Exhibit B74

LIDER ENGINEERING PLLC
Low Impact Development Engineering Resources
Stormwater and Erosion Control Engineering
WILLIAM M LIDER, PE, CESCL

OBSERVATION REPORT

LOCATION: Ohanley Property
8229 Talbot Road, Edmonds, WA

PREPARED BY: William Lider, PE, CESCL

DATE OF OBSERVATION: June 22, 2012

WEATHER CONDITIONS: Overcast, light rain, +/-60℉

After checking with the next door neighbor, Mr. Bernhoft, I visited the Ohanley property to view the high flow bypass structure that the City of Edmonds operates and holds a stormwater easement for on the Ohanley property.

It had been raining steadily for three to four hours prior to my visit. I estimated the rain fall from the commencement of rain at about 0.10 inches with a maximum intensity of 0.02 to 0.04 inches per hour.

The stream channel at the south Ohanley property is clogged with rocks and cobbles and a significant flow from Perrinville Creek was spilling into the overflow structures. The high flow bypass structure and flow splitting weir are obstructing the bed load movement of rocks and cobbles causing the stream bed to rise thus causing a portion of the Perrinville Creek to flow into the high flow bypass pipe even at low stream flow.

I then proceeded to view the overflow pipe outlet in the beach tidal area west of the BNSF tracks. Flow in the bottom of the 42 inch ductile iron pipe was measured at 6 inches deep and was later calculated at 3.40 cubic feet per second using the Manning Equation. The end of the ductile iron outfall pipe is badly corroded and is not designed to prevent fish entry. Fish entering the high flow bypass outlet are likely to be stranded and die when they enter this culvert and the flow subsides.

It appears that the 42” pipe material changes at some point between the high flow bypass structure and the outfall. The pipe material exiting the high flow bypass is HDPE; however the pipe at the outfall is ductile iron. No manhole structure was observed between the outfall and the high flow structure; however it is possible that it could be covered by weeds and soil.

A dead Sea Lion was noted on the beach at the BNSF riprap and was reported to the Seattle-Everett Marine Mammal Stranding Network.

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Photo 1 June 22, 2012, 14:22: Note rock cobbles clogging Perrinville Creek. Flow control orifice is inhibiting the downstream movement of rock bed load.

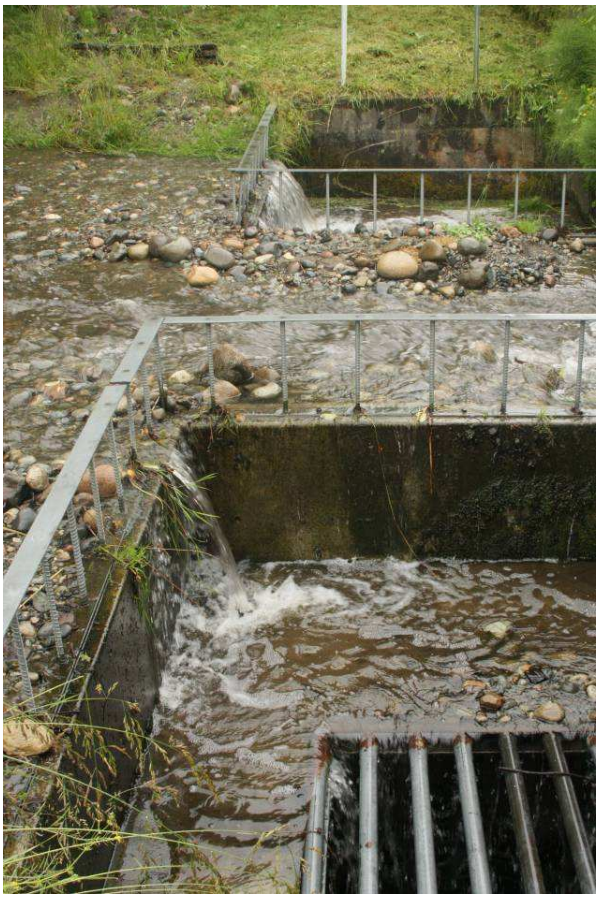

Photo 2 June 22, 2012, 14:23: Water flowing into high flow bypass.

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Photo 3 June 22, 2012, 14:27: Dead Sea Lion on beach north of outfall reported to the Seattle-Everett Marine Mammal Stranding Network.

Photo 4 June 22, 2012, 14:29: Photo taken at low tide. Note 6" depth of water in 42" DIP outfall. Flow estimated at 3.40 cfs using the Manning Equation.

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Photo 5 June 22, 2012, 14:30: Badly corroded high flow bypass outfall pipe. The 42” ductile iron pipe invert is below Mean High Water (MHW) as evidenced by the barnacle line and the outfall is not designed to prevent fish entry.

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