

**WHATCOM COUNTY CONTRACT
INFORMATION SHEET**

Whatcom County Contract No.
201802006-3

Originating Department:	Public Works
Division/Program: <i>(i.e. Dept. Division and Program)</i>	NPDES/Stormwater/Lake Whatcom TMDL 907620
Contract or Grant Administrator:	Gary Stoyka
Contractor's / Agency Name:	FCS Group
Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: <u>201802006</u>	
Does contract require Council Approval? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If No, include WCC: _____ Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)	
Is this a grant agreement? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, grantor agency contract number(s): _____ CFDA#: _____	
Is this contract grant funded? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, Whatcom County grant contract number(s): _____	
Is this contract the result of a RFP or Bid process? Contract _____ Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, RFP and Bid number(s): <u>RFQ 17-72</u> Cost Center: <u>123201</u>	
Is this agreement excluded from E-Verify? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> If no, include Attachment D Contractor Declaration form.	
If YES, indicate exclusion(s) below: <input type="checkbox"/> Professional services agreement for certified/licensed professional. <input type="checkbox"/> Contract work is for less than \$100,000. <input type="checkbox"/> Contract for Commercial off the shelf items (COTS). <input type="checkbox"/> Contract work is for less than 120 days. <input type="checkbox"/> Work related subcontract less than \$25,000. <input type="checkbox"/> Interlocal Agreement (between Governments). <input type="checkbox"/> Public Works - Local Agency/Federally Funded FHWA.	
Contract Amount:(sum of original contract amount and any prior amendments): \$ <u>121,402.00</u> This Amendment Amount: \$ <u>34,560.00</u> Total Amended Amount: \$ <u>155,962.00</u>	Council approval required for; all property leases, contracts or bid awards exceeding \$40,000 , and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, except when : 1. Exercising an option contained in a contract previously approved by the council. 2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance. 3. Bid or award is for supplies. 4. Equipment is included in Exhibit "B" of the Budget Ordinance 5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.
Summary of Scope: Amendment No. 3 includes additional budget to complete the rate analysis for the newly-created Lake Whatcom Stormwater Utility.	
Term of Contract:	Expiration Date: <u>9/30/19</u>

Contract Routing:	1. Prepared by: <u>Gary S Stoyka</u>	Date: <u>1/11/19</u>
	2. Attorney signoff: <u>Christopher Quinn</u>	Date: <u>1/15/2019</u>
	3. AS Finance reviewed: <u>M Caldwell</u>	Date: <u>1/15/19</u>
	4. IT reviewed (if IT related): _____	Date: _____
	5. Contractor signed: _____ ✓	Date: <u>1-18-19</u>
	6. Submitted to Exec.: _____ ✓	Date: <u>2-8-19</u>
	7. Council approved (if necessary): _____ ✓	Date: <u>2-12-19</u>
	8. Executive signed: _____ ✓	Date: <u>2-13-19</u>
	9. Original to Council: _____ ✓	Date: <u>2-15-19</u>

**AMENDMENT NO. 3
TO AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN WHATCOM COUNTY AND
FCS GROUP FOR ESTABLISHING A FUNDING MECHANISM FOR THE LAKE
WHATCOM STORMWATER UTILITY**

WHEREAS, AN AGREEMENT (Whatcom County Contract No. 201802006) was entered into between Whatcom County and FCS Group on February 8, 2018 for Phase 1 of establishing a funding mechanism for the Lake Whatcom Stormwater Utility; and,

WHEREAS, this agreement was amended on April 11, 2018 and December 19, 2018 to include work and budget necessary to complete the project of establishing a funding mechanism for the Lake Whatcom Stormwater Utility; and,

WHEREAS, the Whatcom County Council established the Lake Whatcom Stormwater Utility Advisory Committee to facilitate establishment of the funding mechanism for the Lake Whatcom Stormwater Utility; and,

WHEREAS, the work of the Lake Whatcom Stormwater Utility Advisory Committee has required more analysis than was originally estimated to reach a recommendation and has required more meetings than originally scoped, including:

- Four additional advisory committee meetings
- Ten additional conference calls with County staff
- Assessment of two methods of per parcel charges
- Statute and case law review of proposed methods
- Manual measurement of impervious surface versus automated method originally proposed; and,

WHEREAS, the parties are desirous of completing this project.

NOW BE IT THEREFORE AGREED, that Exhibit "A" of Contract No. 201802006 shall be replaced by "Exhibit A - Amendment No. 3" and Exhibit "B" of Contract No. 201802006 shall be amended by \$34,560.00 for a total amount not to exceed of \$155,962.00 in compensation and that the affected contract clauses shall read as follows:

COMPENSATION SCHEDULE:

As consideration for the services provided by the Contractor the County agrees to compensate the Contractor for services rendered at a sum not to exceed a running total of One Hundred Fifty-five Thousand Nine Hundred Sixty-Two dollars (\$155,962.00). This figure includes all costs incidental to and necessary for carrying out the scope of work as presented in "Exhibit A - Amendment No.

3". The sum shall be paid for expenses accrued as invoiced monthly by the Contractor.

BE IT ALSO AGREED, that the end date of the agreement shall be extended to September 30, 2019.

IN WITNESS WHEREOF, the parties have signed this Amendment No. 3 to the agreement for establishing a funding mechanism for the Lake Whatcom Stormwater Utility, this 18th day of January, 2019.

CONTRACTOR: FCS GROUP

[Signature]

By: JOHN GHILARDUCCI
Title: PRESIDENT

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 18th day of January, 2019, before me personally appeared John Ghilarducci, to me known to be the person individually or jointly described in and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.



Diane Harmon Diane Harmon
NOTARY PUBLIC in and for the State of Washington, residing at Kenmore
My commission expires: 6-13-22

WHATCOM COUNTY

[Signature]
Jack Louws
County Executive

STATE OF WASHINGTON)
COUNTY OF WHATCOM) ss.

On this 13th day of February, 2019, before me personally appeared Jack Louws, to me known to be the person individually or jointly described in and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

Suzanne M. Milder
NOTARY PUBLIC in and for the State of Washington, residing at Bellingham
My commission expires: 12-31-22



APPROVED AS TO FORM:

[Signature]
Christopher Quinn, Civil Deputy

DEPARTMENTAL APPROVAL:

[Signature]
Jon Hutchings, Director, Public Works

Exhibit "A" - Amendment No. 3 Scope of Work

Task 1: Project Initiation and Coordination

Meet with the County project team to kick off the study, discuss project management logistics (e.g., contacts and project billing), collect and review data, and identify key policy / technical issues for further discussion and analysis. Key policy issues and questions could include:

- Fiscal policies. The County has already formed a stormwater utility for the Lake Whatcom Watershed, under the authorization provided in RCW 36.89. What are prudent policies for financial management that will ensure the long-term fiscal health of the utility?
- Rate structure. Establish options and an appropriate rate structure given (1) the emphasis of the program on phosphorus loadings and other water quality impacts, (2) the customer base (mostly residential), and (3) other key criteria (such as data availability). This issue will include a discussion and proposed definition of impervious surface area for consideration, along with possible phosphorous and fecal rate components.
- Rate credits and exemptions. The Homeowner Incentive Program already incentivizes customers in the Watershed for best practices. How can a property owner continue to reduce or eliminate the rate to their property through specific actions?
- Capital facilities charges. These development charges can be used to recover the cost of an equitable share of the infrastructure needed to serve new and redevelopment as it occurs.
- Implementation strategy. Are there ways to phase-in any rate impacts such that customers can adjust and plan, and avoid rate shock? Are there are things the County can do to mitigate the impacts of the program on customers through outreach and other means?

Following the project kickoff meeting, the project team will collect and review data.

Task 1 Deliverables

- Kickoff meeting
- Data request
- Meeting notes

Task 2: Policy Framework

The development of a set of recommendations on the key policy questions identified and described in Task 1 will occur through a series biweekly meetings with County staff and approximately monthly meetings of a committee of citizens representing key local interests. FCS Group will document (in meeting notes) and address (in subsequent meetings) input received. Recommendations will be forwarded to the Whatcom County Council.

- i. Write issue papers analyzing each key policy issue (up to five issues), presenting alternative solutions, and recommending a course of action.
- ii. Meet with the committee up to ten times to discuss each issue and arrive at a recommendation for proceeding. The committee would also be used to review initial rate calculations.
- iii. Participate in bi-weekly conference calls with County staff.
- iv. Research statutes and case law related to committee recommendations.
- v. Meet with the County Council to discuss potential and recommended policies / preliminary impacts.

Task 2 Deliverables

- Up to 5 issue papers
- Up to 10 meetings with citizens committee
- Meeting notes
- Summary of recommendations
- Meeting with County Council

Task 3: Prepare Baseline Program Costs (Funding Plan)

Prepare baseline stormwater program costs for the program to include the following services (and / or others recommended by the citizen advisory committee):

- Capital facilities maintenance
- Homeowner's Incentive Program
- Private stormwater facility retrofits
- Supplemental capital costs (above current funding levels)
- Outreach and education
- Monitoring

Key inputs such as the 2017 comprehensive plan and management program, as well as the management program progress report, may be used as the basis for some of these costs. The Contractor will further evaluate staffing needed to meet program objectives.

- i. Baseline program costs will be developed for a multi-year period (e.g., six years). Of particular focus, will be the capital improvement costs that will be used to develop a funding analysis that will evaluate the financial impact of alternative funding sources. In addition, the capital funding analysis will attempt to normalize the cost requirements through use of available funding methods or alternative timing of planned projects. A minimum operating fund target is generally recommended to provide sufficient cash flow to meet daily operating expenses.
- ii. The baseline program costs will then be used to identify three different funding level proposals. The Contractor will use a level of service approach to pricing and prioritizing stormwater costs of service. At various funding levels, a summary table will be developed to clearly identify what level of operation and maintenance (O&M) and capital costs will be supported. This will provide an easy-to-understand comparison when the public is comparing price to value of service.

Task 3 Deliverables

- Baseline program revenue requirement analysis
- Additional service level revenue requirement analyses

Task 4: Rate Design

The Contractor will develop a rate alternative that uses impervious surface area and is consistent with local policies, practices and long term strategies. Should other rate structures be identified for analysis in Task 2, the Contractor will model these alternatives in this task as well.

- i. Conduct Pilot Study to Determine Feasibility of Measuring All Parcels. FCS subconsultant TetraTech will conduct a pilot study for a one-square mile area within the service area to test the accuracy and effectiveness of remote sensing methodology using available GIS data to measure impervious surfaces both in the open as well under tree canopy. The result of the pilot study will be used to assist the advisory committee in determining whether a rate structure that requires measuring all parcels is feasible and/or practical for the stormwater utility.
- ii. Determine Average Impervious Surface for Single-Family Residential Units. The proposed rate approach may involve charging single family residences (SFRs) uniformly based on average impervious coverage. If that is the case, a sampling analysis will be used to determine the average amount of impervious area for single-family residences in the Lake Whatcom watershed. The sampling analysis will be conducted using manual measuring techniques and will yield the value of one equivalent residential unit (ERU), which could become the base unit for the stormwater rate. The Contractor will generate a sample of parcels from two areas for study. Using the selected parcels, the Contractor will identify and calculate the impervious surface area for these parcels using the building footprint(s) and other impervious surfaces (e.g., structures, driveways, etc.). The results of the sampling analysis and digitized impervious surface areas will be provided in a format determined in collaboration with the County's data manager, FLO Analytics.
- iii. Determine Impervious Surface for Non-SFR (all other) Developed Property. This task addresses calculating impervious area for developed non-single-family residential customers. To the extent relevant in the Lake Whatcom Watershed service area, non-single-family residential land uses could include industrial, commercial, agricultural and multi-family residential areas. The Contractor will calculate individual impervious surface areas within the non-SFR areas using a similar approach to the SFR impervious surface calculations.
- iv. Prepare operating reserve analysis for citizen's committee ("Total Program"; Lake Whatcom Stormwater Fee Funded versus. Other Existing Sources).
- v. Prepare analysis of impervious surface and per parcel rate. Compile recommendations into a policy framework for the rate analysis.
- vi. Report Data and Analysis Results. Impervious surface estimates will be compiled and summarized. Results will include ERU values for each land use within the study area. The Contractor will detail the calculation methods and any issues encountered during the analysis.

vii. Calculate Rates. Using data from Tasks 3 and 4, the Contractor will calculate rates for up to 3 rate structure alternatives.

Task 4 Deliverables

- ERU analysis and measurement of non-single family residential impervious surface area
- Compilation of impervious surface area for customer base
- Summary of operating reserve analysis
- Calculate rate alternatives
- Summary of analysis, and supporting data for SFR average impervious area

Task 5: Provide Implementation Assistance

The Contractor will develop a work plan (technical memorandum) that will include procedures for billing the fee, updating customer information, and addressing customer questions. The Contractor will draft implementing ordinance and rate resolutions. The Contractor will provide staff training in a number of forums:

- A meeting between staff and Contractor team will be scheduled to answer questions regarding the rate setting process and new rate structures.
- A list of "frequently asked questions" will be provided for use by County staff.
- Contractor will provide "on-call" support through implementation.

Task 5 Deliverables

- Technical memorandum on recommended procedures
- Draft implementing ordinance / rate resolution
- Staff training

Task 6: Public Education /Involvement and Formal Meetings/Presentations

The Task 2 Policy Framework will serve to involve key stakeholders. The Contractor will prepare materials and present to the City of Bellingham, the Lake Whatcom Water and Sewer District, and / or others to support study findings in up to two meetings. The Contractor will prepare for and meet with the County Council up to two times to present and discuss findings.

Task 6 Deliverables

- Up to 2 meetings with Watershed interested parties
- Up to 2 meetings with the County Council

Task 7: Reporting

Upon completion of the study, a preliminary report encompassing all tasks that summarize the study findings and recommendations will be prepared. Ten (10) copies of the preliminary report will be submitted (as well as an electronic copy). The County will review the document for edits/changes. The Contractor will incorporate all changes pursuant to comments received from the preliminary report and submit ten (10) copies to the County.

Task 7 Deliverables

- Report Outline
- Draft report
- Final report

Exhibit "B" - Amendment No. 3 Compensation

Task Description (# of Positions)	FCS GROUP				Tetra Tech		Original		Amendment No. 1		Amendment No. 2		Amendment No. 3		
	Principal \$245	Project Manager \$175	Senior Analyst \$140	Support \$85	Principal \$268	Engineer \$158	Engineer \$137	Total Estimated Hours	Budget	Total Estimated Hours	Budget	Total Estimated Hours	Budget	Total Estimated Hours	
Task 1: Project Initiation and Coordination (1)															
subtotal	6	6	2	4	6	0	0	24	\$ 4,748	24	\$ 4,748	24	\$ 4,748	24	\$ 4,748
Task 2: Policy Framework															
Develop issue papers	8	12	30	0	4	2	8	38	\$ 8,364	38	\$ 8,364	64	\$ 10,744		
Meet with staff and citizens committee and public (11)	82	64	12	0	0	0	0	78	16,170	78	16,170	158	33,026		
Complete recommendations	6	10	4	0	0	0	0	8	1,400	8	1,400	20	3,780		
Meet with County Council (1)	6	4	4	0	0	0	0	14	2,730	14	2,730	14	2,730		
subtotal	102	90	50	0	4	2	8	138	\$ 28,664	138	\$ 28,664	256	\$ 50,280		
Task 3: Funding Plan															
Develop baseline costs	2	4	8	0	0	0	0	14	\$ 2,310	14	\$ 2,310	14	\$ 2,310		
Project revenue requirements	2	8	24	0	0	0	0	34	5,250	34	5,250	34	5,250		
Develop optional service levels and costs	4	4	16	0	8	24	0	56	9,856	56	9,856	56	9,856		
Meet with staff (1)	6	6	4	0	0	0	0	16	3,080	16	3,080	16	3,080		
subtotal	14	22	52	0	8	24	0	120	\$ 20,496	120	\$ 20,496	120	\$ 20,496		
Task 4: Rate Design															
Develop customer data work plan	2	2	4	0	0	0	0	8	\$ 1,400	8	\$ 1,400	8	\$ 1,400		
Conduct GIS Pilot Study	0	0	0	0	2	35	0	37	6,000	37	6,000	37	6,000		
Measure / compile customer data	2	2	4	0	8	134	0	52	8,792	73	12,242	150	24,786		
Report results	0	0	0	0	4	8	0	12	2,336	12	2,336	12	2,336		
Design / calculate rates	2	4	24	0	0	0	0	30	4,550	30	4,550	30	4,550		
Meet with staff (1)	6	6	2	0	6	2	0	22	4,724	22	4,724	22	4,724		
subtotal	12	14	34	0	20	179	0	124	\$ 21,902	182	\$ 31,252	259	\$ 43,796		
Task 5: Provide Implementation Assistance															
Procedures technical memorandum	2	4	24	0	0	0	0	30	\$ 4,550	30	\$ 4,550	30	\$ 4,550		
Draft ordinance / resolution	2	4	8	0	0	0	0	14	2,310	14	2,310	14	2,310		
Meet with staff (1)	6	6	2	0	0	0	0	14	2,800	14	2,800	14	2,800		
Develop answers to FAQs	2	2	8	0	0	0	0	12	1,960	12	1,960	12	1,960		
subtotal	12	16	42	0	0	0	0	70	\$ 11,620	70	\$ 11,620	70	\$ 11,620		
Task 6: Public Education / Involvement															
Present findings to key stakeholders (2)	12	6	6	0	6	0	0	30	\$ 6,438	30	\$ 6,438	30	\$ 6,438		
Meet with County Council (2)	12	4	2	2	0	0	0	20	4,090	20	4,090	20	4,090		
subtotal	24	10	8	2	6	0	0	50	\$ 10,528	50	\$ 10,528	50	\$ 10,528		
Task 7: Documentation															
Draft report	4	8	36	0	4	4	0	56	\$ 9,124	56	\$ 9,124	56	\$ 9,124		
Final report	2	2	4	4	4	1	0	17	2,970	17	2,970	17	2,970		
subtotal	6	10	40	4	8	5	0	73	\$ 12,094	73	\$ 12,094	73	\$ 12,094		
Expenses (on-site meetings mileage)									\$ 1,100		\$ 2,000		\$ 2,000		
GRAND TOTAL	176	168	228	10	52	210	8	589	\$ 111,952	657	\$ 121,402	852	\$ 155,962		

WHATCOM COUNTY
PUBLIC WORKS DEPARTMENT

Jon Hutchings
Director



NATURAL RESOURCES

322 N. Commercial, Suite 110
Bellingham, WA 98225

Telephone: (360) 778-6230

FAX: (360) 778-6231

www.whatcomcounty.us

MEMORANDUM

RECEIVED

FEB 8 2019

JACK LOUWS
COUNTY EXECUTIVE

TO: The Honorable Jack Louws, Whatcom County Executive

THROUGH: Jon Hutchings, Director *JH*

FROM: Kraig Olason, Stormwater Manager *KO*
Gary Stoyka, Natural Resources Program Manager *GS*

DATE: January 14, 2019

RE: Amendment No. 3 to Whatcom County Contract No. 201802006 for Support for Establishing Funding Mechanism for Lake Whatcom Stormwater Utility

Requested Action

Enclosed are two (2) originals of Amendment No. 3 to Whatcom County Contract No. 201802006 between Whatcom County and FCS Group (FCS) for your review and signature.

Background and Purpose

The Whatcom County Council established the Stormwater Utility Service area in December 2017 with the understanding that the administration would conduct work necessary to establish a funding mechanism and develop rates and charges. The County Council also established the Lake Whatcom Stormwater Utility Advisory Committee in March 2018 to receive stakeholder input and recommendations for that process. The number of meetings needed for the advisory committee to complete its work and the corresponding amount of analysis is more than what was originally anticipated. Additional budget is necessary to complete the funding analysis.

Funding Amount and Source

The estimated budget for this amendment is \$34,560.00 for a total contract amount of \$155,962.00. Sufficient funding for this contract is included in the 2019 Stormwater Fund budget.

Please contact Gary Stoyka at extension 6218 or Kraig Olason at extension 6301, if you have any questions or concerns regarding the terms of this agreement.

Encl.