

SNO-KING WATER DISTRICT COALITION

Olympic View Water and Sewer District

Monday, August 8, 2016

Regular Meeting –

ATTENDANCE

Alderwood Water & Wastewater District
Cross Valley Water District
Mukilteo Water & Wastewater District
Olympic View Water & Sewer District
Sammamish Plateau Water
Woodinville Water District
Coalition Lollyist

Jeff Clarke
Curt Brees and Skip Schott
Tom Rainville and Jim Voetbert
Lora Petso and Lynne Danielson
Tom Harmon
Ken Howe
Steve Lindstrom

1. **Call Meeting to Order** – The meeting was called to order by the Chair Tom Rainville at 10:00 am
2. **Additions or Deletions to the Agenda** – There were no changes or additions to the agenda
3. **Review and Approve Minutes** – Jeff Clarke moved to approve the minutes as presented, second by Lora Petso. All voted in favor, passed unanimously.
4. **Financial Report** – July and August Financial reports were presented by Curt Brees. Motion to approve the July Financial Reports was made by Jeff Clarke, seconded by Lora Petso. All voted in favor, motion passed unanimously.
5. **Review Draft Layout for Documents** – The new website for Sno-King Water District Coalition was presented by Curt Brees. Logos for all members will be displayed on the site and will have links to individual websites. The information email is directed to Sno-King@[crossvalleywater.net](mailto:Sno-King@crossvalleywater.net) and will be monitored by Cross Valley staff.
6. **Legislative Activity Update** – Steve Lindstrom reported that things are relatively quiet following the primary election.
 - The post primary legislature composition is a bit unsettled due to the number of incumbents who are either retiring or seeking other positions
 - The Department of Ecology and Governor's new "Fish" rule. A compromise that works with stakeholders has been adopted by the state and will be submitted to EPA for approval.
 - Public Works Trust Fund and opened up the application process for 2018 biennium. Many are not applying due to the historical raiding of the fund and the costs of preparing the applications.

- The Survey and Engineers are continuing to work on legislation regarding property survey requirements.
- Washington State Utility and Transportation Commission is working on legislation that will effect the Dig Law. There are portions of the current law that will be expiring. Steve Lindstrom and others will be watching this as it progresses to bring back information on the possible changes and the effects on member Districts.

7. 2017 Legislative Agenda

- Sammamish Plateau Water presented the District's legislative agenda for 2017.
- Mulkiteo Water and Wastewater District would like to see what can be done to index the State Auditor's Office's rule on single year versus multi-year audits. It is currently set at a revenue of \$10 million will trigger the change from two year to single year audit. This number is not indexed and has not increased as revenues increase based on CPI or other indexes.
- Any legislation related to Public Records Act would be of interest to the group.

Members were asked to discuss these and any other issues with their respective Boards and provide feedback to Steve Lindstrom and the group at the next meeting.

8. Proposed Changes or Update to Bylaws

At the previous meeting some changes to the current were submitted for consideration. The bylaws and the proposed changes were discussed.

Motion: Authorize obtaining legal advice on the current bylaws and if they comply with Public Records Act and Open Public Meetings law.

Moved: Ken Howe

Second: Lora Petso

All voted in favor. Motion passed unanimously.

Motion: Authorize Lora Petso to talk to Joe Bennett, Hendricks – Bennett LLC to obtain a scope and a bid for a legal evaluation of the Open Public Meeting compliance by the Board and and bylaw changes that will need to be made to insure compliance. A report back to the members will be included.

Moved: Skip Schott

Second: Jeff Clarke

All voted in favor. Motion passed unanimously.

9. Other Business

Tom Harmon from Sammamish Plateau Water presented a copy of a letter being submitted by utilities in King County, to King County for consideration in the preparation of their current comprehensive plan. Washington Association of Sewer and Water Districts, Section 4, have taken the lead to get language changes in the King County Comprehensive Plan that will address the issue of the appropriate provider of urban services within the county.

Members that are located in Snohomish County are working the the county on policy issues that address the provision of water and sewer service within the county.

10. **Next Meeting**

- Date: September 12, 2016
- Time: 10:00 AM
- Location: Coal Creek Utility District
6801 132nd PI SE
Newcastle, WA 98059

11. **Adjourn:** The meeting was adjourned at 12:20 pm

Sno-King Water District Coalition

Statement of Operating Revenue and Expenses

8-Aug-16

Fund Balance at December 31, 2015	<u>\$17,488.92</u>
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2016 Operating Revenues

From Participants in Jan	20,000.00
From Participants in Feb	8,000.00
From Participants in April	4,000.00
Interest	76.54

\$32,076.54

2016 Operating Expenses

Steve Lindstrom, per contract	15,400.00
Steve Lindstrom, expenses	750.32
Washington Water Policy Alliance	525.00
Washington Water Utility Council	2,000.00
Inslee, Best, Dozie - Legal	750.00

\$19,425.32

Balance to date	\$30,140.14
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Sammamish Plateau Water and Sewer District 2015-2016 Legislative Agenda

General Principles/Objectives:

The Sammamish Plateau Water and Sewer District is a special purpose utility district serving approximately 55,000 customers located in the Cities of Issaquah, Sammamish, and King County. The District mission is to provide safe, efficient, and reliable water and sewer services by being a leader in the planning and the practice of fiscal and environmental stewardship. In pursuit of this, the District supports and advocates legislative measures consistent with the interests of its customers and constituents.

The District Board of Commissioners has adopted this Legislative Agenda. Support and advocacy of the agenda may be accomplished through various means including:

- Direct contact with legislators and the Governor.
- Coalitions of public and/or private entities with similar interests.
- Advancement through organizations which the District is a member of, including Cascade Water Alliance, Washington Association of Sewer and Water Districts, and Sno-King Water District Coalition.

While individual Board members may have varying views and perspectives on legislative measures, the Legislative Agenda is intended to represent the official position of the entire Board. The Board recognizes that in adopting legislative priorities, the language of specific legislation requires review and analysis to assess consistency with the District's principles and priorities.

The following establishes the District's 2015-2016 Legislative Agenda. The District will engage these issues from the points of view stated below.

GRINDER PUMP OWNERSHIP

Background:

Due to topography and hydraulic conditions, provision of sewer service may require the installation of a grinder pump to serve an individual sewer customer to pump wastewater as opposed to gravity flow. SPWSD has approximately 450 customer accounts which require grinder pumps for conveyance of sewage to the collection system. Grinder pumps are unique to the individual customer's property that requires one for service.

The Department of Ecology has interpreted legislation and promulgated policy (WAC 173-240-104) which requires sewer agency to own and maintain grinder pumps as though they were part of the larger sewer collection system, and has stated it would not approve the sewer comprehensive plan of any agency which elects not to own and maintain individual grinder pumps. The Department of Ecology has inconsistently applied this requirement among agencies. The District has received numerous comments and requests from customers who would like the ability to own and maintain their individual grinder pumps.

Goal/Objective:

Support legislation to allow local determination of ownership and maintenance of grinder pumps based upon the interests of the agency and its customers; local determination as opposed to Department of Ecology mandate.

Strategy:

Interpretation of the WAC as it applies to ownership of grinder pumps is presently under review by the Department of Ecology. If the Department of Ecology reaches a determination favorable to the District's goal/objective, the District can consider this item closed. If the Department of Ecology interprets the WAC to require sewer agency ownership of grinder pumps, the District will work collectively through WASWD and Sno-King to have legislation introduced to allow for local determination of ownership and maintenance. Ownership of grinder pumps is likely an issue which affects PUD's and cities in addition to special purpose districts, and WASWD and Sno-King should be encouraged to develop industry support to advance this issue in the legislature.

STREET LIGHT SYSTEM OWNERSHIP

Background:

Prior to a city incorporation or annexation within a water-sewer district's corporate boundary, some water-sewer districts, per the authority in RCW 57.08.060, worked with property owners or homeowner associations to install street light systems, and serve as the billing agency for the street light system owned and operated by a public or private electric utility. In serving as the billing agency, the districts are essentially a conduit for passing through the costs associated with streetlights from the electric utility that owns and operates the system to the street light customers and have no authority to manage lighting systems. In the case of SPWSD, the District does not own or operate any street light systems, but is simply the billing conduit between Puget Sound Energy and PSE's street light customers located within the District.

With incorporations and annexations into districts, cities have accepted responsibility for street light systems which supplement those sponsored by the districts. The municipalities' street light

systems serve a general governmental purpose and are funded by general governmental revenue. However, the privately developed systems may continue to exist, with the cities not assuming responsibility for those. This results in fiscal inequities where some residents and taxpayers are required to financially support both a private street light system, and the general municipal street light system. At the same time, the District continues to be responsible for providing a billing service for private street light systems which is outside of the District's statutory authority and core mission.

Goal/Objective:

Support legislation which requires cities to assume financial and/or management responsibility for all street light systems within their corporate limits. Support for this legislation would also include support for legislation providing cities the authority to create a municipal street light utility as a means of funding municipal street light systems.

Strategy:

Through its membership in WASWD and Sno-King, the District will try to identify other special purpose utility district's currently providing street light billing within urban areas. Upon assessing the issues relevance to other utilities, request the issue be included in the WASWD and Sno-King legislative agendas, and request that WASWD and Sno-King introduce legislation to require municipal ownership of street light systems. Request that WASWD and Sno-King engage the Association of Washington Cities to create awareness of the issue and solicit support for legislation providing cities with the authority to create a municipal street light utility as a means of funding municipal street light systems.

BILLING NON-WATER CUSTOMERS FOR FIRE PROTECTION BENEFIT

Background:

Water-sewer districts develop water infrastructure to provide for the health and safety needs of customers and constituents. In addition to constructing infrastructure to provide potable water, significant investments are made in infrastructure to develop fire suppression systems. Infrastructure is funded by existing ratepayers and residents in new developments who ultimately become water customers. See RCW 57.08.005(11); RCW 70.315.030. Owners of developed property receive significant benefit from this infrastructure due to its availability of fire suppression services, including reduced homeowners/fire insurance rates and not being required to install internal residential fire sprinkler systems. However, in some cases, developed property exists which is not connected to and does not receive potable water service from the SPWSD water system, resulting in the benefitting property not contributing or sharing in funding the infrastructure from which they receive fire protection benefit. This results in an inequitable funding burden for those owning property connected to the water system and ignores the benefit the owners of property not connected to the water system receive from the district fire suppression system.

Goal/Objective:

Support legislation which recognizes that all owners of developed property adjacent to a district/municipal water system receive benefit from the availability of fire protection infrastructure and authorize and enable districts to bill for and recoup the costs associated with the availability of this benefit.

Strategy:

Through its membership in WASWD and Sno-King, the District will try to identify other special purpose utility district's which share common perspective regarding fire protection benefits which accrue to owners of developed property which are not recovered through rates. If the issue merits further advancement, WASWD and/or Sno-King may wish to further engage the Association of Washington Cities to jointly introduce legislation to allow water utilities to bill non-water customers based upon the benefits received. Alternatively, the District could conduct further in-house review of the actual incidence of applicable circumstances within the District's customer base, including cost of service considerations, to validate the issue's level of significance to the District. Finally, rather than pursue the issue legislatively, the District could elect to pursue general fund reimbursement from the City and County for fire protection services associated with general government which are provided by the District.

STORMWATER INJECTION IN THE CRITICAL AQUIFER RECHARGE AREA**Background:**

Washington law does not adequately protect groundwater aquifers from degradation from the underground injection of stormwater by municipalities. Under Ecology regulations, WAC 173-218-090, new and existing stormwater injection wells operated by municipalities covered under a municipal stormwater permit are granted a presumption of non-endangerment and are therefore rule authorized. The municipal stormwater permits do not, however, regulate stormwater injection and do not require compliance with best management practices that are necessary and appropriate to protect drinking water aquifers. This is a significant concern for water purveyors relying on groundwater supplies. Municipal stormwater is not subject to Ecology prohibitions on discharges to groundwater in areas where the depth to the aquifer and soils will not prevent degradation of water quality. Ecology relies on best management practices for stormwater discharges to surface water that are not designed to protect groundwater and can in some cases increase the pollutant loading for parameters such as bacteria. Ecology regulations and permits additionally fail to require any coordination in stormwater management with the requirements of water purveyors to develop wellhead protection assessments. Ecology stormwater permits do not require municipalities to identify the critical aquifer recharge area (CARA) and take appropriate measures to preserve the groundwater supply. Injection or infiltration of stormwater into a one-year wellhead capture zone or the CARA significantly increases the risk of contamination and degradation of groundwater quality and public drinking water resources.

Goal/Objective:

Support legislation which protects drinking water aquifers from degradation due to stormwater injection. This could include the prohibition of stormwater injection or infiltration in capture zones determined under the wellhead protection program or a CARA, treatment of stormwater to a drinking water standard prior to injection, or permitting by the Department of Ecology or Health to include stringent monitoring protocols oriented toward aquifer protection as opposed to stormwater/surface runoff regulations.

Strategy:

Through its membership in WASWD and Sno-King, the District will make efforts to raise awareness of the risks posed the groundwater through the infiltration or injection of stormwater, including the lack of regulation by the Department of Ecology, and the absence of regulation to

balance the competing interests of groundwater quality and stormwater management. Advocate that the interests of aquifer protection must take precedence over stormwater management. While WASWD and Sno-King advocacy is significant, the District may not find those groups recognize the significance or place the same level of emphasis on the issue as the District does, since our experience has been unique. As such, the District may need to pursue legislation independent of WASWD and Sno-King. Resistance from cities may be encountered as the District pursues action. Engagement with the USEPA may be considered to ensure there are no gaps within the Clean Water Act which jeopardizes groundwater as a matter of stormwater management expediency.

WATER AND/OR SEWER SERVICE GOVERNANCE AND SERVICE ANALYSIS

Background:

Chapter 35.13A RCW grants cities certain authorities to attempt to assume, subject to boundary review board approval, those portions of water-sewer districts located within the city. With the enactment of Engrossed Substitute Senate Bill (ESSB) 5048, affected constituents may now exercise the right to vote on a proposed assumption if a city elects to do so unilaterally without the consent of a district's elected body. While ESSB 5048 provides a potential mechanism for citizen redress in the event of a unilateral assumption, the statutes continue to fail to address issues of governance and service delivery. The underlying statutes were enacted in the 1970's. Since then, with the enactment of the Growth Management legislation (Chapter 36.70A RCW), cities have interpreted statutes to imply a preference or bias to cities as the preferred provider of water and sewer services. In some regions, water-sewer districts encompass multiple government jurisdictions and provide utility service on a regional basis. District water and sewer systems are constructed based on topographic and hydraulic considerations, rather than municipal political boundaries. Over time, districts have evolved and enhanced their sophistication through technology and related innovative service delivery practices. In many cases, water-sewer districts are more advanced than a city which may pursue assumption. Current assumption law is lacking in that it fails to recognize that alternative service delivery and governance models may be superior to traditional assumptions. While the amended assumption law now provides for potential voter input in the case of a unilateral assumption of districts by cities, the statutes are silent on the promotion of effective service delivery and/or governance in relation to utility service, including the promotion of general engagement between cities and special purpose districts on such issues. A cornerstone of effective service delivery and governance should include an orientation toward engagement and periodic objective analysis of service delivery in the interest of constituents.

Goal/Objective:

Support legislation which requires thorough analysis of governance and service delivery options as a prerequisite to a traditional assumption. Support legislation which requires objective constructive engagement between city and special purpose jurisdictions regarding governance and services delivery not less than once every ten (10) years. Ultimate governance and service models should reflect what is in the best interest of all customers in a utility district or region, not just that of a city pursuing assumption.

Strategy:

Through its membership in WASWD and Sno-King, the District will attempt to secure advocacy and support for advancement of this issue as a means of further enhancing the recently

amended RCW. WASWD and/or Sno-King should consider engagement with the Association of Washington Cities in the interest of improving legislation in the interest of all constituents.

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**SNO-KING WATER DISTRICT COALITION
OPERATING EXPENSES & BUDGET**

	General and Administrative	Lobbyist Contract and Lobbyist Expense	ACTUAL YTD 8-Aug-16	2016 BUDGET	% of Budget
Lobbyist contract		15,400.00	15,400.00	26,400	58.33%
Lobbyist expense		750.32	750.32	3,000	25.01%
Wash Wtr Policy Alliance		525.00	525.00	600	87.50%
WWUC		2,000.00	2,000.00	2,000	100.00%
Legal Support		750.00	750.00	1,000	75.00%
Reserve/Contingency		0.00	0.00	500	0.00%
TOTAL	0.00	19,425.32	19,425.32	33,500	57.99%

**SNO-KING WATER DISTRICT COALITION
OPERATING EXPENSES & BUDGET**

	General and Administrative	Lobbyist Contract and Lobbyist Expense	ACTUAL YTD 8-Aug-16	2016 BUDGET	% of Budget
Lobbyist contract		15,400.00	15,400.00	26,400	58.33%
Lobbyist expense		750.32	750.32	3,000	25.01%
Wash Wtr Policy Alliance		525.00	525.00	600	87.50%
WWUC		2,000.00	2,000.00	2,000	100.00%
Legal Support		750.00	750.00	1,000	75.00%
Reserve/Contingency		0.00	0.00	500	0.00%
TOTAL	0.00	19,425.32	19,425.32	33,500	57.99%