

# The Tap



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 $Mt.\ View-Edgewood\ Water\ Co.$ 

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Pierce County Public Works and Utilities

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Spanaway Water Co.

Tacoma Water

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City of Sumner

Public Utility District No. 1

of Thurston County

Valley Water District

Washington Water Service Co.

City of Yelm

# President's Pipeline

With this newsletter, I am happy to inform you that two very successful organizations have now merged to become a bigger, better, and stronger organization: the Regional Water Cooperative of Pierce County.

On March 13 the Water Cooperative of Pierce County and the Regional Water Association of Pierce County merged to become the new Regional Water Cooperative. As a result, the best genes of both have blended to make a stronger species, one that will surely be effective and relevant well into the future.

The new organization will continue to function in the spirit of the original Co-op, with the added dimension of including surface water companies to the membership. While the new organization will continue to closely monitor water issues from a groundwater perspective, we are expanding our scope to be inclusive of all types of water utilities.

For many reasons (including lack of time and resources), we each tend to focus on that which directly benefits our own organization, rather than considering our profession and its service to the public at large. This fragmented approach is ineffective with regard to shaping governmental policy, legislation, or for that matter, even sharing of equipment and gaining

economies of scale in purchasing.

Ultimately, we all serve drinking water and fire flow to the public, whether it be from ground or surface water. As we learn to work collaboratively and focus on doing the right thing rather than our own selfish interests, we will better serve the public. We are all stakeholders in the use of our water resources and it makes more sense to work cooperatively to be good stewards of that resource rather than an 'everyone for themselves' outlook.

The new Water Cooperative now serves twice the population as before, something in excess of 660,000 (to be adjusted after all reports are in) and by water utilities that serve seven counties. The legislative committee will continue to develop our legislative priorities, so please volunteer to participate in this committee process so we can serve your interests.

To illustrate how we do the right thing, one only has to look to the last legislative session. One bill we pushed nearly to passage (HB2682) regarded increasing the dollar limit of work that can be completed by Special Purpose Districts to be on parity with that authorized by law to municipal water



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## President's Pipeline

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utilities. Despite the fact that this bill only affects a very small number of Co-op members, it was the right thing to do so we all supported it!

This is one of many examples that promise a bright future. I urge each of you to look beyond selfish interests to become part of something much bigger than any one of us. I invite each of you to challenge every problem our industry faces, and work collaboratively to solve each problem, regardless of whether your water comes from the ground or the surface, and regardless whether it comes from a municipality, special purpose water district, or a mutual nonprofit water utility. We all provide the same service, and to the same public.

Sure, there will be times when the road will be rough and we may have different priorities. At those times we need to admit openly to our differences, and do our best to work them out. The goal is to fix the problem, rather than split apart. With that I will share another of Life's Lessons (see photo right).

Congratulations on being a member of the new Regional Water Cooperative of Pierce County!

Marc Marcantonio



### Legislative Priorities & Wrap-up – 2014

As the 2014 session comes to a close, it's time to review what's happened:

Co-op leaders, members, guests, and friends of members came to Olympia throughout the biennium to meet with legislators, interest groups, agencies, and legislative committees. The details and fate of each of our bills can be found at www.leg.wa.gov. Just click on "Bill Information" then input the bill number (e.g. 2548, not SB2548).

Under the guidance of Co-op Legislative Chair Jeff Johnson and President Marc Marcantonio, and with broad participation from the Co-op membership, problems were identified and solutions were offered. Our Blue Sheet set forth priority issues and potential solutions. In some cases, the problems have been and/or are being worked out with agencies, thereby negating the need for legislation or litigation.

When it comes to the legislative arena, water issues run swift and deep.

The undercurrents are visible. Unfortunately, legislative bodies are challenged with literally thousands of issues and the responsibility for billions of dollars. Like it or not, politics is partisan. While lots of bills pass with "bi-partisan" support, even more seem to die because of partisan politics.

We started the 2013 biennium with a State House of 55 Democrats and 43 republicans and a Senate majority under a "Republican coalition" caucus. As legislators return home to run for local office, legislative seats become vacant. Several of the Pierce County legislative districts had freshmen elected in 2012 and appointments and special elections in 2013. More than \$7,000,000 was spent on the State Senate seat in the 26th District. Jan Angel's victory in that race added a crucial vote to sustain the coalition/majority caucus.

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### Legislative Priorities & Wrap-up – 2014

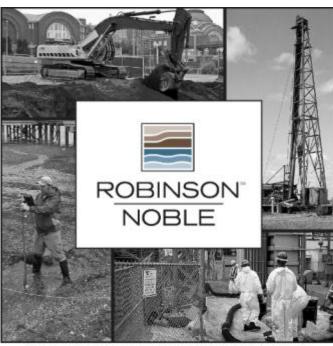
The good news is that every one of these Pierce County legislators has been invited to our events and briefings, and many have come to know the Co-op's purpose.

The 2014 short session was fast and furious. Very few truly controversial bills made cut-offs, except some so-called hero bills designed to give one or the other party the chance to say, "We tried." Unfortunately, in the end, our dead bills were defeated by either the clock or the upcoming elections, or both.

Looking forward, the Co-op Issues Blue Sheet will be revised and progress reviewed, allowing for continued efforts where necessary. Policy papers will be readied for briefing candidates the next few months. We had a good start. In some ways, we've only just begun. We must continue our educational efforts with local and state legislative officials and staff; it makes a difference! The Co-op's coalition-building and outreach to other counties will also strengthen our opportunities for the next biennium.

#### HB 1685 (2013 and 2014)

Because water utilities paid over \$50M in utility taxes in 2012, HB 1685 sought to dedicate 10 percent (20 percent total) of those taxes to the Departments of Health and Ecology. The bill provided guidance on how that money is intended to be spent to the benefit of the utilities which pay the taxes.



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(Left to right) Senator Jan Angel, Legislative Chair Jeff Johnson and Co-op President Marc Marcantonio immediately after SB 6060 passed the Senate.

For Health, this focused on maintaining state primacy for the SDWA, federal matching funds, and water utility educational and coordination efforts. For Ecology, the focus was on water systems plan review, matching funds for USGS water projects, data tracking, and water right processing. This bill was revenue neutral, as it only codified existing general fund allocations to the agencies.

No action was taken by the legislature on the bill during any of its five legislative sessions in 2013-14. Nonetheless, this issue should become part of interim dialogue with holdovers, challengers, and incumbents. This bill remains an important issue in the Cooperative's efforts to provide a sustainable, dedicated funding source for those agencies with which utilities must partner in addressing the water needs of the state's citizens.

#### HB 1016 (2013)

The objective was to add public water utility facilities as essential public facilities

under GMA. This bill passed the House in 2013, but did not get final consideration in the Senate. In 2014, the issues that lead to HB 1016 were addressed in SB 6060 and SB 6463, described below.

## SB 6060 and SB 6463 (2014)

During the interim, several meetings resulted in a mutual understanding of the issue that HB 1016 was intended to address and resulted in Senator Angel's introduction of SB 6060, a brief twosection bill that was heard 1/23/14. After the hearing, only the first section remained as SB 6060, which added a requirement for notification to Group A water utilities required to complete water system plans when local comprehensive plans and development regulations are to be developed or amended.

SSB 6060 Passed the Senate 47/0. In the House, the bill passed the Local Government with a well-

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### Legislative Priorities & Wrap-up – 2014

intentioned amendment in the House Committee which added to the difficulty of getting this bill out of Rules and onto the floor of the House. The bill was passed by Rules but was kept from a floor vote by a combination of the clock and politics.

The second section of SB 6060 became SB 6463. This bill would have added the facilities of Group A public water systems to the list of existing and proposed utilities required to be identified in the utilities element of local comprehensive plans. The intent was to ensure communication and an understanding between both planning agencies and those designated public water systems as to both the utility's current ability to provide service and needed infrastructure to address potential growth as a result of the GMA plan development or amendment, SB 6463 remained in Senate Rules.

#### HB 2682 and SB6326 (2014)

These companion bills were introduced in the 2014 session. The Senate bill was sponsored by Senators O'Ban and Angel. The House bill was sponsored by Representatives Green, Muri, Scott, Kirby, Warnick, Wilcox, Haler, Zeiger, and Hayes. Currently, water district capital projects costing more than \$20,000 must be put to public bid and contracted out. The bills simply increased that bid limit from \$20,000 to \$90,000, bringing water districts' limit in line with that of cities and counties. This issue was raised by the Coop just before the start of 2014 session.

HB 2682 passed the House 81-16, with very strong bipartisan support while SB 6326 was not heard in its committee of origin before the first cutoff. The President and Legislative Chair made a special request of the Senate Government Ops Chairwoman, Senator Pam Roach to hold a hearing on HB 2682 as the clock ticked down.

HB 2682 passed out of Senate Government Operations Committee and was placed in Rules in time to meet cutoff. Lt. Governor Brad Owen pulled HB 2682 from Rules to the 2nd reading calendar on March 5 en route to consideration on the floor of the Senate. The March 7 floor cutoff at 5 p.m. left HB 2682 on the Senate calendar, without a vote in the Senate. The failure of this bill is not due to lack of effort on the part of the prime sponsors in both the House and Senate. The Co-op welcomed help from Blair Burroughs and the members of the Washington Association of Sewer and Water Districts. The primary opposition to this issue came from utility contractors and the AGC lobby. This opposition includes decades of lobbying by private contractors, claiming that raising a bid limit contributes negatively to the growth of government. This issue remains an important issue for Special Purpose Water Districts and will be included in interim dialogue with allies, coalitions, holdovers, and candidates of both/all parties.

# HB 1512 and SB 5606 (2013)

The FirePALS bill passed both the House and Senate as SHB 1512 and became law on May 3, 2013. The bill language is now RCW Chapter 70.315.010-.902. Following a definition section, the bill allows purveyors to

the bill allows purveyors to: recover hydrant maintenance costs from customers; allows local governments to contract for hydrant maintenance; exempts counties from paying for hydrant maintenance in most cases; and provides liability protection for water purveyors. The bill's powers are supplemental to other laws related to local governments and it ratifies any pre-existing ordinance, resolution, or contracts. This bill faced little opposition and was the result of a major effort by utilities, cities, counties, and fire protection representatives to address the issues created by the Lane v. Seattle and Tacoma v. Bonney Lake Supreme Court cases.

# Other Cooperative Legislation

#### HB 1549/SB 5462 (2013)

These were companion bills introduced in 2013, heard in both the Senate and House. House Chairman Brian Blake

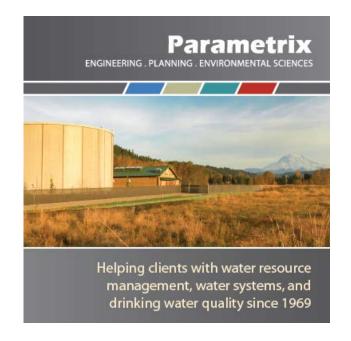
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arranged for Rep. Stanford to convene a formal exchange amongst stakeholders and the DOE under legislative guidance. The bill would have provided a simplified DOE process for merging of the annual quantities of multiple water rights allowing the applicant flexibility in managing their sources.

#### HB 1548/SB 5463 (2013)

These were also companion bills introduced and heard in both Senate and House Committees and also discussed at the stakeholder meeting. The bill would have provided utilities a simplified DOE process for allowing the transfer of annual quantities to wells 1) further from a surface water body; 2) to a deeper aquifer; or 3) within an aquifer that drains to salt water.

All four of these bills remained in committees of origin and therefore are dead after this biennium. We have informed legislative



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### Legislative Priorities & Wrap-up

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Committee Chairs and sponsors that as a result of the stakeholder meeting in the spring of 2013, several utilities, including Lakewood Water District, Spanaway Water Company, and Firgrove Mutual Water, are pursuing these types of water right flexibilities through DOE's cost reimbursement process. If this process proves to be both timely and

cost-effective, the need for the bills would be nullified. Further action on these bills in future legislative sessions will depend on the results of the efforts of the utilities using DOE's cost reimbursement program.

Stay tuned for and to the 2015 session!



Quite a turnout at Washington High School for Parkland Light & Water Company's 100th anniversary!

# Congratulations to Parkland Light & Water Company on 100 Years of Service!

On February 17, 1914, 41 local people banded together and organized what was to become the oldest mutual, non-profit organization providing electric and water service to rural America.

Each member of the Mutual would share the cost of developing and maintaining the system. A membership entitled the user to one share and one vote, regardless of how much electricity and water that member used.

On April 23, 1914, having

fulfilled the requirements of Chapter 134 under the state laws of 1907, I.M. Howell, Secretary of the State of Washington, signed the articles of incorporation for the fledgling light and water company. The first Board for Parkland Light & Water Company consisted of E.B. Ellingson, M.D. Campbell, N.J. Hong, B. Benson, and J.H. Anderson. Mr. Ellingson also served as the first manager for the mutual.

Because the state laws in 1914 would not allow the city

of Tacoma to serve outside the city limits, Mr. N.J. Hong conceived a plan to attach a meter to an electric pole just inside the City of Tacoma boundary at Park Street. A water connection was made to a City of Tacoma water main also inside the city limits with the proper gate valves and meters at a cost of \$260.

In those early years, members volunteered their labor to dig ditches, erect poles, and string wire in a cooperative effort. Mr. Ellingson was hired to supervise the installation of the water mains and the electrical system at a construction cost of \$3 per day.

Parkland Light & Water Company's systems have changed significantly since1914, from simple distribution systems to a complex system of pipes, cable, conduit, 12 wells, six well yards, five storage tanks, and one dual transformer substation. They swapped out wooden water mains to ductile iron mains and have gone from an overhead electrical system to a fully underground electric system. Along the way, the Company had 45 different community board members and 11 managers providing leadership.

Parkland Light & Water Company is proud of what they have accomplished in the last 100 years, while remaining debt-free and providing low rates. No one knows what the future holds, but the Company's Board of Directors believes the mutual corporation is well positioned to meet the challenges of the next 100 years, ever cognizant that the Mutual is owned by those they serve.



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### Fruitland Mutual Wins Best Tasting Water in AWWA South Sound Subsection Contest!

The South Sound Subsection Shores Water Association of Pacific Northwest Section of AWWA held its annual barbeque and water taste test at Parametrix in Puyallup on March 23. A record 15 entrants in this year's contest made for tough competition there was a 5-way tie for 3<sup>rd</sup> place. In the end, Maple

grabbed 3<sup>rd</sup> place and Co-op member City of Puyallup came in 2<sup>nd</sup>. First prize went to member **Fruitland Mutual** Water Company.

Congratulations to Ted and crew. Good luck at the section meeting in Eugene, Oregon in May!





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