



To: John Peterson, P.E., General Manager, Clark Regional Wastewater District
Ken Andrews, CPA, Finance Manager, Clark Regional Wastewater District

From: Sue Stepan, P.E., Operations Manager, Clark County Public Works

Date: September 30, 2014

Subject: 2015/2016 Budget Proposal – Salmon Creek Treatment Facilities and
Battle Ground Force Main – *REVISED FOURTH SUBMITTAL*

Attached is the county's *fourth* preliminary 2015-16 budget proposal for the operation of the Salmon Creek Wastewater Management System and Battle Ground Force Main. This revised submittal reflects discussion items from the September 26th joint meeting of the Management and Finance committees of the Discovery Clean Water Alliance (DCWA).

The only change within this fourth submittal is to the Battle Ground Force Main operating budget. The parts budget has been increased by \$50,000 to install carbon canisters at several air release stations along the pipeline. The carbon canisters will help reduce odors from specific valves that generate customer odor complaints. The revised two-year parts budget is \$66,000; the revised two-year total force main operating budget is \$311,600.

This budget proposal marks an important milestone for the DCWA. The biennium of 2015-16 will be the first budget cycle where DCWA owns the treatment plant and associated facilities and the county serves as the facilities' operator.

This cover memo provides a summary of several key assumptions that are reflected in the budget proposal. Seven exhibits are also attached:

- Exhibit A - Fund 4580 detailed operating budget for the Salmon Creek Wastewater System
- Exhibit B – Fund 4580 comparison between 2013-14 adopted budget and 2015-16 proposed budget
- Exhibit C – Decision package requests
- Exhibit D – Battle Ground Force Main operating budget
- Exhibit E – Supplemental information in response to August 22 questions
- Exhibit F – Memo dated August 27th “*Alliance Battle Ground Force Main Chemical Dosing Considerations and Recommendation*”
- Exhibit G – Insurance email dated 9-5-2014 from M. Schuster

The county operates on a two year budget cycle. Departments submit a “baseline” budget which matches total budget authority established for the previous term (minus any one-time requests.) The baseline includes any across the board increases for cost of living, countywide indirect costs, liability insurance, and any other line items that are considered fixed and not controllable by departments.

All additional requests over and above the baseline operating budget are done through the decision package process and receive rigorous internal review. It is important to note that the operating expenses (Fund 4580) associated with the decision package requests are included in the attached spreadsheets.

The county's 2015-16 budget process is underway. Due to the county's budget process and timelines, no further changes to this proposal can occur prior to county board adoption later this year. Any budgetary revisions that result from the DCWA approval process will need to be addressed in a supplemental budget process in early 2015.

Generally, the county is proposing a preliminary 2015-16 operating budget for the Salmon Creek facilities of \$6,857,500.

The Repair and Replacement budget for the treatment plant is based on three small equipment replacement projects totaling \$97,500, plus \$80,000 for miscellaneous small project repairs and replacement that typically come up during the biennium.

The Battle Ground Force Main preliminary 2015-16 operating budget is \$311,600. No projects are proposed in the Repair and Replacement fund.

A few key budgetary assumptions are summarized below. Additional information on the budget assumptions, comparison to the adopted 2013-14 budget, and descriptions of the decision packages are included in the exhibits.

Operating Budget (Fund 4580) -- Salmon Creek Wastewater Management System

The 2015-16 operating budget is shown in Exhibits A and B. Exhibit A provides a breakdown by type of expenditure (object code) and the primary plant activity. A comparison to the 2013-14 adopted budget is in Exhibit B.

A few of the assumptions and significant changes to this budget include:

1. The operating expenses associated with county decision package items are now included in the spreadsheets (the county's previous July budget proposal had listed these separately.)
2. The proposal realigns budgeted expenses into appropriate plant activities. It also eliminates over 60 minor line items by moving small budget amounts into meaningful coding categories.
3. The county has eliminated all 900 series object codes from the 2015-16 baseline budget and moved these items to various 300 and 400 series object codes. The 2013-14 adopted budget was modified to show the new object codes. A table that shows the cross-walk between the coding changes is available, if requested.
4. The salary/benefit budget assumes 14.75 full-time equivalent (FTE) staff. The staff allocation among the primary plant activities is shown near the bottom of the spreadsheet in Exhibit A. The only change in staffing levels is the addition of 0.25 FTE for the Public Works Operations Manager (Stepan).

5. The 2015-16 budget proposal indicates an insurance expense of \$55,344, which is about an \$8,000 increase from 2013-14 (object code 460). All county insurance expenses are included in this object code. The county administers an insurance fund that includes the expenses for all types of insurance premiums, risk office staff salary/benefit costs, and associated costs such as legal expenses. The budget for this fund is allocated among all county departments based on an FTE staff basis.

The transfer of the Salmon Creek treatment facilities to the DCWA results in an insignificant effect on the county's 2015-16 property insurance costs. Exhibit G includes an email from the county's General Services finance manager that explains the insurance allocations.

6. Professional engineering consultant services are estimated at \$250,000 for the two years. This operational support would include such items as:
 - a. IT/network issues and configuration
 - b. Updating the electronic Operations and Maintenance Manual
 - c. Advising on unique process and operational issues
 - d. Support for the ongoing 117th Street pump strategies
 - e. Biosolids operational support
 - f. The professional engineering budget assumes that DCWA will contract for professional engineering services such as the NPDES permit renewal and work associated with capital repair and replacement projects greater than \$50,000, such as the Battle Ground Force Main repairs and all engineering/surveying associated with the outfall.
7. In early 2015, the county will transfer any cash remaining in county funds that is over and above operating reserves. DCWA committees have determined the operating reserves will be approximately 60 days of operating expenses (assumed \$400,000). The amount of the exact transfer will be calculated at year-end; the preliminary amount is \$710,200.

Repair and Replacement Budget (Fund 4583) - Salmon Creek Wastewater Management System

A list of the proposed decision packages for the Repair and Replacement fund is shown in Exhibit C.

In early 2015, the county will also transfer any cash remaining in county funds that is over and above the repair and replacement reserves. DCWA committees have determined the county's repair and replacement reserves will be \$200,000. The amount of the exact transfer will be calculated at year-end; the preliminary amount is \$1,460,000.

Operating Budget (Fund 4580) – Battle Ground Force Main

The 2015-16 proposed operating budget for the Battle Ground Force Main is \$311,600 and is included in Exhibit D. The spreadsheet provides a breakdown by type of expenditure (object code). Additional information about chemical dosing of this pipeline is included in Exhibit F.

This is the first time the county is preparing the operating budget for this force main. The budget will be added to Fund 4580, the operating budget for the Salmon Creek Treatment Plant, with

separate base sub-element coding to enable budgeting and reporting of the specific force main costs.

Key assumptions used in developing the preliminary budget numbers include:

1. No additional county staff will be hired to perform the Battle Ground Force Main operations work. The level of maintenance service performed at the treatment plant will be slightly reduced to compensate for the additional duties related to the force main. Salary costs have been reduced in the treatment plant's proposed budget to offset for the Battle Ground Force Main activities.
2. The salaries and benefits budget is based on county maintenance plant staff spending approximately 8 hours per week for routine checks of the force main and appurtenances, miscellaneous maintenance, and utility locates along the pipe.
3. There is no budget for any Repair and Replacement expenses in the proposed Battle Ground force main county budget. Based on direction from DCWA committees, major repairs to the force main will be constructed in 2016.
4. The operating budget also assumes county staff time to pig the line once during late 2016 (three staff for three days/each). The ability to clean the line is dependent on DCWA completing repairs to the pig launch stations as part of the capital repair project.
5. The submitted two-year chemical budget is \$200,000. This is based on Option 1 in the 8-27-2014 memo from R. Krause titled "*Alliance Battle Ground Force Main Chemical Dosing Considerations and Recommendation.*"
6. The county assumes that Battle Ground employees will continue to document the setting for the chemical feed on the daily flow sheet and would contact the county if there was a mechanical issue with the tank or pumps. This allows the county to minimize the budget for staff travel time to Battle Ground for this routine documentation and equipment check.
7. The budget assumes that Clark Regional Wastewater District will install instrumentation to transmit data from the Battle Ground chemical system to either the Salmon Creek treatment plant's Wonderware software or a web-based application. This would reduce the dependence on the handwritten daily report from Battle Ground personnel and provide alarm status of problems.

EXHIBIT A
Salmon Creek Treatment Facilities
2015 / 2016 Baseline Budget (Fund 4580)
Version September 30, 2014

Object	Obj Description	535811		535812		535814		535815		535819		Total
		Plant Laboratory	Plant Maintenance	Plant Maintenance	Plant Maintenance	Solids Handling	Solids Handling	Plant Operations	Plant Operations	Administration	Administration	
110	Salaries	135,616	635,266	135,616	635,266	135,616	635,266	505,064	505,064	408,738	408,738	1,820,300
140	Overtime	2,200	19,000	5,400	19,000	5,400	19,000	11,000	11,000	1,000	1,000	38,600
141	Comp Time Non Exempt	5,000	19,000	7,800	19,000	7,800	19,000	10,800	10,800	200	200	42,800
	Total Salaries & Wages	142,816	673,266	148,816	673,266	148,816	673,266	526,864	526,864	409,938	409,938	1,901,700
210	Employee Benefits	11,710	86,622	12,196	86,622	12,196	86,622	43,210	43,210	28,905	28,905	182,643
211	PERS/LEOFF	14,422	55,534	15,022	55,534	15,022	55,534	53,222	53,222	35,603	35,603	173,803
221	Medical Insurance	33,880	197,700	33,880	197,700	33,880	197,700	138,158	138,158	66,908	66,908	470,526
223	Dental	3,378	17,644	3,378	17,644	3,378	17,644	12,450	12,450	8,200	8,200	45,050
230	Life Insurance	162	924	162	924	162	924	648	648	1,136	1,136	3,032
236	Disability Ins.		612		612		612			323	323	935
	Total Benefits	63,552	359,096	64,638	359,096	64,638	359,096	247,688	247,688	141,075	141,075	875,989
310	Office Supplies									1,000	1,000	1,000
311	Central Stores-Office Max									5,000	5,000	5,000
317	Xerox - Copy Charges									7,000	7,000	7,000
321	Agriculture Supplies		6,000		6,000		6,000		6,000			6,000
322	Cleaning & Sanitation											6,000
324	Food/Water											6,000
325	Evidence/Chem/Lab Supplies									2,000	2,000	2,000
326	Expendable Equipment	28,000		411,700		411,700						439,700
327	Computer Supplies		17,000	3,000	17,000	3,000	17,000	2,000	2,000			24,000
328	Uniforms/Clothing							30,800	30,800			30,800
329	Other Operating Support							3,000	3,000			3,000
330	Building Supplies		156,600	15,000	156,600	15,000	156,600	14,300	14,300	7,000	7,000	192,900
331	Electrical Supplies		16,400		16,400		16,400					16,400
333	Plumbing Supplies		29,800		29,800		29,800					29,800
335	Paint		19,200		19,200		19,200					19,200
338	Nuts & Bolts		8,000		8,000		8,000					8,000
339	Other Bldg. Supplies		3,000		3,000		3,000					3,000
351	Parts	2,000	3,000		3,000		3,000					3,000
357	Small Equipment Parts		55,800	65,000	55,800	65,000	55,800	60,000	60,000			182,800
360	Gas Diesel & Oil		4,000		4,000		4,000					4,000
362	Unleaded Gasoline		10,000		10,000		10,000					10,000
366	Propane		22,918		22,918		22,918					22,918
	Total Supplies	30,000	352,418	494,700	352,418	494,700	352,418	116,100	116,100	24,000	24,000	1,017,218
416	Fund Overhead Allocations									5,864	5,864	5,864
418	GenFund Indirect Charged to COUNTY FUNDS									336,684	336,684	336,684
419	Other Prof. Services		59,000	760,300	59,000	760,300	59,000	48,000	48,000	259,600	259,600	1,132,900
420	Communication Services									4,000	4,000	4,000
421	Telephone									16,400	16,400	16,400

Object	Obj Description	535811 Plant Laboratory	535812 Plant Maintenance	535814 Solids Handling	535815 Plant Operations	535819 Administration	Total
422	Postage					2,000	2,000
428	Cellular One/Pagers					5,000	5,000
431	Airfare					3,000	3,000
433	Local Mileage					2,600	2,600
434	Long Distance Travel					2,400	2,400
435	Meals					1,300	1,300
438	Lodging					3,600	3,600
455	Machinery & Equip Rentals		85,448				85,448
456	Rental Cars/Other Vehicle Rental		40,000				40,000
460	Insurance Charges				55,344		55,344
471	Electrical & Heating				978,900		978,900
472	Garbage				40,000		40,000
473	Gas				77,000		77,000
476	Water & Sewer				15,200		15,200
481	Building Maintenance.		12,000				12,000
482	Equipment Maintenance		12,000				12,000
483	Grounds & Parks Maintenance.						
486	Custodial Cleaning				2,000		2,000
491	Assoc. Dues/Membership						
493	Filing/Recording/Permit Fees	5,000				5,000	5,000
495	Taxes & Assessments				86,400		86,400
496	Tuition/Registration					8,000	8,000
	Total Services	11,000	247,028	790,300	1,302,844	711,448	3,062,620
510	Inter Gov Service						
	Total Intergovernmental	0	0	0	0	0	0
	Grand Totals	247,368	1,631,748	1,496,454	2,193,496	1,286,461	6,857,527

STAFF FTE ALLOCATION	1.00	6.00	1.00	4.00	2.75	14.75
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(above FTE number
includes Battle Ground
force main staff)

NOTES:

- Budget also includes the one-time transfer of remaining operating fund cash assets to DCWA (less agreed upon operating reserves) **\$710,200**

EXHIBIT B
Salmon Creek Treatment Facilities
COMPARISON OF 2013-14 ADOPTED BUDGET WITH 2015 / 2016 PROPOSAL (Fund 4580 - Operating)
Version September 30, 2014

Object	Obj Description	2013-14 Adopted Budget	2015-16 Proposed Budget	Budget Difference	Comments
110	Salaries	1,690,206	1,820,300	130,094	Only change in plant staffing is adding 0.25 FTE of Stepan (total 14.75 FTEs) Typical annual COLA increases Moved \$29,500 salary costs to Battle Ground force main budget
140	Overtime	33,484	38,600	5,116	Slight increase to align with actual experience
141	Comp Time Non Exempt	42,920	42,800	-120	
191	Earned Vacation	1,199	0	-1,199	
192	Earned Sick Leave	626	0	-626	
193	Other Earned Leave	596	0	-596	
	Total Salaries	1,769,031	1,901,700	132,669	
210	Employee Benefits	138,585	182,643	44,058	
211	PERS/LEOFF	146,252	173,803	27,551	
221	Medical Insurance	445,757	470,526	24,769	
222	Industrial Insurance	42,765	0	-42,765	
223	Dental	42,464	45,050	2,586	
230	Life Insurance	2,304	3,032	728	
236	Disability Ins.	8,837	935	-7,902	
	Total Employee Benefits	826,964	875,989	49,025	Benefit-related increases due to county-wide increases
310	Office Supplies	5,000	1,000	-4,000	
311	Central Stores-Office Max	5,000	5,000	0	
316	Telecommunication Equip.	10,000	0	-10,000	
317	Xerox/Copy Charges	0	7,000	7,000	
320	Operating Supplies	17,902	0	-17,902	
321	Agriculture Supplies	3,000	6,000	3,000	
322	Cleaning & Sanitation	0	6,000	6,000	
324	Food/Water	2,324	2,000	-324	
325	Evidence/Chem/Lab Supplies	337,120	439,700	102,580	Lab \$28k Biosolids polymer \$399.7k (Polymer cost estimated at 2013-14 actual + 5%) Struvite chemicals \$12k
326	Expendable Equipment	71,382	24,000	-47,382	
327	Computer Supplies	31,760	30,800	-960	
328	Uniforms/Clothing	9,956	3,000	-6,956	
329	Other Operating Support	193,140	192,900	-240	Includes maint budget of \$156.6k for typical; historical material purchases
330	Building Supplies	4,000	16,400	12,400	
331	Electrical Supplies	32,102	29,800	-2,302	
333	Plumbing Supplies	19,308	19,200	-108	

Object	Obj Description	2013-14 Adopted Budget	2015-16 Proposed Budget	Budget Difference	Comments
334	Building Materials	14,414	0	-14,414	
335	Paint	7,940	8,000	60	
338	Nuts & Bolts	2,996	3,000	4	
339	Other Bldg. Supplies	3,032	3,000	-32	
350	Equip Supplies	3,638	0	-3,638	
351	Parts	72,232	182,800	110,568	Increase due to reductions in other object codes. See note in "Total Supplies" row below.
357	Small Equipment Parts	0	4,000	4,000	
360	Gas Diesel & Oil	15,834	10,000	-5,834	
362	Unleaded Gasoline	26,782	22,918	-3,864	
364	Diesel	2,850	0	-2,850	
366	Propane	676	700	24	
	Total Supplies	892,388	1,017,218	124,830	\$123k of the "Total Supplies" increase is for biosolids polymer and digester cleaning chemicals. Remaining \$1,800 increase related to actual cost trends.
410	Professional Services	26,358	0	-26,358	Moved budget to obj code 419
413	Engineering Services	35,000	0	-35,000	Moved budget to obj code 419
415	Xerox/Printing Services	284	0	-284	
416	Fund Overhead Allocations	5,622	5,864	242	
418	GenFund Indirect Charged to COUNTY FUNDS	329,812	336,684	6,872	County-wide increase in internal charges
419	Other Prof. Services	915,000	1,132,900	217,900	Of increase, \$96.4k is due to additional costs for biosolids contracting. Breakdown details: Lab: \$6k lab equipment calibration Maint: \$59k contracted repairs, elevator inspections Biosolids: \$760.3k based on 2013 actual expenses plus a three percent inflation factor. Ops: \$48k contracted PMs, laundry service Admin: \$259.6k, including engineering consulting services \$250k
420	Communication Services	4,356	4,000	-356	
421	Telephone	16,454	16,400	-54	
422	Postage	1,604	2,000	396	
428	Cellular One/Pagers	4,000	5,000	1,000	
429	Other Communication	2,420	0	-2,420	
431	Airfare	0	3,000	3,000	
433	Local Travel	2,568	2,600	32	
434	Long Distance Travel	2,340	2,400	60	
435	Meals	1,298	1,300	2	
438	Lodging	3,484	3,600	116	
439	Other Travel	32	0	-32	
450	Rental/Lease Agreement	266	0	-266	

Object	Obj Description	2013-14 Adopted Budget	2015-16 Proposed Budget	Budget Difference	Comments
451	Rent - Copiers	7,912	0	-7,912	
452	Data Processing Rental Agreement	24,600	0	-24,600	
453	Mileage Equip Rental and Hydrants	46,140	0	-46,140	
455	Machinery & Equip	68,120	85,448	17,328	
456	Other Vehicle Rental	20,000	40,000	20,000	
460	Insurance Charges	47,305	55,344	8,039	Includes all county insurance-related costs, allocated by FTE
471	Electrical & Heating	921,870	978,900	57,030	Increased due to actual costs in 2013-14. Assumes no rate increases.
472	Garbage	36,074	40,000	3,926	
473	Gas	76,936	77,000	64	
476	Water & Sewer	16,214	15,200	-1,014	
480	Contract Repair/Main	27,344	0	-27,344	
481	Building Maintenance.	2,978	12,000	9,022	
482	Equipment Maintenance	0	12,000	12,000	
483	Grounds & Parks Maintenance	0	2,000	2,000	
485	Vehicles-Repair/Maintenance	80	0	-80	
486	Custodial Cleaning	0	30,000	30,000	
487	Computer Maintenance/Repair	146	0	-146	
490	Miscellaneous	5,422	0	-5,422	
491	Assoc. Dues/Membership	4,980	5,000	20	
493	Filing/Recording/Permit Fees	174,000	173,980	-20	
495	Taxes & Assessments	8,166	8,000	-166	
496	Tuition/Registration	11,874	12,000	126	
	Total Services	2,851,059	3,062,620	211,561	
510	Inter Gov Service	213,676	0	-213,676	Industrial pretreatment services eliminated
550	Operating Transfers-subsidy	570,000	0	-570,000	
551	Transfer for non-routine/one-time	865,000	0	-865,000	
	Total Intergovernmental	1,648,676	0	-1,648,676	
	Grand Total	7,988,118	6,857,527	-1,130,591	

NOTES:

- Budget also includes the one-time transfer of remaining operating fund cash assets to DCWA (less agreed upon operating reserves) **\$710,200**



EXHIBIT C

2015-2016 DECISION PACKAGE REQUESTS

Version September 30, 2014

FUND 4580 (Operating Budget)

Battle Ground Force Main **\$311,600 (ongoing)**

With the formation of the Discovery Clean Water Alliance (DCWA), the county is assuming new operational responsibilities for one of DCWA's regional assets, the Battle Ground force main, effective January 1, 2015. This budget will be added to Fund 4580, the operating budget for the Salmon Creek Treatment Plant, with separate base sub-element coding to enable budgeting and reporting of the specific force main costs. The detailed two-year budget is shown in Exhibit D.

Increase Electrical Utility Budget **\$57,000 (ongoing)**

An additional \$57,000 is requested for the electrical budget for the treatment plant and associated facilities. For the past 17 months, electrical costs average approximately \$40,800 per month. This results in a shortfall of \$57,000 from the Fund 4580 baseline budget. The county is not aware of any pending utility rate increases in 2015-16, so this request assumes no inflationary power cost increases.

Increase Chemical Budget **\$111,000 (ongoing)**

An additional \$111,000 is requested for polymer chemicals used in the biosolids treatment process. At the current rate of polymer usage plus an estimated five percent increase in chemical costs, there will not be adequate budget in the Fund 4580 baseline budget for 2015-2016. The total two-year polymer expense is estimated at \$399,700. The 2015-16 baseline has \$288,700 resulting in this request for an additional \$111,000 to budget the full amount.

**Increase Biosolids Hauling and Land Application
Contract Services** **\$96,400 (ongoing)**

An additional \$96,400 is requested for the contracted services expense to haul and land apply biosolids. The 2015-2016 expense projection is \$760,300 based on 2013 actual expenses plus a three percent inflation factor. The baseline budget item is \$663,900, so the additional amount needed in this request is \$96,400. Contract negotiations for this work are underway and refined budget estimates may be available before the formal DCWA budget adoption.

Cleaning Anaerobic Digesters and Day Tank **\$12,000 (one time)**

This request is for chemicals to remove a non-biosolids material (struvite) that accumulates over time throughout the anaerobic digestion treatment process. Struvite is a heavy, gritty material created by the anaerobic process that hardens to a concrete consistency if allowed to accumulate. It damages digesters, tanks, piping, and pumps. Plant staff would treat pipelines with the purchased chemical to reduce the struvite accumulation.

Budget Authority to Transfer Excess Operating Reserves to DCWA **\$710,200 (one time)**

On January 1, 2015, the Salmon Creek wastewater facilities will become the property of the DCWA. County staff will continue to operate the plant and will receive their operating funds from the DCWA. The county needs to transfer any cash remaining in county funds that is over and above operating reserves. DCWA committees have determined the operating reserves will be approximately 60 days of operating expenses (assumed \$400,000). The amount of the exact transfer will be calculated at year-end.

FUND 4583 (Repair and Replacement Budget)

Replacement of Two Variable Frequency Drives for Gardner Denver Blowers **\$33,000 (one time)**

The drives for these two blowers were installed in 1994 and are at the end of their life cycle. Some parts are no longer available to repair these units. Replacing the drives will allow for better power efficiency and reliable operational performance.

Replacement of Two Variable Frequency Drives for Effluent Pumps **\$50,000 (one time)**

The drives for these two pumps are over 20 years old and are at the end of their life cycle. Some parts are no longer available to repair these units. Replacing the drives will allow for better power efficiency and reliable operational performance.

Ductless HVAC System for Lab **\$14,500 (one time)**

Most wastewater treatment plant labs are built with their own cooling/heating system. The one at Salmon Creek was not. There is currently one HVAC unit that heats and cools the entire Administration Building. It is difficult to stabilize the temperature within the lab. Per standard laboratory practices and the Washington Department of Ecology, the lab must be kept at 68 degrees F. The current unit cannot maintain this temperature, especially during the summer months.

Miscellaneous Small Repair and Replacement Projects \$80,000 (one time)

These funds would cover unexpected emergency equipment repairs or replacements to treatment plant equipment. Having budgetary approval for unanticipated purchases provides a quick turn-around when necessary to maintain efficient and permit-compliant plant operations.

**Budget Authority to Transfer Excess Repair and Replacement Reserves to DCWA
\$1,460,000 (one time)**

On January 1, 2015, the Salmon Creek wastewater facilities will become the property of the DCWA. The county needs to transfer any cash remaining in county funds that is over and above reserves. DCWA committees have determined the county's repair and replacement reserves will be \$200,000. The amount of the exact transfer will be calculated at year-end.

EXHIBIT D
BATTLE GROUND FORCE MAIN
2015-2016 BUDGET PROPOSAL
Version September 30, 2014

OPERATING BUDGET:

FUND	DEPT	BASEL	OBJECT	OBJECT DESCRIPTION	2015/16 PROPOSED BUDGET	ASSUMPTIONS
4580	533	535813	110	Salaries	29,500	8 hours/week routine maintenance + 72 hours to pig line
4580	533	535813	210	Employee Benefits	3,000	
4580	533	535813	211	PERS/LEOFF	2,400	
4580	533	535813	221	Medical Insurance	7,400	
4580	533	535813	223	Dental	750	
4580	533	535813	230	Life Insurance	50	
4580	533	535813	236	Disability Ins.	100	
4580	533	535813	325	Evidence/Chem/Lab Supplies	200,000	Option 1 in 8-27-2014 CRWWD memo on dosing
4580	533	535813	350	Equip Supplies	200	
4580	533	535813	351	Parts	66,000	carbon canisters; replacement parts
4580	533	535813	362	Unleaded Gasoline	400	
4580	533	535813	455	Machinery & Equip Rentals	1,800	
				TOTAL	\$311,600	

REPAIR AND REPLACEMENT BUDGET:

None. Per DCWA committee direction, major repairs to the Battle Ground force main and pig launch stations will be constructed in 2016.



EXHIBIT E

Supplemental Information

The following questions, which are not addressed elsewhere in this budget proposal, came up during the August 22 DCWA committee meetings or in a subsequent email from John Peterson.

1. *Please indicate how much of the biosolids material is being applied locally vs. long haul in the budget assumptions. If possible, compare this to the recommendations in the B&C studies for the optimized biosolids program.*

Biosolids quantities are optimized per operational costs of existing contracts. Natural Selection Farms (NSF) is the highest cost operation due to hauling a greater distance to eastern Washington. The minimum allowed by this contract is 500 dry tons (roughly 3,850 wet tons at 13% cake solids content). This is the county's current distribution goal to NSF.

Remaining local destination solids costs are lower and are distributed based on contract minimums.

The budget proposal for biosolids hauling and land application reflects the current split (roughly 45% of biosolids going to Natural Selection Farms and 55% of biosolids distributed between local sites).

Along with anticipated increases in plant flow (due primarily to residential growth), struvite from the digester system appears to be contributing to increased quantities of biosolids. This struvite material is "grown" by the digestion process, is held in suspension by upgraded mixing equipment, and eventually processed through the dewatering equipment. This material ultimately goes out to land application sites with the biosolids.

It should be noted that the *2010 Biosolids Utilization Review Report* prepared by Brown & Caldwell indicates different wet ton data and costs. These differences are based on assumptions of total cake solids content of 18% associated with screw press technology that was postponed for future implementation.

2. *Please add some narrative around the significant and recent increase in polymer usage and what can be done to investigate and correct, if possible.*

Polymer usage increase is expected to remain at current levels during the next two-year budget cycle. Both digesters are currently operating in series to maintain detention times and volatile solids reduction requirements required for anaerobic digestion during seasonal higher flows from primary and secondary processes.

Series operation of anaerobic digesters tends to use more polymers due to higher solids temperatures (previous operation allowed cooling by exposing anaerobically digested solids

to cooler ambient air prior to dewatering). Another factor in higher polymer usage appears to be the struvite growth.

Plant staff continues to monitor, evaluate, and optimize polymer use at the plant.

3. *Provide additional clarity on the items historically in the CC budget but now that will appear in other forms of the Alliance budget – such as pretreatment services, some regulatory tracking/compliance work, and capital program delivery.*

The above items are found in the following sections of the budget submittal:

- a. Pretreatment Services – Exhibit A and B spreadsheets (object code 510)
- b. Regulatory tracking and capital program delivery – discussed in cover memo (page 2, item #6) and Exhibits A and B spreadsheets (object code 419)
- c. Insurance – discussed in cover memo (page 1, item #5), Exhibits A and B spreadsheets (object code 460), and Exhibit G



Memo

To: John Peterson, Alliance MIC Chair
Sue Stepan, Alliance OCC Chair
Ken Andrews, Alliance FAC Chair

From: Robin Krause, District Engineer

Date: August 27, 2014

Re: Alliance Battle Ground Force Main
Chemical Dosing Considerations and Recommendation

Introduction. The Battle Ground Force Main (BGM) generates significant levels of dissolved and air phase hydrogen sulfide (H₂S) at the discharge point to the Kline Interceptor, located in Salmon Creek Avenue near the I-205 overpass. This is a common phenomenon for wastewater utilities where sewage is transported over long distances in a closed pipeline environment. Over the last ten years, several consultants have studied the situation and recommended different approaches to mitigating the formation of or impacts from the hydrogen sulfide production.

Current Practice. The current practice involves dosing calcium nitrate at a varied rate depending on the time of year, but at constant rate day-to-day. This year the budget was increased to approximately \$100,000 (with a \$75,000 Battle Ground, \$25,000 District split, based on estimates of hydrogen sulfide production at the discharge point from the customers of each agency). Prior to this year, Battle Ground had budgeted lower amounts, resulting in odor complaints typically in the warmer months before chemical was dosed or in the fall when chemical supplies were depleted.

CH2M HILL performed the latest dosing studies in March 2013. That study recommended dosing on the order of 25 gallons per hour to control hydrogen sulfide to levels considered non-corrosive (5-10 PPM air phase). Currently, the dosing rate is set at 10 gallons per hour resulting in air phase hydrogen sulfide ranging from 20 to 400 PPM daily and overall average of approximately 75 PPM. This approach substantially reduces the hydrogen sulfide production but does not reduce it to a non-corrosive level.

Infrastructure Damage and Cost Estimates for Repair. From 1993 to 2006, the BGM discharged to the Salmon Creek Interceptor. Significant corrosion occurred during this 13-year period in the concrete pipeline and a specific Capital Plan project is being pursued to repair the damage.

Post the Phase 4 Expansion, the BGM now discharges into the Kline Interceptor. This configuration has been in place for 8 years, since 2006. The Kline Interceptor is primarily made up of two plastic pipe materials. The

HDPE pipe sections, and to a slightly lesser degree, the PVC pipe sections, are relatively impervious to the corrosive effects of hydrogen sulfide. However, the manholes are concrete structures with cast iron frames and covers. Several of the covers are sealed in the sections of line immediately downstream of the BGFM discharge. This helps to protect the public from odors but also serves to trap corrosive gasses in the system with limited air movement and ventilation.

At this point, it is known that the discharge manhole and the two downstream manholes are corroded to the point of needing rehabilitation, likely involving a structural cementitious lining. Manholes further downstream are likely to exhibit some degree of deterioration, but likely not to the point of needing structural repair. It is important to note that this deterioration has taken place in just the last 8 years since the Kline Interceptor was constructed and placed in service.

A comprehensive structural inspection of all the manholes (approximately 28) should be performed in the next two years to inform the next Capital Plan update and the 2017-2018 budget period. Structural rehabilitation of a manhole (cementitious and epoxy coatings) is currently estimated at approximately \$70 per square foot. Non-structural rehabilitation is currently estimated at approximately \$35 per square foot. Barring a complete inspection of all manholes between the discharge and the Kline Pump Station, for planning purposes, it is reasonable to assume at least the first 10 manholes will require some level of protection and/or rehabilitation, regardless of the chemical dosing rate. The total manhole rehabilitation cost is estimated roughly at \$150,000 (assuming three require full structural rehabilitation, 7 non-structural, and design costs at 15%).

The worst case scenario would involve completely replacing the three immediate downstream manholes. This alone could cost approximately \$100,000. This means that continuing to budget and dose chemical at the current rate of about \$100,000 per year will result in a cost of between \$150,000 (rehab only) and \$250,000 (replace and rehab) to repair the damaged infrastructure.

Based on studies, dosing at a rate to cease causing further corrosion would cost on the order of \$200,000 to \$250,000 per year. It is important to note that there is limited actual operating data confirming what it takes to maintain 5-10 PPM air phase in the summer, and also no accounting for optimization of dosing rates from daytime to nighttime. This analysis relies on the available information from past studies in this regard.

The District also owns and maintains a biofilter system downstream of the BGFM. That system draws air through the gravity pipe system and pushes it through a filter media that treats the hydrogen sulfide. Due to the higher than expected mass loading of hydrogen sulfide from the BGFM, the District replaces this media about twice as often as would otherwise be expected. The media is relatively inexpensive and takes a small crew about five days to replace. The

total cost to replace the media is approximately \$10,000.

In addition to the downstream manholes and District biofilter, there are several air release/vacuum relief valves and other appurtenances in vaults along the BGFM that are already damaged and require restoration work. However, dosing at the current rates without replacing the vaults/valves will require additional ongoing budget to replace components (valves, fittings, hatch frames and covers). This is currently estimated at \$25,000 per year. Increasing the dosing should reduce those ongoing costs to an expected \$10,000 per year.

Odor complaints at the air release stations along the force main require minimum amount of dosing to prevent complaints (until they are outfitted with carbon canisters). Therefore, no option was explored with a dosing rate below the current levels.

Alternatives for Near Term Operating Budgets. The current Alliance Capital Plan recommends construction of a Regional Biofilter for the Klineline Interceptor that will eliminate the need to dose chemical. The Regional Biofilter is expected to be on-line by the end of 2017, meaning that only 3 future years of chemical addition are needed in 2015, 2016, and most of 2017. In addition, the Capital Plan will complete a BGFM valve and vault repair project in 2016, installing all new system components in year 2 in the tables below.

The tables below present costs for two options, excluding the costs for projects already programmed in the Capital Plan mentioned above.

Option 1: Status Quo Chemical Budget of \$100,000 Per Year

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>Total</i>
Calcium Nitrate	100,000	100,000	100,000	300,000
Ongoing Repairs	25,000	25,000	0	50,000
Damage Repair	0	10,000	250,000	260,000
Total	125,000	125,000	350,000	610,000

Option 2: Increase Chemical Budget to \$200,000 Per Year

<i>Year</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>Total</i>
Calcium Nitrate	200,000	200,000	200,000	600,000
Ongoing Repairs	10,000	10,000	0	20,000
Damage Repair	0	0	150,000	150,000
Total	210,000	210,000	350,000	770,000

Summary and Recommendation. In summary, because of the two Capital Plan projects that will construct the Regional Biofilter and complete the BGFM Valve and Vault repair in the near term, the value of incremental additional damage to infrastructure appears to be less than the operating costs to preclude this damage. Further acceleration of the Regional Biofilter project would provide further benefits, if any schedule acceleration is possible.

Please note that the repair cost estimates shown above are planning level estimates that could increase or decrease 50%. Based on the available information, the options are both viable, depending on the tolerance for incremental costs vs. incremental risk and level of service considerations:

- Option 1 appears to be the least cost option to manage the system over the next three years, but the potential variation in the true cost of the repairs should be understood by the Alliance Members. Option 1, does carry with it added risk in terms of potential odor complaints and unexpected damage to the infrastructure. If the Alliance is interested in implementing the least cost option, and is willing to acknowledge the additional risks, then Option 1 is recommended.
- Option 2 minimizes the risk to infrastructure and operations, but at a near term cost that is \$160k or 26% higher. Option 2 is also a credible utility decision and can be recommended if the Alliance prefers a higher cost/higher level of service and lower risk approach.

It is important to note that if either or both of the Capital Projects are delayed, this analysis should be updated to reflect the longer term impact of continued infrastructure damage. This analysis is premised on the assumption that both of these Capital Plan projects are completed in the next 2-3 years.

This information is provided to assist the Alliance committees in making a thoughtful and intentional decision concerning this important budget item.

Stepan, Sue

From: Schuster, Michelle
Sent: Friday, September 05, 2014 2:09 PM
To: Stepan, Sue
Cc: Wilsdon, Mark
Subject: Object 460 allocation
Attachments: ORDINANCE NO v2.docx

Sue the current risk policy can be found at <http://www.codepublishing.com/wa/clarkcounty.htm> see chapter 2.95(Risk management) and the rough draft of the soon to be risk policy(Ordinance No v2) is attached. Let me know if you have any more questions once you look at this.

Just to recap our conversation the items that go into making up your object 460 are below and beginning in 2013-14 they are divided out by FTE/Risk category by our new cost allocation method.

1. Salary and benefits for Risk employees
2. Defense cost
3. Liability Claims
4. Insurance Premiums
5. Legal Fees
6. Pay outs for lawsuits
7. Cost related to administration, prevention, investigation adjustment and litigation of the program
8. Damage payments for county property

Below is the cost based on which category your employees fall into for their risk ranking and a list of the employees who have the 4580 as their primary salary funding code and are billed to your fund:

	2015	2016
<i>General Government</i>	\$808.81	\$809.56
<i>Law & Justice</i>	\$1,878.30	\$1,880.03
<i>Public Works</i>	\$2,048.84	\$2,050.73
<i>Community Development</i>	\$1,150.46	\$1,151.52
<i>Community Services</i>	\$660.32	\$660.93
<i>Public Health</i>	\$1,101.48	\$1,102.50
<i>Internal Services</i>	\$1,014.36	\$1,015.30

Lname	Assg Fte	Org Code	Org Name	payroll code	FUND	Dept-risk ranking group	2015 cost per Assg FTE	2016 cost per Assg FTE
Bloemke, Monte R	1	533SEW	PW- Sanitary Sewer	4580-000-533-535819--000000	4580	Public Works	\$2,048.84	\$2,050.73
Hust, Melody K	1	533SEW	PW- Sanitary Sewer	4580-000-533-535819--000000	4580	Public Works	\$2,048.84	\$2,050.73
Shaw, Karen L	0.5	533SEW	PW- Sanitary Sewer	4580-000-533-535819--000000	4580	Public Works	\$1,024.42	\$1,025.37
Huber, Randy A	1	533SEW	PW- Sanitary Sewer	4580-000-533-535815--000000	4580	Public Works	\$2,048.84	\$2,050.73
Hunter, Alan M	1	533SEW	PW- Sanitary Sewer	4580-000-533-535815--000000	4580	Public Works	\$2,048.84	\$2,050.73
Longshore, Don T	1	533SEW	PW- Sanitary Sewer	4580-000-533-535815--000000	4580	Public Works	\$2,048.84	\$2,050.73
Swyers, Nathaniel L	1	533SEW	PW- Sanitary Sewer	4580-000-533-535815--000000	4580	Public Works	\$2,048.84	\$2,050.73
Ganson, Gregory P	1	533SEW	PW- Sanitary Sewer	4580-000-533-535814--000000	4580	Public Works	\$2,048.84	\$2,050.73
Alderman, John L	1	533SEW	PW- Sanitary Sewer	4580-000-533-535812--000000	4580	Public Works	\$2,048.84	\$2,050.73
Golphenee, Matthew D	1	533SEW	PW- Sanitary Sewer	4580-000-533-535812--000000	4580	Public Works	\$2,048.84	\$2,050.73
Rathje, Kevin R	1	533SEW	PW- Sanitary Sewer	4580-000-533-535812--000000	4580	Public Works	\$2,048.84	\$2,050.73
Scott, Timothy L	1	533SEW	PW- Sanitary Sewer	4580-000-533-535812--000000	4580	Public Works	\$2,048.84	\$2,050.73
Welch, Jeffrey P	1	533SEW	PW- Sanitary Sewer	4580-000-533-535812--000000	4580	Public Works	\$2,048.84	\$2,050.73
Bashkatov, Dmitriy V	1	533SEW	PW- Sanitary Sewer	4580-000-533-535811--000000	4580	Public Works	\$2,048.84	\$2,050.73

Michelle Schuster
Department Finance Manager
Clark County General Services and IS
360-397-6121 ext. 4118
Michelle.Schuster@clark.wa.gov

DRAFT ORDINANCE NO. 2014-_____

An ordinance relating to the County's Risk Management Program and addressing the necessity for the necessity for a General Liability Insurance Fund, amending sections of Ordinance 2012-5-31 as codified as Chapter 2.95 of the Clark County Code, updating the Liability reserve fund.

WHEREAS, Chapter 2.95, Risk Management of the Clark County Code, was initially enacted in 1987, and last amended in 2012: and

WHEREAS, chapter 2.95.120 "liability reserve fund" is changed to General Liability Insurance Fund and reflects current allocation methods.

**Chapter 2.95
RISK MANAGEMENT**

Sections:

- 2.95.010 Purpose of provisions.**
- 2.95.020 Definitions.**
- 2.95.030 Insurance administration.**
- 2.95.040 Duties of county officers and employees.**
- 2.95.050 Risk management committee—Created. (REPEALED)**
- 2.95.060 Claims handling procedures.**
- 2.95.070 Claims processing procedures.**
- 2.95.080 Small claims collections.**
- 2.95.090 Procedure for representing defendant employees.**
- 2.95.100 Workers' compensation claims.**
- 2.95.110 Recovery of losses.**
- 2.95.120 Liability reserve fund.**
- 2.95.130 Workers' compensation fund.**
- 2.95.140 Employment security fund. (REPEALED)**

2.95.010 Purpose of provisions.

The purpose of this chapter is to establish risk management procedures; provide for the purchase of insurance; improve conditions relating to employee and citizen safety; and provide procedures for dealing with claims and lawsuits for alleged tortious conduct involving the county. (Sec. 1 of Ord. 1987-07-27)

2.95.020 Definitions.

As used in this chapter, the following words and terms shall have the meaning set forth herein:

- (A) "Risk management report" shall mean quarterly reports and an annual report presented to the board at work sessions;
- (B) "Board" means the board of Clark County commissioners;
- (C) "Claim" means (1) any claim for, at least in part, monetary damages against the county, or agents or employees of the county, within the agents' or employees' scope of employment; and (2) any direct damages or loss to county property;

- (D) "Lawsuit" means any lawsuit naming the county or an agent or employee of the county acting within his or her scope of employment, as a defendant or third-party defendant, which lawsuit alleges a cause of action and seeks, at least in part, money damages;
- (E) "Prosecuting attorney" means the prosecuting attorney of Clark County and such deputies as he or she shall delegate to perform functions referred to herein;
- (F) "Risk management" means a coordinated and continuous management process to identify and analyze potential loss exposures; to apply where possible reasonable and effective processes to transfer and reduce the risk of loss so as to preserve the assets of Clark County;
- (G) "Risk manager" means the person so designated by the board. (Sec. 2 of Ord. 1987-07-27; amended by Sec. 1 of Ord. 1991-11-30; amended by Sec. 1 of Ord. 2008-01-17; amended by Sec. 1 of Ord. 2012-05-31)

2.95.030 Insurance administration.

(A) Duties of the Risk Manager.

- (1) The risk manager may negotiate with and recommend the selection of insurance brokers for any type of liability, property and/or casualty insurance and/or officials' bonds as deemed necessary by the board. The broker of record will be selected by the request for proposal (RFP) process as outlined in county and state purchasing guidelines.

The consultant/broker shall be experienced in those fields of insurance for which the consultant/broker is appointed, and shall have prior experience in either consulting or brokering insurance for public entities. The consultant/broker shall have a staff adequate to assist in technical areas as required from time to time by the county. It is anticipated that the consultant/broker will not participate in any commissions on insurance contracts placed on behalf of Clark County, but should be compensated as outlined and approved by the BOCC.

- (2) The risk manager shall be responsible for recommending to the county administrator the design of insurance programs, the amount of services to be established, and the appropriate retention levels. The reporting mechanism will occur through monthly, quarterly, and annual reports.
- (3) The risk manager may recommend to all county departments, divisions, and other agencies loss control programs to reduce hazards to the employee and public that may exist in county facilities and operations.
- (4) The risk manager shall maintain histories of all claims and lawsuits, whether insured or funded self-insurance, loss histories and investigations of claims and incident reports.
- (5) The risk manager or the prosecuting attorney shall make tenders of potentially insured claims to insurance carriers.

- (6) The risk manager shall prepare such policies and guidelines as are necessary to inform county employees of their responsibilities in relation to accident reporting and risk management policy. These policies and guidelines shall be reviewed and approved by the county administrator. The risk manager shall be responsible for the dissemination of such policies and guidelines.
- (7) The risk manager may investigate any incidents or conditions, for the purpose of possible litigation and/or preventing future incidents.

(B) Duties of the Prosecuting Attorney.

- (1) The prosecuting attorney along with the risk manager shall advise and recommend to Clark County departments appropriate contractual clauses providing for indemnity, hold harmless, and insurance. He or she shall review contractual provisions relating to indemnity and hold harmless requirements as part of a coordinated process prior to finalization of all such contracts.
- (2) The prosecuting attorney, as provided by state law, is responsible for the prosecution and defense of all lawsuits against the county, except where other counsel is provided by insurance coverage or appointed pursuant to RCW 36.22.200 or 36.27.040. The prosecuting attorney may appear as co-counsel with insurance counsel, where appropriate.
- (3) The prosecuting attorney shall provide legal advice to all county officials regarding the disposition of all claims and lawsuits against the county. (Sec. 3 of Ord. 1987-07-27; amended by Sec. 2 of Ord. 1991-11-30; amended by Sec. 2 of Ord. 2008-01-17; amended by Sec. 2 of Ord. 2012-05-31)

2.95.040 Duties of county officers and employees.

- (A) Cooperation. All county officials and employees shall cooperate fully with the risk manager and the prosecuting attorney in all investigations, settlements and defenses of claims or lawsuits. All county officials and employees shall follow all claims and/or loss control policies and procedures. All officials and department heads shall provide all information requested by and otherwise assist the risk manager and the prosecuting attorney in the defense of claims and lawsuits. When deemed necessary by the risk manager and/or the prosecuting attorney, such assistance may include, but is not limited to, the providing of testimony and preparation of exhibits for use in litigation.
- (B) Guidelines Re: Communications. Except when authorized by the risk manager or the prosecutor, no county official or employee, acting individually or collectively, shall:
 - (1) Negotiate or otherwise effect the settlement of a claim or lawsuit against the county;
 - (2) Make an admission of liability or fact after a claim or lawsuit has commenced or been filed against the county or where a claim or lawsuit appears probable;
 - (3) Discuss with persons who are not county employees incidents which could reasonably lead to claims or lawsuits against the county, except as necessary to fulfill their employment duties;

(4) Make statements, written or oral, with regard to another employee, county premises or operations that would impute liability or negligence to the county in any claim or lawsuit of which the employee has knowledge.

(C) **Employee Responsibility Concerning Accident Occurrence.** Any officer or employee shall, in the event of any accident or occurrence, immediately notify the risk manager and, as soon as possible, provide written notice identifying the names and addresses of all persons involved, the time, place and circumstances, and the names and addresses of any injured persons and of any available witnesses. They shall immediately forward to the prosecuting attorney every demand, notice, summons or other process relating to the incident received by him or her or their representative. They shall cooperate with the prosecuting attorney and risk manager or any attorney retained by the county or any claims representative retained by the county upon request, and shall further assist in making settlements, in the conduct of suits, and enforcing any claim or any right of contribution or indemnity against any person or organization who may be liable to the county because of bodily injury, property damage or other loss arising from the accident, incident or occurrence. They shall attend interviews, depositions, hearings and trials and assist in securing the attendance of witnesses upon request. No officer or employee shall voluntarily make any payment, assume any obligation or incur any expense other than for first-aid to others at the time of an accident. (Sec. 5 of Ord. 1987-07-27; amended by Sec. 3 of Ord. 1991-11-30; amended by Sec. 3 of Ord. 2008-01-17)

2.95.050 Risk management committee—Created.

(Sec. 11 of Ord. 1987-07-27; amended by Sec. 4 of Ord. 1991-11-30; amended by Sec. 4 of Ord. 2008-01-17; repealed by Sec. 3 of Ord. 2012-05-31)

2.95.060 Claims handling procedures.

- (A) **Service and Filing.** In accordance with state law, claims shall be filed with the clerk of the board and summons and complaint served upon the auditor.
- (B) **Transmittal.** The clerk of the board shall transmit copies of the claim to the risk manager within three (3) days of receipt. The auditor shall immediately forward copies of all summons and complaints to the prosecuting attorney's office, the risk management office, and the clerk of the board.
- (C) **Service on Office or Employee.** Any county official or employee other than the auditor or deputy auditor who is served with a summons and/or complaint in a lawsuit against the county or any officer or employee of the county acting in their official capacity shall immediately deliver such process to the prosecuting attorney, who will transmit a copy to the risk manager.
- (D) **Independent Adjuster.** The risk manager may use the service of an independent adjuster for the investigation and settlement of claims whenever it is deemed to be in the best interest of the county to do so. The independent adjuster will be licensed in the state of Washington, and will carry professional liability coverage in an amount set by the risk manager. (Sec. 4 of Ord. 1987-07-27)

2.95.070 Claims processing procedures.

- (A) The risk manager shall have the authority to settle or dispose of claims involving property damage of thirty thousand dollars (\$30,000) or less. This does not apply to claims other than property damage.
- (B) The risk manager shall have the authority to settle or dispose of bodily injury claims of fifteen thousand dollars (\$15,000) or less.
- (C) It shall be the duty of the risk manager to recommend to the prosecuting attorney the settlement and disposal of bodily injury claims of over fifteen thousand dollars (\$15,000) but less than thirty thousand dollars (\$30,000). The risk manager, with the prosecuting attorney's concurrence, shall have authority to settle or dispose of claims of this amount.
- (D) The risk manager, or the prosecuting attorney, shall make recommendations to the county administrator as to proposed settlements or disposal of bodily injury and property damage claims in excess of thirty thousand dollars (\$30,000) and the county administrator shall have the authority to settle such claims in an amount not to exceed fifty thousand dollars (\$50,000). (Sec. 6 of Ord. 1987-07-27; amended by Sec. 5 of Ord. 1991-11-30; amended by Sec. 5 of Ord. 2008-01-17)

2.95.080 Small claims collections.

- (A) County officials, department heads, or their designees shall have the authority to pursue, collect and/or defend monetary claims within the jurisdiction of small claims court, provided such department shall contact and coordinate such claim with the risk manager.
- (B) The risk manager will coordinate with all county officials, department heads, or their designees, to defend the county in small claims actions alleging tortious conduct on behalf of the county, an agent or employee of the county acting within the scope of employment. Advice can be requested of the prosecuting attorney's office.
- (C) The risk manager may, at his/her sole discretion, pursue, collect, or defend the monetary claims in small claims court.
- (D) County officials, department heads, or their designees are authorized, upon being awarded a judgment in favor of the county in small claims court, to employ a collection agency for services to collect and/or execute on said judgment.
- (E) The risk manager shall be responsible for maintaining records of each and every claim pursued, collected or defended. These records shall include detailed information as to the nature and amount of the claim, the official or department head responsible for its collection or defense, the individual who appeared in court on behalf of the county, and the disposition of the action. (Sec. 7 of Ord. 1987-07-27; amended by Sec. 6 of Ord. 1991-11-30; amended by Sec. 6 of Ord. 2008-01-17)

2.95.090 Procedure for representing defendant employees.

- (A) Agents or employees of Clark County who are named individually in a claim or lawsuit, and wish the county to indemnify or defend them, shall make application to the prosecuting attorney. Such application shall include a complete statement of the act(s) and/or omission(s) complained of, together with copies of any pleadings served and such additional information as may be requested. This application shall be submitted to the

prosecuting attorney's office no later than ten (10) calendar days after service of process upon the applicant. If submission is not made within the ten (10) calendar day period, the prosecuting attorney may refuse to protect, provide defense or hold the applicant harmless in the legal action in question unless the applicant demonstrates that they had a reasonable excuse for the failure to comply with the time requirement.

- (B) Upon receipt of copies of all pleadings, the prosecuting attorney is authorized to appear in such action to the extent permitted by state law in order to maintain the status quo in the proceedings pending decision as to whether and on what terms legal counsel or indemnity will be provided.
- (C) Upon referral, the prosecuting attorney shall prepare a synopsis of the nature of the legal action and whether or not, in his/her opinion, the applicant acted in good faith and purported to act within the scope of his or her official duties, and forward such synopsis or meet with the board for a determination of whether the employee shall be provided a defense.
- (D) The board shall decide whether to defend or indemnify the official or employee pursuant to Chapter 2.97.
- (E) In the event the defendant officer or employee is protected by a policy of liability insurance, the policy shall be relied upon by the officer or employee to the extent that such policy insures the official or employee. If the officer or employee will suffer losses and/or expenses not covered by the policy, the county may provide protection for such excess losses and/or expenses. (Sec. 8 of Ord. 1987-07-27; amended by Sec. 7 of Ord. 2008-01-17; amended by Sec. 4 of Ord. 2012-05-31)

2.95.100 Workers' compensation claims.

- (A) Workers' compensation claims shall be reported and filed with the risk manager or designee in the manner and on the forms prescribed by RCW Title 51.
- (B) Workers' compensation claims shall be processed and resolved per RCW Title 51.
- (C) The risk manager may use the services of a claims administrator for the investigation and settlement of claims whenever it is deemed to be in the best interests of the county. The administrator shall be licensed in the state of Washington and carry professional liability coverage in an amount set by the risk manager. (Sec. 9 of Ord. 1987-07-27; amended by Sec. 8 of Ord. 2008-01-17)

2.95.110 Recovery of losses.

The risk manager shall be responsible for collecting such claims as defined in this chapter as he is requested to collect by the affected county officer, department or division. Any lawsuit or other proceeding to collect a claim, other than in a small claims court, shall be subject to the responsibility and control of the prosecuting attorney in conjunction with the risk manager. (Sec. 10 of Ord. 1987-07-27)

2.95.120 Liability reserve fund.

- (A) The county shall maintain a Fund known as the General Liability Insurance Fund Such account shall be funded and administered as follows:

- (1) Contributions by the various departments to the liability reserve fund shall be determined during the annual budgeting process. The amounts will be in accordance with a formula proposed by the risk manager and approved by the county administrator. Contributions to the fund will be made quarterly.
- (2) The accumulated reserves in the liability reserve fund should be maintained at an actuarially sound level.
- (3) The treasurer shall invest according to the established county policy, the principal sums appropriated to the liability reserve fund, and any interest earned thereon shall accrue to such fund.
- (4) The County will continue to book the estimated liability on its financial statements. Rather than create a separate reserve to fund the liability, the County will have the following plan in place to meet these obligations:

(a) The County will collect 100% of the yearly funding needed per the Actuary Review to build our cost allocation plan which will cover all actual cost associated with the Risk Management Department each year.

(b) If additional funding is needed, the County has the ability to complete supplemental budgets a minimum of 4 times a biennium and can reallocate additional resources for the fund based on the cost allocation method if need.

(c) The County can bill back departments for charges.

(d) The County's liabilities are backed by the full faith and credit of the County. For large, unique needs the County has the ability to borrow or tax to meet these obligations.

(e) Lastly, General Fund reserves may be used if previous methods are not sufficient.

(B) The following classes of expenditures may be made from the General Liability Insurance Fund:

- (1) Amounts for payments for liability claims involving bodily injury, personal injury, and property damage;
- (2) Premiums for insurance as may be placed for the county at the direction of the board;
- (3) Costs and expenses related to the administration, prevention, investigation, adjustment and litigation of the program;
- (4) Amounts for payments arising out of the direct damage to all types of county property. (Sec. 12 of Ord. 1987-07-27; amended by Sec. 7 of Ord. 1991-11-30; amended by Sec. 9 of Ord. 2008-01-17; amended by Sec. 5 of Ord. 2012-05-31)

2.95.130 Workers' compensation fund.

(A) The county shall maintain an account known as the "workers' compensation fund." Such account shall be funded and administered as follows:

- (1) Contributions to the workers' compensation fund shall be made by the various departments in accordance with a formula proposed by the risk manager and approved by the risk management executive committee. Contributions will be computed annually by the risk manager.
- (2) The accumulated reserves in the workers' compensation fund should be maintained at an actuarially sound level.
- (3) Monthly contributions shall be made by the various departments to the fund.

The treasurer shall invest, according to the established county policy, the principal sums appropriated to the workers' compensation fund, and any interest earned thereon shall accrue to such fund.

(B) The following classes of expenditures may be made from the workers' compensation fund:

- (1) Amounts for payments for workers' compensation claims involving injury to employees and/or volunteers as established by the risk manager;
- (2) Premiums for excess insurance as may be placed for the county at the discretion of the county commissioners through the risk manager;
- (3) Costs and expenses related to the administration, prevention, investigation, adjustment and litigation of the program. (Sec. 13 of Ord. 1987-07-27; amended by Sec. 8 of Ord. 1991-11-30; amended by Sec. 10 of Ord. 2008-01-17)

2.95.140 Employment security fund.

(Sec. 9 of Ord. 1991-11-30; repealed by Sec. 11 of Ord. 2008-01-17)