



**AGENDA
BILL
Item 7.D**

**Amendment No. 1 to Hazard
Mitigation Grant Agreement
for FEMA Funding Supporting
the Division 7 Reservoir
Replacement Project**

DATE SUBMITTED:	January 2, 2024	MEETING DATE:	January 10, 2023
TO: BOARD OF COMMISSIONERS	FROM: Justin Clary, General Manager		
GENERAL MANAGER APPROVAL			
ATTACHED DOCUMENTS	1. FEMA Phase 2 Award Letter dated November 3, 2023		
	2. Amendment No. 1 to the 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 237,900 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 1 – Design/Permitting and Phase 2 – Construction. Phase 1 is complete, enabling Phase 2 (construction) to proceed during the summer of 2024. The Board authorized execution of a grant agreement (D22-018) for Phase 1 work during a regularly scheduled meeting on February 9, 2022. WA-EMD

revised its standard grant agreement necessitating replacement of Agreement No. D22-018 with a new agreement. The new agreement (D24-016) was approved by the Board during a regularly scheduled meeting held on November 9, 2023, and provides for continued receipt of Phase 1 funding, which is administered through the Washington State Military Department (\$393,709.75 in federal/state funding with a District match of \$56,244.25). Since execution of Agreement No. D24-016, FEMA has obligated Phase 2 funds, allowing for amending the grant agreement. Attached is Amendment No. 1 to HMG Agreement No. D24-016 to provide federal funding for construction. Following is an overall breakdown of project funding:

	Design	Construction	Total
Estimated Cost	\$ 355,699.70	\$ 2,702,000.00	\$ 3,047,904.00
Funding			
FEMA	\$ 337,465.50	\$ 1,373,293.50	\$ 1,710,759.00
WA-EMD	\$ 56,244.25	\$ 228,880.75	\$ 285,125.00
LWWSD Funds	\$ 56,244.25	\$ 228,880.75	\$ 285,125.00
Federal Earmark	\$ -	\$ 220,000.00	\$ 220,000.00
PWB Loan	\$ -	\$ 800,000.00	\$ 800,000.00
Balance	\$ 94,254.30	\$ 149,055.00	\$ 243,309.30

FISCAL IMPACT

The Water Utility System Reinvestment Plan defined within the 2023-24 Budget accommodates the required federal match.

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 amendment to the Hazard Mitigation Grant agreement with the Washington Military Department.

PROPOSED MOTION

Recommended motion is:

“I move to authorize the general manager to execute Amendment No. 1 to Hazard Mitigation Grant Agreement No. D24-016 with the Washington State Military Department to enable receipt of federal funds for construction of the Division 7 Reservoir Replacement Project as presented.”