingham in an Amendment to a pre-existing Inter-Local Agreement in November of 1989, deemed the Eagleridge Pumping Station was necessary to provide "adequate" water and sewer services. Explanation for the necessity was due to at the time, residents of Eagleridge at higher elevations, with multi-story homes were experiencing low PSI whereby upper floor water fixtures only provided trickles of water.

Subsequently, the District entered into an Agreement with the developer Eagleridge Associates, in lieu of the District funding a surety bond with the City of Bellingham to ensure a pumping station was constructed. The District's Agreement with the Developer was to provide "structure, infrastructure, pumps, electrical components and property" for which the Eagleridge Pumping Station was built and remains in operation.

2. The District, in the revised Inter-Local Agreement of November 1989, with the City of Bellingham agreed to pay the city the sum of \$300 per property connection, for adequate water and sewer connection services to the "Eagle Ridge Plat and to all additional connections in District 10's North Shore Service Area".

Homeowners subsequently purchased property and their homes infrastructure and exterior irrigation were designed based on the “adequate” water pressure that the District reaffirmed in a March 5, 1990, letter to the Developer, stating they would provide. The proposed decommissioning of pumps resulting in a 40% degradation of water services is neither fair nor equitable and will cause harm to the affected homeowners in not being able to properly operate their homes and subject them to undo harm.

3. For 30 plus years, the District has established the precedent of what qualifies as “adequate” PSI. Accordingly, the District billed homeowners for their water and sewer services and homeowners paid those bills establishing an implied agreement between the parties whereby keeping all previously existing agreements to provide “adequate” water services intact.
4. Shifting of expense to maintain adequate water PSI to the homeowner would result in costly modifications, individual household addition of a water booster pump and reconfigurations/additions of irrigation stations. Estimates to date are exceeding \$5000 for just the pump and installation. This did not include electrical hook-up, modifications to main panel nor a generator to ensure household function ability adding thousands of dollars that individual homeowners would have to burden.

The proposed 40% degradation in PSI pressure will obsolete existing automatic irrigation systems. This will require modifications to valves, heads and potentially an additional expense of \$2000 per water station deemed needed to properly maintain “adequate” irrigation flow to irrigate landscape. This is yet another example of thousands of dollars that individual homeowners would have to burden.

In total the District is asking 70 residents to spend an estimated \$10,000 per home, with a cumulative impact of \$700,000. Homeowners burdening such excessive cost or risk the devaluation of one’s home is neither fair nor equitable and not without the risk of harm.

5. The District to date, has stated justification for their decision is supported by WAC 246-290-230, Paragraph 5, as the basis for which decommissioning pumps is permissible under state standards. We would ask that the District review the differences allowed in the statute and what is being proposed is neither a new public water system nor addition to an existing system. It is in fact a permanent removal of a feature of a system that has been in operational existence since 1990.

6. Continued ongoing debate, discussion, and spending resource time on both the District and Homeowners part vs. simply replacing the pumps, at the estimated cost of \$122, 000 is unnecessary when to date, funds more than 150% of the cost to do so have been accrued in capital reserves through billing for services to Eagleridge customers. Fundamentally, the end of life of the pumps were budgeted for replacement by year 20 of use, which is the standard for this type of equipment.

Homeowners have already paid the \$170,000 to cover both the cost of the 3 pumps replacement and estimated maintenance for the next 20 years. This is an inconsequential expenditure in comparison to the \$18.5 million dollar water treatment plant for Sudden Valley residents.

The homeowners of the Eagleridge Development ask that in the Board's closed working session on February 9, 2022, to discuss the Eagleridge Booster project consider the points outlined. We encourage the Board to take the opportunity to step back, review all the facts that have been presented and postpone further discussion on a testing of the system without pumps functioning when fundamentally, the overall premise of decommissioning the Eagleridge Pumping Station is neither fair nor equitable.

Best regards,

Brian & Maureen Sullivan

On behalf of the homeowners of the Eagleridge Development

cc: Joan Mceachran – President, Eagleridge Homeowners Association
Lake Whatcom Water & Sewer District Board Members, Laura Abele,
John Carter, Bruce Ford and Leslie Roberts