

Summary of Small Water System Committee Handouts and Presentations

Meeting Handout	Main Points
1. Water System Capacity fact sheet (DOH pub. 331-283, December 2004)	<ul style="list-style-type: none">• EPA defines capacity as a process for planning and implementing action to ensure that a water system can meet its immediate and long-term challenges.• There are three capacity categories: technical (physical system and O&M personnel), managerial, and financial capacity.• Benefits of acquiring and maintaining full capacity include ability to expand to specified connection limit and ability to obtain capital improvement funding through the Drinking Water State Revolving Fund.• Full capacity systems have water system plans or satellite water system management programs in place, use certified operators, stay within approved number of connections, and comply with monitoring and drinking water regulations.• DOH offers training, technical assistance, and published strategies to help new and existing systems develop capacity.• Status report provided to the governor every three years (from Web site).
2. Compliance information—small systems (< 100 connections) in King County (DOH, 3-31-06)	<ul style="list-style-type: none">• King County has 147 Group A Systems with 15–100 connections: 77 with green, 1 with yellow, 68 with blue, and 1 with red operating permit status. (The red system will soon be moved to green status.)• Green status = substantial compliance; red status = non-compliance (not adequate for existing or new connections). Yellow and blue statuses = substantial compliance, with some compliance issues: yellow—not meeting the planning requirement and/or under a compliance agreement for a state significant non-complier (can expand to approved number of connections); blue—not meeting or is operating outside of design approval process, or exceeds the number of connections (can serve only existing connections).• KC has 1,689 Group B systems; most are under 10 connections.• KC has 12 unapproved Group B surface water systems.
3. East King County CWSP Satellite System Management Program (East King County Regional Water Association, October 1989 CWSP and August 12, 1993, addendum)	<ul style="list-style-type: none">• Satellite system management agency (SSMA) is defined as a public or private entity that is certified to be qualified to properly operate and maintain a public water supply system, either through direct ownership or on a contract basis.• Provision of new “public water” service within a designated service area should be determined in the following order: (1) purveyor extends service, (2) purveyor approves design and then owns/operates remote system; (3) purveyor approves design and enters into contract for operation of system with a qualified SSMA (purveyor is responsible for quality, quantity, and monitoring, but not for operation and financing); (4) purveyor relinquishes new system and the new system’s service area.• Provision of new “public water” service within a non-designated service area should be determined in the following order: (1) an adjacent purveyor operates the system remotely and changes its boundaries; (2) an SSMA through an agreement with the owner/developer assumes ownership and/or operation; (3) owner/developer creates a new system (that complies with items in the EKCRWA Water Service Agreement and that files an annual approved financial plan with the King County).• DOH expects purveyors to have a satellite system management policy and program in place. It believes that purveyors have the responsibility to provide direct or indirect service to new remote systems in their service areas. DOH has the authority to remove portions of a service area if a purveyor refuses to manage a new

remote system.

- Water purveyors are reluctant to provide satellite management to remote systems, apparently because of the high financial risk if water quality and quantity degrade and because some cities require direct service only. Purveyors do not think that direct customers should pay to correct defects of small systems (nor does DOH require purveyors to do this).
- Possible finance options: (1) purveyor advances the costs of improvements and is paid back through the remote system customer rates or through state/federal grant money; (2) low-interest loans from State Public Trust Fund or other such programs; (3) conventional loans; (4) Community Development Block Grant funds for low-income residents; (5) formation of local improvement districts. The designated purveyor could act as an intermediary in helping failing systems
- DOH should set up a dedicated fund for emergency repair and restoration of remote systems using a portion of the fees charged for operating permits issued under RCW 70.119A; the fund could be replenished through a payback mechanism.

4. Group B Project Report—Safe Drinking Water for Small Communities (DOH, November 2003)

- While serving only a small percentage of the state's population, Group B systems generally have more uncorrected problems and are most commonly implicated in waterborne disease outbreaks when such outbreaks are documented.
- In 2003, 82 percent of the state's population was served by Group A systems (subject to the Safe Water Drinking Act [SWDA]), 2 percent by Group B systems (exempt from SWDA but subject to state regulations and local ordinances), and 10 percent by private wells (subject to local ordinances). No information was available on the remaining 6 percent.
- During the 2001–2003 biennium, \$1.4 million was disbursed to local health jurisdictions in 36 out of the state's 39 counties to visit Group B system sites with five or more connections, educate operators, and update Water Facility Inventory forms. Over 3,000 site visits and updated inventories were completed. Most systems had one or more deficiencies that pose a risk to public health:
 - Lack of properly constructed and screened well vents (53 percent)
 - Inadequate water quality monitoring (45 percent)
 - Biological and chemical contaminants located within 100 feet of source (31 percent)
 - Lack of sampling taps at wellhead (30 percent)
 - Open storage reservoirs (26 percent with atmospheric storage; 49 percent with unprotected openings)
 - Lack of sealed well caps (21 percent)
- Because of budgetary restraints, many systems had not received critical reviews and assistance in decades. Most purveyors had little or no water system experience and little understanding of system design, history, or compliance obligations.
- Inventories and subsequent updating of DOH's database were time-intensive because of the constant changes in Group B system contacts.
- Recommendations for the future: Increase resources for technical assistance, training, and compliance; revise Chapter 246-291 WAC to clarify authorities for conducting sanitary surveys and increase monitoring requirements for inadequate sources.
- For the 2003–2005 biennium, \$1.4 million was appropriated to continue assessing Group B systems, focusing on systems with three or more connections.

5. Municipal Water Law—Draft Handouts at July and August 2005 Stakeholder Meetings

Retail Service Area

- The requirement to delineate a retail service area (RSA) applies to municipal water suppliers (MWSs) with water

on Proposals for Planning and Engineering Requirements (accessed from DOH Web site on 3-31-06)

- system plans (WSPs) and applicable WSP amendments approved after September 9, 2003.
- The RSA identifies where an MWS currently provides direct water service and where it plans to provide new retail water service. It establishes where the requirement for consistency with local comprehensive plans, land use plans, and development regulations applies under Section 8. An MWS must demonstrate consistency with those plans within its RSA as part of the WSP approval process. The RSA establishes where a water system has a duty to serve. If a request for service from within the RSA is made and the MWS meets certain conditions, the MWS is obligated to provide service.
 - An RSA must include all areas where retail service is currently being provided and may include areas where retail service is planned. In delineating its RSA, an MWS should determine its readiness and ability to provide water service by considering elements such as:
 - The duty to serve requirement established in the MWL.
 - The size, location, and physical features of its own existing and future water service areas, and those of adjacent utilities.
 - Population projections and land use designation.
 - Its own provision-of-service policies.
 - Identification of resources to construct facilities needed to meet growth demands.
 - Commitments, pending requests, and potential requests for water service.
 - System capacity and approved number of connections as determined by DOH.
 - Water right limitations.
 - A public process for setting and changing the retail service area.
 - Applicable requirements under the Coordination Act (RCW 70.116).
 - Modification of an RSA or provision of water service outside an RSA requires DOH approval of a WSP amendment.
 - An MWS may not modify the boundary of its RSA after receipt of a request for service if the applicant for new service is located within the RSA and the modification would result in excluding the applicant for new service from the proposed RSA.

Duty to Serve

- Duty to serve applies to MWSs within their RSAs when the four threshold factors can be met (on a case-by-case basis). The RSA must be documented in an approved WSP or WSP amendment.
- The four threshold factors are physical capacity, consistency, water rights, and timely and reasonable.
- DOH oversees capacity and consistency; Ecology oversees water rights; the applicant and MWS determine timely and reasonable, with possible oversight by local governments.
- **Capacity** determinations must be included in WSPs. The determinations will incorporate a water system's physical capacity (source and storage) and water right (QiQa) limitations and will be expressed in terms of approved number of connections. Capacity sufficiency for large systems will be addressed in their WSP.
- "Safe and reliable" means that an MWS cannot have a red operating permit.
- Required **consistency** elements include land use, 6-year growth projections, potential large water users, service extension ordinances, and provisions of water service. Consistency review by local governments and resolution of disputes should occur prior to WSP submittal to DOH. (If a local government does not review or provides an incomplete review, the MWS must document efforts to gain consistency and provide its own consistency evaluation. DOH will follow up with local government.) If inconsistency with a required element is determined, DOH will not approve the WSP until the issue is resolved. DOH may approve a WSP with inconsistencies where there is a significant and immediate public health threat. The MWS will be required to

address issues after approval.

- **Water Rights.** DOH will submit all WSPs to Ecology for review and will support Ecology compliance actions (at the point of WSP approval and within the 6-year planning cycle).
- **Timely and Reasonable** is considered a civil matter between the MWS and the applicant. Local governments may provide oversight. DOH will provide guidance for timely and reasonable as it applies to the Coordination Act (RCW 70.116) and the Municipal Water Law.

Timely and Reasonable

- The Public Water System Coordination Act (Coordination Act), Chapter 70.116.060 RCW, and the Municipal Water Law (RCW 43.20.260) (MWL) do not share a consistent use of the phrase timely and reasonable.
- The Coordination Act provides for local definition of timely and reasonable through CWSPs. The act applies only to Critical Water Supply Service Areas. It does not allow establishment of new public water systems in a CWSP area unless existing purveyors cannot provide service in a timely and reasonable manner. Applicants can follow CWSP procedure for appealing a purveyor's decision based on the purveyor's inability to provide service in a timely and reasonable manner. DOH suggests that the local legislative authority formally adopt legislation or administrative rules that define timely and reasonable and a dispute resolution/appeals process, and that both elements are developed through a public process. Other timely and reasonable considerations under the act:
 - Defines **timely** as 120 days unless otherwise specified by a local legislative authority. The legislative authority should define specific actions that begin and complete the service provision process. If the local legislative authority does not adopt formal legislation or rules, the purveyor should formally adopt procedures for the provision of timely service, incorporating a 120-day timeframe. DOH suggests that the calendar day clock begins on the date a formal agreement is completed unless otherwise agreed on by both parties as part of that agreement. The completion of a formal agreement should be defined and could include items such as required permits, water rights, and design.
 - DOH suggests that conditions of service (and costs) could be considered **reasonable** if they are consistent with local land use plans and development regulations, with the conditions of service documented in the purveyor's approved WSP, and with the purveyor's acknowledged standard practice as experienced by other applicants requesting similar water services.
- Although the MWL does not specify a local government jurisdictional foundation for timely and reasonable, DOH suggests that the local legislative authority formally adopt legislation or administrative rules that define timely and reasonable and a dispute resolution/appeals process, and that both elements are developed through a public process. If the local legislative authority does not adopt formal legislation or rules, the MWS should formally adopt procedures using a public process. Other DOH suggestions:
 - The following process could be used to provide service in a **timely** manner: The applicant submits a written request for service: within 120 calendar days, the MWS responds (with a contract proposal or a commitment to provide service); within 120 calendar days of receipt of the utility's contract proposal, the applicant accepts the contract, enters into continued contract negotiation, or identifies the contract as unreasonable (triggering the dispute resolution process).
 - An MWS's conditions of service (and costs) could be considered **reasonable** if they are consistent with local land use plans and development regulations, with the conditions of service documented in the purveyor's approved water system plan, and with the purveyor's acknowledged standard practice as experienced by other applicants requesting similar water services.

Relevant Statutes

- RCW 43.20.260. Cites requirements for WSP consistency with comprehensive plans and development regulations. Also lists the threshold factors for provision of service within an RSA. (MWL Section 8; under DOH jurisdiction).
- RCW 90.03.015. Defines “municipal water supplier” and “municipal water supply purposes” (MWL Section 1; under Ecology jurisdiction).
- RCW 90.03.260. Removes the number of connections and population on a water right as a limiting attribute of the water right for water systems that have a DOH-approved WSP or other approval that specifies the number of connections (MWL Section 4; under Ecology jurisdiction).
- RCW 90.03.386. Defines the place of use as equal to the service area identified in a DOH-approved WSP or small water system management program if the water right holder is in compliance with the terms of its WSP and the service area is consistent with approved comprehensive plans, land use plans, development regulations, CWSPs, and watershed plans (MWL Section 5; under Ecology jurisdiction).
- RCW 70.119A. Covers water use efficiency (MWL Section 7; under DOH jurisdiction).

6. Municipal Water Law—Interim Planning Guidance for Water System Plan/Small Water System Management Program Approvals (DOH pub. 331-256, revised March 2004)

- The Municipal Water Supply - Efficiency Requirements Act, Chapter 5, Laws of 2003 (MWL), amends sections of the State Board of Health Code, RCW 43.20; the laws governing Public Water Systems, RCW 70.119A; and sections of the state’s Water Code, RCW 90.03. These changes affect the DOH water system planning process and provide benefits (including greater water right flexibility and certainty) to many water systems.
- RCW 90.03.015(3) & (4) provides the definition of a municipal water supplier and establishes municipal water supply purposes.
 - **Municipal water supply uses** are defined as the beneficial use of water for (1) residential purposes through 15 or more residential service connections or for providing residential use of water for a nonresidential population that is on average at least 25 people for at least 60 days a year; (2) governmental or governmental proprietary uses by a city, town, public utility district, county, sewer district, or water district; or (3) indirectly for uses (1) and (2) through the delivery of treated or raw water to a public water system.

If an MWS meets the criteria for any of these uses, other water uses may also be considered municipal water supply uses. In some cases, municipalities can recommend uses that benefit the environment, fish and wildlife, water quality, or other natural resources be designated as a beneficial use. These uses of water may be withdrawn or diverted by water right holders in response to an approved watershed plan, habitat conservation plan, federal hydropower license, or by a comprehensive irrigation district management plan. (Because of the complexity of this section of the MWL, DOH, Ecology, and the Attorney General’s Office are conducting a legal analysis. Many water systems will need to be assessed on a case-by-case basis to determine if they meet the definition.)
 - **A municipal water supplier** is defined by the MWL as an “entity that supplies water for municipal water supply purposes.” The definition does not affect water system categories in state and federal drinking water regulations. A Group A community water system is defined in state drinking water regulations (Chapter 246-290 WAC) as a system that provides service to 15 or more connections for year-round residents for 180 or more days in a calendar year, regardless of the number of people, or serves at least 25 residents for 180 days or more per calendar year. (Some non-community systems may be municipal water suppliers if they serve water for at least 60 days a year for a population of 25 or more for residential use.)
- RCW 90.03.260(4) & (5) states that the number of water service connections and population are not limiting

attributes of water rights for water systems that have a DOH-approved WSP or other approval that specifies the number of connections.

- RCW 90.03.386(1) amends the state's Water Code directing DOH and Ecology to coordinate WSP approval procedures with water right determination procedures for both WSP and small water system management programs (SWSMPs). The MWL does not transfer any authority from Ecology to DOH to issue or administer water rights. WSP planning approvals will include a disclaimer regarding water rights and the limits of DOH's authority. A water rights self-assessment must be completed as part of a WSP and SWSMP submitted to DOH for approval; the assessment must include a system capacity determination. "System Capacity" is a system's overall physical or legal (water rights) limit, whichever is lower. Determination must consider water right annual and instantaneous quantities (Qa/Qi) and can be based on connections, population, and/or equivalent residential units. It must incorporate historical water usage and future population projections. (Water systems are encouraged to confer with Ecology on water rights before completing the self-assessment.) WSP approvals may limit system expansion if water rights or physical capacity is considered a limiting factor. DOH will submit WSPs and SWSMPs to Ecology for review and, on approval of a plan, will send Ecology information on approved number of connections, population or equivalent residential units, and service area delineation. (DOH and Ecology are working on specific procedures for WSP and SWSMP review and approval in cases where Ecology does not provide comment or when the utility and Ecology do not agree on the interpretation of water rights. DOH will continue to use existing procedures for review and approval when physical capacity is determined to be a limiting factor.)
- RCW 90.03.386(2) allows a municipal water supplier to expand the place of use on its water right to all areas included within the service area described in their approved WSP or SWSMP. This benefit is provided if the water right holder is in compliance with the terms of its WSP or SWSMP and the service area is consistent with applicable approved comprehensive plans, land use plans, development regulations, and CWSPs (as determined by local government), and watershed plans. A place of use typically includes the RSA as well as other areas where the system supplies water. The system's service area (as shown on a land use map) should reflect a boundary around both aspects (RSA and other areas served) of the system. A place of use is not reduced if the service area identified in an approved WSP or SWSMP is smaller than the place of use identified in the water right.
- RCW 90.03.386(3) provides direction on conservation to water systems with 1,000 or more connections. This includes reporting the conservation measures put into practice in the past six years and how those measures have increased water use efficiency. Water systems that are using inchoate portions of a water right certificate must describe how they could delay the use of the inchoate water rights over the next six years through additional cost-effective conservation measures.
- RCW 70.119A.180 directs DOH to develop water conservation rules by the end of 2005. It also directs MWSs to continue to meet current conservation planning requirements and to implement their current programs. An interim WSP approval standard for meeting conservation requirements and recommendations was developed for plans submitted after passage of the MWL. Both WSPs and SWSMPs must outline what, if any, previous efforts will be discontinued and why continuation of these efforts would be ineffective, or provide documentation that the program had a prescribed end date or savings level. The interim SWSMP approval standard for meeting conservation requirements will be a completed Water Conservation Program.
- RCW 43.20.260 requires new service in a water system's service area to be consistent with applicable approved local land use plans, comprehensive plans, and development regulations. Water utilities must delineate retail service areas (RSAs) in their WSPs. The RSA is the area in which water is or will be sold directly to the ultimate consumers (as defined by Merriam Webster Collegiate Dictionary, 11th Edition). The water provided in the RSA may come from a source for which the utility has its own water right, or the utility may provide water for its RSA

by obtaining water from a utility with water rights, or a combination of the two. Water systems with DOH-approved WSPs now have a duty to provide service to new connections (including individual connections) in their RSAs if they meet the four threshold factors (capacity, consistency, water rights, and timely and reasonable).

- Water systems must obtain proof of local government planning consistency before plan submittal. They must allow local agencies a 60-day period to respond to the request for a consistency determination. Before submitting a plan for approval, the applicable local government agencies can provide the water system with a completed consistency statement checklist or comparable documentation. If a water system is unable to obtain this proof from the applicable local government agencies, the water system can complete the consistency statement checklist and submit it with the signature of the highest authority of its governing body. DOH may be able to help the utility make the appropriate local contacts to obtain a consistency determination. Water systems must include a local land use map and local population growth rate projections for their service areas. Demand forecasts should be included for the next six years and 20-year planning horizon. If the projection used in the demand forecast is different from that provided by the local government, the system must provide justification for the methodology used.
- In the WSP, the utility must document how it responds to requests for new water service: (1) the process for service requests, including timeframes, (2) how the utility determines that it has adequate capacity to provide new water service (including sufficient water rights), (3) non-technical conditions that may affect the utility's ability to provide new water service (annexation procedures, water rights issues, local ordinances, etc.), (4) procedures for granting or requesting extensions of time during water service related projects and procedures for handling disputes and appeals when requests for water service are denied.

Water utilities are not prohibited by the GMA from providing domestic water services in rural areas (RCW 36.70A.030). The service must be designed at the level of service designated appropriate by the local land use authority for that area and must be provided in accordance with the DOH's minimum design criteria for public water systems (WAC 246-290-222, 230 and 235).

- RCW90.46.120(3) requires systems serving 1,000 connections or more to evaluate reclaimed water opportunities. WSPs should include an inventory of current and potential reclaimed water sources and reclaimed water uses, plus a description of any interaction with a wastewater utility. Utilities can submit the DOH water reclamation checklist or comparable documentation. If reclaimed water is not available, systems must document that there is no reclaimed water available or projected to be available in the six-year planning period.
- State Environmental Policy Act (SEPA). In the interim, DOH will continue to require SEPA on all WSPs and WSP amendments for systems with 1,000 or more connections at time of plan approval (WAC 246-290-100(4)(i)(i)). DOH is reviewing agency regulations to determine if current practices should be modified.

7. Information on Small Water Systems in King, Pierce, Thurston, and Snohomish Counties (DOH, April 20-21, 2006)

- Between 1986 and 1997, the number of new Group B systems created in King County averaged around 40, with the exception of three years when there were 76, 77, and 79 new systems and one year (1997) when there were 97 new systems. Between 1997 and 2005, there has been a steady decline in new Group B systems. In 2004, there were 9 new systems, and in 2005, there were 13 (DOH Sentry database).
 - Of the 373 Group B system surveys conducted in King County in the last two quarters of 2004 and first two quarters of 2005, 11.8 percent of the systems had biological and 19.6 percent had chemical contaminants in a 100-foot radius of the well; 5.6 percent had a susceptible sources; and 78.6 percent lacked routine bacteria sampling and 79.6 percent lacked routine nitrate sampling.
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- While the number of Group B systems in King County has decreased over the past 5 years, the number in Pierce, Snohomish, and Thurston Counties has increased.
- King County has a total of 1, 696 Group B systems and 213 Group A systems. The majority of Group A's (147) have 100 or fewer connections.
- Group B systems represent 1.2 percent of total public water system service connections and less than 1 percent of the residential population served by public water systems in King County.
- Of the 162 Group A systems in King County that have 500 or fewer connections, 90 are operating under a green permit status, 1 under yellow, 70 under blue, and 1 under red.
- Ten Group A systems with 500 or fewer connections are in DOH's high health risk violation category; 11 are in the medium category; and none are in the low risk category (DOH is not pursuing the low risk category at this time).
- Examples of violations that DOH deems as low risk: lack of documents, failure to retain satellite management agency, and violation of the second dry contaminant maximum contaminant level.
- Examples of medium risk violations (problems affecting the safety and reliability of a system): chronic contaminants (lead, copper), failure to provide disinfection when source is connected to surface water, and failure to provide cross connection control protection to high-risk premises.
- Examples of high risk violations: microbial risk, acute chemical risk, fraudulent operation and reporting, operator certification issues, and Surface Water Treatment Rule and Ground Water Under the Influence (GWI) violations. High risk violations could lead to orders, penalties, and receivership.
- There are 12 unapproved Group B surface water systems (five are at Stevens Pass; three on Vashon).

8. RCW 43.70.195. Public Water Systems, Receivership Actions Brought by Secretary—Plan for Disposition (accessed from the Web by DOH, 4-21-06)

- When a water system fails to provide safe and reliable water and fails to respond to DOH-requested informal actions, the court, as a last resort, may appoint a receiver to operate the water system.
- The process starts when DOH and the Office of the Attorney General (AG) determine the water system is a candidate for receivership. Next, DOH schedules a meeting to discuss the issue with the system's customers. The AG prepares a petition laying out the steps DOH wants to take—including the names of recommended receivers who have consented to assume operation and who know how to manage a water system operation—and files the petition with the county superior court. (DOH is required to maintain a list of interested and qualified individuals, municipal entities, special purpose districts, and investor-owned water companies with experience in providing water service and a history of satisfactory operation of a water system.)
- The receivers will make recommendations for the system's future operation, including the formation of a water-sewer district or other public entity, or ownership by another existing water system capable of providing service.
- If it's not an emergency, the court usually appoints a receiver within one month after the AG files the petition. If it's an emergency, the court may set a hearing within 3 days to appoint a temporary receiver. The court will schedule a full hearing within 14 days of the temporary appointment.
- If there are no willing and qualified receivers available, the court will appoint the county in which the water system is located as the receiver. The county must then designate a county agency or contractor to run the water system.
- The court can grant broad powers to receivers in order to operate the water system, including making needed improvements, imposing reasonable assessments on water system customers, and receiving reasonable compensation for the cost of services, improvements, and system operations. The receiver is expected to account for all expenditures and be able to justify them to the court. The court can ask DOH or another knowledgeable entity to review and ensure the assessment is reasonable.
- A bond, if any is imposed on a receiver, will be minimal and will reasonably relate to the level of operating

revenue generated by the system.

- Any appointed receiver will not be held personally liable for any good faith, reasonable effort to assume possession of, and to operate, the system in compliance with the court's orders.
- DOH must present a disposition plan, which DOH develops in conjunction with the county and the local health jurisdiction, to the court within 12 months after the receiver is appointed. The court bases its decision on the disposition plan. The disposition plan includes the receiver's recommendations for future operation of the water system and all reasonable and feasible alternatives. The court may order the parties to implement one or a combination of the alternatives. The order will include a date or proposed date for termination of receivership.
- The court cannot require a city, town, public utility district, water-sewer district, or irrigation district to accept a system that has been in receivership unless such entity agrees to the terms and conditions outlined in the plan adopted by the court.
- The court can end the receivership and return the system to its original owners only with DOH's approval. If the return is approved, the court may impose reasonable conditions for operation, including posting a bond or other security, submitting to routine performance and financial audits, employing or contracting a certified water system operator, complying with financial viability requirements, taking other measures needed to ensure ongoing operations.
- If, as part of the ultimate disposition of the system, an eminent domain action is initiated by a public entity to acquire the system, the court will oversee any appraisal of the system to assure that the appraised value properly reflects any reduced value because of the necessity to make system improvements. The court's determination of the proper value, based on the appraisal, will be final, and only appealable if not supported by substantial evidence. If the appraised value is appealed, the court may order that the system's ownership be transferred upon payment of the approved appraised value.

9. Summary of Receivership Actions as of 4/28/04 (DOH)

Year	Owner	Region/County	Receiver
1988	Pacific Beach	SW/Pacific	Engineer—Ron Bake
1993	JBA	NW/King	Covington WD
1995	Evergreen Land and Water—IOU (serving five developments)	SW/Mason	Mason PUD No. 1
1997	Desert Water Company	E/Benton	Benton County
1997	Marine View Heights	E/Grant	Grant County

10. List of Approved Satellite Management Agencies in Washington State (DOH, 1-1-95)

- There are five approved satellite management agencies in King County: Covington Water District, King County Water District No. 19, King County Water District No. 111, King County Water District No. 119, Washington Water Service Company—NW region.
- Covington and the King County water districts are restricted to satellite management within their service areas.
- Pierce County has eight approved agencies and Snohomish County has one.

11. Satellite System Management Program (Washington Water Service Company, February 2003)

- Washington Water Service Company (WWSC) offers both ownership and contractual management of satellite water systems to both new and existing water systems. WWSC prefers to own new systems (after construction is completed). The type of service (ownership versus contract) provided for existing systems is chosen based on system need.
- WWSC takes ownership either by direct purchase of the water system (Group A systems only), Group B maintenance agreement transfer, or gifting of the water system.
- WWSC offers the following types of contract services: (1) Service and Maintenance Agreement (water quality

monitoring; routine and emergency maintenance), (2) Operations and Maintenance Agreement (water quality monitoring, routine and emergency maintenance, billing, and meter reading), and (3) Group B Maintenance Agreement (manage and operate system; owner retains hookup fees; WWSC assumes ownership in future).

- WWSC will own and/or operate and manage larger Group A systems having generally more than 100 connections that are located in the counties that it is approved to serve.
- WWSC will own and/or operate and manage smaller Group A systems having generally less than 100 connections, as well as some existing and newly proposed Group B systems, that are within approximately 5–10 miles of any larger Group A system (i.e., greater than 100 connections) that WWSC currently owns or manages.
- WWSC provides emergency service when the system manager is on vacation, sick, or in situations that arise that may be beyond the manager's capabilities or expertise. The water system must be existing, not required by DOH to have an SMA, and owned and/or operated by a qualified and certified manager.
- WWSC is willing to review water systems and possibly act as a receiver for failing water systems. Receivership decisions will be made on a case-by-case basis.

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- State and Local Regulatory Authorities for Small Systems (DOH, Ecology, PHSKC, April 2006)

DOH

- Washington Administrative Code
 - Chapter 246-290 Group A Public Water Supplies—Provides broad oversight for DOH over the design, construction, and operation of Group A public water systems.
 - Chapter 246-291 Group B Public Water Systems (Rev. 03-04)—Defines basic regulatory requirements to protect the health of consumers using Group B public drinking water supplies.
 - Chapter 246-292 Water Works Operator Certification—sets minimum requirements and standards for public water system operation and for certification of operators in charge of public water systems. Certification is available to all operators who can meet the minimum qualifications of a given classification.
 - Chapter 246-293 Water System Coordination Act—Implements a program relating to public water system coordination in the state, for evaluation and determination of critical water supply service areas, and assistance for orderly and efficient public water system planning.
 - Chapter 246-294 Drinking Water Operating Permits—Implements Chapter 70.119A RCW and sets operating permit requirements to help assure Group A water systems provide safe and reliable drinking water to the public consistent with Chapter 246-290 WAC, state board of health drinking water regulations, and Chapter 246-292 WAC water works operator certification regulations.
 - Chapter 246-295 Satellite System Management Agencies—Establishes criteria for approving satellite system management agencies (SMAs) pursuant to RCW 70.116.134; delineates the process that must be followed in order to be considered an approved SMA; and outlines procedures for coordination between water users, purveyors, SMAs, local government, and DOH.
 - Chapter 246-296 Drinking Water State Revolving Fund (DWSRF) Loan Program—Defines regulatory requirements for the provision of financial assistance to public water systems provided by the DWSRF; defines the responsibilities of DOH, the public works board (board), and the board's agent—the department of community, trade and economic development (CTED)—for administering the DWSRF loan program.
- DOH statutory authority:
 - RCW 43.20.050 - SBOH authority to adopt rules protecting public water supplies
 - RCW 43.70.250 - DOH authority to charge fees for services
 - RCW 43.70.040 - DOH authority to adopt rules

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- Chapter 70.119A RCW - Washington's Safe Drinking Water Act
 - Chapter 70.119 RCW - Water Works Operator Certification
 - Chapter 70.116 RCW - Public Water System Coordination Act
 - Chapter 70.142 RCW - DOH authority to set standards for Organic chemicals
 - Municipal Water Supply-Efficiency Requirements Act (Municipal Water Law)/HB1338—Intended to provide certainty and flexibility of municipal water rights and efficient use of water; amending RCW 90.03.015, 90.03.260, 90.03.386, 90.03.330, 90.48.495, 90.48.112, 90.46.120, and 70.119A.110; adding new sections to chapter 90.03 RCW; adding a new section to chapter 70.119A RCW; adding a new section to chapter 43.20 RCW; adding a new section to chapter 90.82 RCW; and adding a new section to chapter 7 90.54 RCW. (DOH is currently working on rule language. Interim planning guidance: *Interim Planning Guidance for Water System Plan/Small Water System Management Program Approvals*.)

Ecology

- Washington Administrative Code
 - Chapter 173-500 WAC, Water Resources Management Program Established Pursuant to the Water Resources Act of 1971—Provides guidelines for use of water resources, establishes priorities and special designations, and establishes Water Resources Inventory Areas.
 - Chapter 173-508 WAC, Instream Resources Protection Program—Cedar-Sammamish Basin, Water Resources Inventory Area (WRIA) 8—Sets closures and flows in specific water bodies in WRIA 8.
 - Chapter 173-509 WAC, Instream Resources Protection Program—Green-Duwamish River Basin, Water Resources Inventory Area (WRIA) 9—Establishes flows and control points in the Green River (WAC 173-509-030), closes certain water bodies (WAC 173-509-040), and sets lake levels in WRIA 9.
- Statutes (Revised Code of Washington)
 - Chapter 18.104 RCW Water Well Construction—Regulates well drilling. Well drillers must have a license and must notify Ecology before a well can be drilled or dug (“Start cards” – RCW 18.104.048). Well construction cannot begin unless a water right permit has been issued (if required for the quantity and use proposed). A driller must submit a water well report to Ecology following construction of a well (Well log submission – RCW 18.104.050). By rule, Ecology may limit or prohibit well drilling in areas requiring intensive control of groundwater withdrawals.
 - Chapter 90.03 RCW, Water Code of 1917—Provides for centralized water right administration by the state. Requires individuals to file application for a permit to establish appropriative surface water rights subject to any existing rights and to provide public notice of all applications with a provision for protest if someone contented an earlier right might be impaired or harmed by a new applicant’s water use. Requires the state to answer four tests in making a decision on new water rights: beneficial use (not wasteful); water is available; no impairment to existing rights; and not detrimental to the public interest. Establishes procedures for adjudicating all existing water rights.
 - Chapter 90.14 RCW, Water Rights-Registration-Waiver and Relinquishment, etc.—Describes various water rights claims and exemptions from relinquishment (RCW90.14.140(2)). Relinquishment generally occurs after 5 years of non-use (RCW 90.14.160).
 - Chapter 90.22 RCW, Minimum Water Flows and Levels—Enacted in 1967. Provides a systematic approach to instream flow protection. Ecology may, on request of the WA Department of Fish and Wildlife or of its own volition, establish minimum flows by rule to protect fish, wildlife, water quality, and other instream values.
 - Chapter 90.44 RCW, Regulation of Public Ground Waters (Ground Water Code)—Enacted in 1945.

Establishes the same permitting process used for surface water. Allows an exemption (90.44.050) to the permit requirement if a total of 5,000 gallons or less of groundwater is used from a well each day for any of the following combinations: stock watering purposes, single or group domestic purposes, industrial purposes, or watering a lawn or noncommercial garden that is a half-acre or less.

- Chapter 90.54 RCW, Water Resources Act of 1971—Mandates water resources data collection and the development and management of comprehensive basin plans. Requires the setting of minimum basin-wide instream flow levels before issuing new water rights. Instream flows adopted as rules are considered a water right and have as a priority date the date of adoption of the plan as a rule.
- Chapter 90.82 RCW, Watershed Planning—Also called “2514” planning areas (based on the number of the Act). Allows local citizens and local governments to join together with state agencies and tribes to form planning units to develop watershed management plans. Watershed planning units assess each watershed’s water supply and use, and recommend strategies for satisfying minimum instream flows and water supply needs. The planning units must address prescribed water quantity issues, may develop strategies for improving water quality and protecting or enhancing fish habitat, and, in collaboration with Ecology, set instream flows. This planning effort is NOT the same as the planning efforts under 2496.
- Selected Court Cases:
 - The State Supreme Court ruled in *Rettkowski v. Department of Ecology* (1993, commonly known as Sinking Creek) that Ecology may not attempt to resolve disputes among conflicting water uses if one or more of them is based on an unadjudicated vested claim to a water right.
 - The State Supreme Court in *Grimes v. Department of Ecology* (1993) set down important case law regarding the obligations of water users to maintain efficient water delivery and use systems that are not wasteful. The opinion also provides important criteria relating to beneficial use.
 - The State Supreme Court ruled in *Hillis v. Department of Ecology* (1997) that Ecology must involve the public (through Ecology’s rule-making process) when making broad policy decisions on setting priorities for water rights permit decisions. The court refused to invalidate individual water right decisions Ecology made on the basis of an existing watershed assessment process. The court also found that Ecology may conduct watershed assessments, but may not make the completion of an assessment a requirement or prerequisite to making decisions on applications without first adopting rules.
 - In *Okanogan Wilderness League v. Town of Twisp and Department of Ecology* (1997), the State Supreme court ruled that Ecology’s decision granting a change in the point of diversion for the town of Twisp’s surface water right was in error because the water right had been abandoned and was therefore no longer valid. Municipal water rights, while not subject to relinquishment, remain subject to loss through abandonment. The court also held that only the quantity of water that has been put to actual beneficial use is valid for change under an existing water right. In reviewing change and transfer applications, Ecology must first determine the quantity that has been put to historical beneficial use under the existing water and then determine that the right was never relinquished or abandoned.
 - The State Supreme Court ruled in *Department of Ecology v. George Theodoratus* (1998) that Ecology has authority to condition any extension to satisfy public interest concerns, provided that it complies with all relevant statutes. State statutory and common law does not allow for a final certificate of water right to be issued based on system capacity, rather it must be issued based on actual beneficial use.

Public Health—Seattle & King County

- King County Board of Health Title 12; WAC 246-291; Joint Plan of Operation with DOH—Provides for direct responsibility for Group B public water systems:

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- Initial well site: plan review and final inspection on new and expanded Group B water systems
 - Ongoing follow-up surveillance on existing Group B systems: field surveys, review of water quality monitoring
 - Complaint investigations on Group Bs and private wells
 - WAC 173-100; Contract with Ecology—Gives authority to conduct well seal and decommissioning inspections for all new drinking water wells.
 - King County Board of Health Title 13—Gives direct responsibility for individual private wells (initial well site and review of water quality results).
 - Joint Plan of Operation with DOH—Provides for the following Group A responsibilities
 - Initial well site review for new proposed Group A sources
 - Third Party surveys of Group A water systems with less than 100 connections
 - Technical assistance to small Group A water systems at request of DOH
 - Miscellaneous responsibilities:
 - Represent Public Health on King County Utility Review Committee
 - Represent Public Health on potential regional contamination issues such as mine sites and Superfund or other contamination cleanup sites

King County (DNRP, DDES)

New public water systems (and exempt wells)

- Title 56 RCW—Subdivision approvals: Adequate provisions for water supplies
- Growth Management Act (RCW 36.70A)
 - Section 63 (RCW 19.27.097): adequate potable water for building permits; require hookup to nearby systems when possible with “reasonable economy and efficiency”
 - Capital facilities plans (required to show ability to provide utility service to meet forecasted growth needs)
 - Protection of groundwater quantity and quality in unincorporated areas (including CARA) (e.g., Jefferson County GMHB case)
 - Protection of anadromous fish
- King County Comprehensive Plan
 - Multiple policies regarding utility service, water supply planning, water resource management, groundwater protection, fisheries protection, etc.
 - No new systems/satellite management (Public Health): RCW 70.119A.060
- Coordination Act (RCW 70.116)
 - No new public water systems unless unable to provide water in a timely and reasonable fashion
 - Ability of KC Council to define timely (and reasonable?)
 - Incorporated by ordinance: King County Code 13.28
 - Revisions to service area boundaries
- King County Code 13.24—franchises, rights-of-way, annexations contingent on approved water system plans, with criteria in 13.24.010, .060 (including state regulations and King County comprehensive plan)
- Endangered Species Act—cannot jeopardize listed species or habitat

Existing systems

- King County Code 13.24—water system plan approvals
 - Board of Health—enforcement actions (see PHSKC)
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- Receivership (Title 7 RCW)
- Operating permits for water systems (RCW 70.119A)

12. Satellite system policies and contracts
(Covington Water District, January 1997)

- The district's policy is to extend its water system to provide water service to property in the district's service area.
- Satellite systems may be permitted in the service area if the cost of connecting the property to the district's water system would pose an unreasonable economic hardship to those who desire the water and if the closest point of the property served is more than 100 feet times the number of connections in the satellite system from the district's nearest standard water main. Other considerations include whether the satellite system will discourage or interfere with normal growth of the district's system and/or create a hardship on other property owners that would be benefited by extending the district's system; whether the satellite system will be compatible with the district's comprehensive water supply plan and will not require improvement or replacement when the district's system is extended to serve the area; and whether the satellite system complies with the other district requirements and the CWSP.
- The district will use the same factors in considering whether to provide satellite services outside its service area. Other factors to be considered include whether it is appropriate to expand the district's CWSP service area to include the property seeking water service; availability of other public or private water supply systems that can more economically or logically serve the area; the procedures in the CWSP.
- If a property is less than 100 feet times the number of connections from the nearest district main, then the district's system must be extended to the property.
- If the district determines to permit a satellite system in its service area or to provide satellite system service outside its service area, the district's services will consist of either owning and operating a system, providing technical assistance and/or operation, or a combination of services. Technical services may include routine and/or emergency repairs; system maintenance; water quality sampling; regulatory compliance; and/or complete operation and management of the satellite system.
- Satellite services will not be permitted inside the district's service area but outside its corporate boundaries and the district will not provide satellite services outside its service area unless the property owners served by the satellite system enter into an irrevocable petition to annex to the district. The petition to annex property outside the service area will also be conditioned on the district's service area being extended to include the property.
- The district will not provide satellite services inside or outside its service area, or permit a satellite system inside its services area, unless the persons served by the satellite system agree in writing not to protest the future formation of a utility local improvement district to extend the district's system to serve the satellite system area.
- No satellite services will be permitted in the district's service area nor will the district provide satellite services outside its service area unless the owners of the properties served by the satellite system deposit with the district an amount that will be held in reserve for future repairs and replacements to the satellite system. As a part of its inspection of the satellite system, the district will prepare a financial plan or program for needed improvements or repairs beyond any initial improvements required to meet district code and will base the amount of the reserve account on this.
- As a condition to the permitting of any satellite services, the users must pay the district's standard connection charge, including the costs for meter installation.

13. Small Water Systems Committee Meeting
Summary Notes (4-24-06)

- The number of new Group B systems in King County seems to be decreasing over the years; there were only 13 Group B systems added to the Public Health–Seattle and King County (PHSKC) database in 2005. When analyzing new systems in the database, it is difficult to *know whether they are new systems or existing systems

that were discovered and added to the database. For example, when all of the daycares, bed and breakfasts, and similar establishments are added to the list of Group B water systems, it may appear that they are a large number of new systems when, in fact, many will represent existing systems that have always been there but were previously not recognized as Group B systems.

- Coliform exceedances are detected in the initial tests for about 1 of every 20 systems that perform monitoring. However, about 80 percent of the nearly 1,700 Group B systems do not complete their required routine bacteria and nitrate monitoring, and it may be assumed that an estimated 1 out of 20 of these systems also would have coliform exceedances.
- PHSKC provides Web-based education and technical assistance to Group B owners, but there is constant turnover of owners/operators and PHSKC does not have staff or other resources to stay on top of all Group B systems and keep their information and monitoring current.
- PHSKC does not believe that Group B systems with coliform exceedances would voluntarily go into a receivership because most do not want any government intervention and because just the threat of it would likely make them correct their problems. PHSKC does have the authority and uses this authority to withhold building permits for improvements on properties that do not conduct the monitoring. PHSKC can take enforcement actions for other violations, although it rarely does.
- Currently, PHSKC does not charge an operating permit fee for Group B systems. It discontinued charging a fee in the revision of Title 12 passed by the King County Board of Health in May 1996 and effective July 1996. This change was at the direction of the Board of Health and as a result of an agreement with the small water system owners representing all of the Group B water systems in King County. Not charging an operating permit fee can be viewed as a disincentive for Group B systems to join Group A systems. Some of Ecology's policies also seem to serve as disincentives.
- One Group A system in King County is in the red operating permit category (a motel). DOH is working to rectify the problem and expects it to be out of the red category soon. Twenty-one systems have high or medium compliance violations. DOH does not believe that any small systems in King County currently have the potential for receivership. The system that was headed toward receivership in 2005 (Ravendate) seems to be operating okay now.
- Systems going through the GWI determination process are an unknown and if GWI is determined, the system is faced with a high capital cost.
- There are 70 small Group A systems with blue operating permits, meaning that the system has not been formally approved. However, DOH most likely has quite a bit of information on these systems and the systems stay current with water quality sampling requirements.
- Outdated water system plans will prompt DOH to put systems in the yellow operating permit status only if the systems have an unspecified number of connections. Small Group A systems (less than 500 connections) typically do not need to submit a water system plan. Small Group A systems, when approved, are given an approved number of connections.
- PHSKC is starting discussions with DSHS to create a new category for systems serving home daycares, adult daycare centers, bed and breakfasts, and the like. The Snohomish Health District has been engaged in a program of inspecting, evaluating, and educating home child care operators about water supply standards, taking an educational rather than regulatory approach. There may be some lessons that can be learned from Snohomish about these very small Group B systems and effective strategies for regulating them. Additionally, because of the changes to the Washington State Board of Health regulations on food establishments, PHSKC has begun the process of permitting new and existing bed and breakfasts. These establishments will add to the number of existing and new Group B water systems in King County.

- Sixteen systems have shown up on the DOH compliance list more than two years in a row during years 2002 to 2005. One-third of those systems have blue operating permits.
- South King County, East King County, Covington, Cedar River, and Washington Water Service reported on their satellite management and utility referral procedures. In general, systems have policies in place so that growth pays for growth.
 - South King County. The whole area is covered by Group A systems, so new small systems are not an issue. However, developers are being encouraged to circumvent the utilities by drilling exempt wells, or reduce their service areas. None of the utilities has ever expressed a problem with exempt wells going into their service areas.
 - East King County. Each contract between Group A and B systems is unique in terms of services provided to Group A systems. Utilities in the EKC CWSP area are trying to develop policies, but elected officials in Group A systems are reluctant to use funds to “bail out” Group Bs or to take on potential liability for them. In its 1993 update to its plan, EKC proposed the creation of a state pool to fund Group A management of Group B systems. So far, this and other proposed legislation for allocation of such funds has failed. The water system consolidation provision in the MWL is a useful tool.
 - Covington has a policy that it will serve customers through connections to their system unless there is an “economic hardship” (which is not well-defined at this point) or if the distance to a connection is at least 100 feet times the number of lots. Covington will serve outside its service area if certain criteria are met and existing customers do not subsidize this service. Two types of satellite management: Covington owns and operates the system or Covington provides agreed-on services.
 - Cedar River Water and Sewer. The District considers water to be available throughout its service area. It intends to provide 12-inch mains every square mile and 8-inch lines every half mile for new developments, which means that connections to the mains should be no longer than 1,300 lineal feet. If a proposed development is a greater distance from a District line, the District will provide satellite management to smaller systems. The District could possibly serve as a “bank” and lend money to smaller systems in its area.
 - Washington Water Service Company. WWSC owns or manages six small systems in King County (see map). WWSC purchases Group A systems and manages Group B systems until service is extended to the Group B systems and WWSC purchases them. All management contracts require WWS to do the monitoring and testing; other services are as agreed to in the contract.
- PHSKC requires new Group B systems to go under satellite management when such management is available, as required under state law.
- KC DDES does not track new single-family wells when issuing permits. Such data may be retrievable.
- Ecology does not track exempt irrigation wells. There are about 10 new start cards for exempt wells in King County each month, but Ecology does not have ready access to the breakdown of these wells.

14. Exempt Irrigation Wells In King County
(PowerPoint presentation: Ken Johnson,
KCDNRP; slides dated 5-16-06)

- As part of the groundwater protection program, KCDNRP is compiling information on irrigation wells in King County to help assess the health of aquifers in terms of water quality and quantity.
 - Ecology’s list of Notices of Intent (NOI) showed that 40 new irrigation wells were drilled in the county in 2001–2004. Over half of the notices were filed in 2004 (three in 2001, three in 2002, nine in 2003, and twenty-five in 2004). The NOI list did not show a cluster of wells in the Ames Lake area that were located via well logs examined as part of a study done in the Issaquah area. These eight wells were drilled in 2001 and are outside the groundwater management area.
 - A comparison of irrigation well NOIs and well logs for 2001 through April 12, 2006, showed that the well purpose
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in the NOI sometimes differed from the well purpose in the drill log, that some wells with NOIs were not drilled and that some wells without NOIs were drilled (especially in areas with clusters of wells), that well logs were not always submitted to Ecology shortly after drilling, and that there were 111 NOIs for this period (apparent exponential growth).

- A geographic analysis indicated that most of the new irrigations wells are inside water service areas and that the median parcel size for properties with these wells is 2.8 acres; some new homes are advertising the existence of separate irrigation wells.

15. How Reliable Are Our Water Systems? What Happens When Systems Fail—The Rimrock Case Study (DOH, 11-18-06)

- A “failing” water system is one with repeated water outages or other health-related reliability issues and a water purveyor unable or unwilling to correct the problem.
- Failing water system ownership or management must be “restructured” to acquire an owner who is willing and able to improve the system so that it complies with drinking water regulations.
- Less than 0.5 percent of Group A systems in Washington fail.
- DOH has helped to restructure five failing Group A systems in the past three years: Ravensdale Mobile Home Park in King County, Water Enterprises Northwest in Pierce County, Lake Cassidy Estates in Snohomish County, Harbor Springs in Pierce County, and Rimrock in Snohomish County. All were run by investor-owned utilities. During part of restructuring process, systems were under a health advisory but water outages were corrected and at least limited service was provided. With the exception of Rimrock, the systems were restructured without receivership through formation of an owners’ association or a water district, drilling of individual wells, or transfer of ownership to another investor-owned utility.
- Customers have little influence in the business decisions of investor-owned utilities.
- Rimrock was built between 1977 and 1982. It consisted of a spring, well, disinfection treatment, two storage tanks, and a pump station serving two pressure zones. It was initially owned by the developer and later by the Gamble Bay Water Company, whose owner filed for bankruptcy in 2003. The previous owner of the company accepted ownership and, in March 2004, notified Rimrock customers and DOH of intent to end Rimrock utility operations in one year (in accordance with WAC 246-290-035(4)).
- In 1997, DOH issued a boil water advisory and Rimrock’s spring was identified as potentially influenced by surface water; in 2002, DOH issued a notice of violation and possible revocation of the owner’s operation certification and also issued a red operating permit because Rimrock exceeded the number of approved connections; in September 2003, Rimrock experienced water outages and began trucking water; and in April 2004, DOH reaffirmed the water advisory because improvements weren’t made since the previous inspection. (During the process, DOH learned that portions of the system had not been installed according to DOH-approved design.)
- DOH funded Snohomish County PUD to do a feasibility study to define costs for the PUD to assume the Rimrock system. The PUD determined that the costs exceeded the community’s ability to pay and declined to assume the system. Washington Water Service Company was asked twice to operate Rimrock. The company declined both times
- Most customers decided to drill their own wells.
- On March 24, 2005, Snohomish County Superior Court ordered appointment of Snohomish County as receiver of the remainder of the system. The County’s Public Works director serves as the receiver. In September the community hired a certified operator, the spring was still in use, and the boil water advisory was still in effect.
- In February 2006, the Peoples Creek Water Group, composed of Rimrock customers, was formed as a homeowners association that is willing to accept ownership of Rimrock. DOH and the County plan to make a recommendation in superior court for disposition of the system to the Peoples Water Group.

	<ul style="list-style-type: none"> The current regulatory structure provides limited ability to force utilities to make good business decisions, perform routine operation and maintenance, or provide good customer service. The regulations are designed to provide water utilities with tools to make these decisions. 								
16. Legal Options for Rescuing Failing Water Systems with Emphasis on Receivership and the Rimrock Water System (Washington State Attorney General's Office, 11-18-06)	<ul style="list-style-type: none"> The processes for customers of failed systems to form either a water district (RCW 57.02) or a local improvement district (RCW 35.43) are convoluted and cumbersome. A water district has fairly significant powers, such as power to purchase, lease, or condemn property; to construct and maintain water systems; and to set rates. Improvement districts have broad powers, including construction, purchase, condemnation; and issuance of revenue bonds for the establishment of water systems. Customers can also form a homeowners association and try to collect enough revenue to cover owning and managing their system. Associations can sometimes attract private utility companies or purveyors who will purchase the system, make improvements, and recover costs from customers and low-interest loans. Nothing in RCW 43.70.195 requires DOH to pursue placing a system in receivership. The decision is purely discretionary. The statute also does not list the circumstances under which receivership is appropriate. (See the above [Item 8] summary of the requirements in RCW 43.70.195.) Several days before the purveyor was scheduled to abandon the Rimrock system, DOH petitioned the court to appoint a receiver on an emergency basis. Snohomish County, as the receiver of last resort, resisted the appointment, asserting that DOH had not met its burden of proving that an emergency existed and that the county was given financial burdens associated with caring for a system in much disrepair. The court found that an emergency existed. It ruled that it had no discretion to refrain from appointing the county as the statutory receiver of last resort. 								
17. Satellite Management Agencies Approved to Operate in King County (DOH, May 2006)	<ul style="list-style-type: none"> Covington Water District: In addition to the Covington Water District Group A system, Sugarloaf Water System owns and manages a Group A system in the district. King County Water District No. 19: In addition to the King County Water District No. 19 Group A system, there is a Group B system in the district that is managed by the Vashon Meadows Water System. King County Water District No. 111 (Group A) King County Water District No. 119 (Group A) Washington Water Service Company—NW region. In King County, WWSC manages three systems: Green Acres Water Association (approved for 18 connections), Derbyshire Scenic Acres, and Trails End (44 connections). The company owns and manages three other systems: Walter Walker Water Works (20 connections), Lake Tuck Water System (60 connections), and Mirrormont Services (916 connections). 								
18. Small Water Systems Committee Meeting Summary Notes (5-16-06)	<ul style="list-style-type: none"> There are no restrictions on charging a Group B operating permit fee in King County, except for the agreement with the small water system operators representing all the Group B water systems in King County to cancel the fee and not re-establish such a fee. An amendment to King County Board of Health Title 12 would have to be passed to re-establish an annual operating permit. 								
19. Information on number of irrigation wells in King County (sample map and list by water districts (KCDNRP, May 2006)	<ul style="list-style-type: none"> Location of irrigation wells in King County: <table border="0"> <tr> <td>• Covington Water District</td> <td>33</td> </tr> <tr> <td>• Ames Lake Water Association</td> <td>11</td> </tr> <tr> <td>• Seattle, City of</td> <td>10</td> </tr> <tr> <td>• Cedar River Water and Sewer</td> <td>8</td> </tr> </table> 	• Covington Water District	33	• Ames Lake Water Association	11	• Seattle, City of	10	• Cedar River Water and Sewer	8
• Covington Water District	33								
• Ames Lake Water Association	11								
• Seattle, City of	10								
• Cedar River Water and Sewer	8								

- [Not in service area] 8
- Sammamish Plateau Water & Sewer Dist 7
- King County Water District 19 6
- Woodinville Water District 5
- Bellevue, City of 3
- In the Sawyer Ridge area, a 700-acre unincorporated area inside the Covington Water District's service area, there are 25 irrigation wells

20. Small Water Systems Committee Meeting Summary Notes (6-5-06)

- The Rimrock water system was outside any water utility service area.
- Snohomish County (receiver) is currently working with remaining households on the Rimrock system to set up an association for owning and operating the system.
- Receivership is an option for systems that have already failed (not systems that are failing) and where customers aren't willing to get involved in making the systems work. Often customers can't afford the costs to fix failed systems or to hook up to larger systems.
- Two small systems in King County were recently assumed by larger utilities: Ravensdale in Covington and a small system in the Cedar River water district.
- King County land use policies limit the size of mains going through rural areas.
- PHSKC and Ken Johnson (KCDNRP) are in the process of identifying trends in the past five years in development of new single-family wells in King County.
- PHSKC met with DSHS regarding the number, location, and regulation of Group B systems that serve childcare centers and home daycares. Currently, home daycare centers have been allowed to be licensed without a PHSKC review of the water systems serving these homes. Standards need to be developed for this type of water use that will both protect public health while at the same time not impose financial burdens on these businesses to the extent that they do not apply for a daycare license.
- As a result of a change in the food service code, bed and breakfasts must now be regulated in King County. As part of the process, their water source must be evaluated as a Group B public water supply.
- As part of a contract for services with DOH, PHSKC conducts site surveys of existing Group A systems with fewer than 100 connections. DOH is responsible for follow-up to the surveys and for all other Group A system regulation.
- A Groundwater Task Force met for seven months in 2005. A report issued in December 2005 summarizes the activity and recommendations of the group. The purpose of the task force was to identify services that King County should provide to protect groundwater sources. The participants tended to agree that most groundwater problems are related to Group B systems and individual wells and not to the large Group A systems.
- The task force recommended the possible reactivation of Group B fee authority and instituting fees for private or "exempt" wells to fund services. It recommended that no fees be charged to Group A systems because it was perceived that most current PHSKC services benefit only small systems.
- The task force could not reach agreement on recommendations for King County groundwater services. The Groundwater Protection Program is currently limited in nature and operating under subregional interlocal agreements to provide services to interested partners in subareas of the County, including Redmond, Woodinville, Issaquah, and Sammamish Plateau. Additionally, the County runs a Vashon Island local groundwater program.

21. Small Water Systems: Problems and Proposed Solutions, A Report to the

Legislature (DOH, January 1991)

22. Groundwater Protection Services and Funding, 2005 Report to King County Council and Seattle-King County Board of Health (KCDNRP and PHSKC, December 2005)

23. Consolidated Report on Water Supply in King County (prepared for Seattle Public Utilities, February 2002)
