



Board of County Commissioners  
Board Work Session  
Wednesday, May 31st, 2023  
9:00am to 10:00am  
3000 Pacific Avenue SE, Room 110

*For public virtual attendance, you may follow along on the [Thurston County YouTube Channel](#).*

## **AGENDA**

### **I. Water and Sewer Utilities Consolidation / Code Update Briefing – *Informational***

Disability Accommodations: Room 110 is equipped with an assistive listening system and is wheelchair accessible. To request disability accommodations, call the Reasonable Accommodation Coordinator at least 3 days prior to the meeting at 360-786-5440. Persons with speech or hearing disabilities may call via Washington Relay at 711 or 800-833-6388.

# Thurston County Board Briefing

<b><u>Briefing Date/Time:</u></b>	May 31, 2023 9:00am – 10:00am
<b><u>Office/Department &amp; Staff Contact:</u></b>	<b>Public Works</b>  <b>Jennifer D. Walker, Public Works Director (x2271)</b> <b>Tim Wilson, Water Resources Division Manager (x5831)</b> <b>Karen Weiss, Assistant Public Works Director (x2327)</b> <b>Joe Plahuta, Senior Water Resources Engineer (x2968)</b> <b>Aaron Tormanen, Water Resources Utility Planner (x2078)</b> <b>Scot Keith, Communications Supervisor (x2375)</b>
<b><u>Topic:</u></b>	<b>Water and Sewer Utilities Consolidation/Code Update</b>
<b><u>Purpose:</u></b> (check all that apply)	<input checked="" type="checkbox"/> Information only  <input type="checkbox"/> Decision needed  <input type="checkbox"/> Follow up from previous briefing  <div>Optimal Time Frame for Decision is: (dd/mm/yyyy)</div>
<b><u>Synopsis/Request/Recommendation:</u></b> <i>(One or two sentences identifying your primary objective for this session)</i>	
<p>Staff and consultants will present information related to the final phases of consolidation of the water and sewer utilities, including ongoing public outreach efforts, fund and budget development, and proposed code updates.</p>	
<b><u>Background</u></b>	
<p>Thurston County currently owns and manages seven separate utilities, three of which provide water and four that provide sewer services. These utilities represent four separate communities – Grand Mound, Tamoshan, Boston Harbor and Olympic View. Five of these systems were taken over by Thurston County at the request of the community or because of financial difficulties. One utility, Grand Mound Water and Sewer, was developed and constructed by the County to serve an Urban Growth Area (UGA).</p> <p>Currently, each system is managed separately resulting in multiple budgets, operations accounts, capital facility plans, reserve accounts, etc. Tracking staff labor and expenses with multiple accounts is cumbersome, time consuming and prone to imprecise accounting.</p> <p>Capital investment in the utilities has not been fully supported by water and sewer rates, as would be the best management practice for utilities. The Board has periodically approved REET funding to close the gap on needed capital projects.</p> <p>The Thurston County Board of County Commissioners (BoCC) requested the Department of Public Works take steps to consolidate the County’s water and sewer systems to create operational efficiencies and stability in rates and improve long-range infrastructure planning for the communities.</p>	

A Utility Consolidation Feasibility Study was conducted by HDR in 2020 and provided recommendations and a timeline for moving forward with utility consolidation.

The Board authorized a Utility Rate Study as the next step in the evaluation of utility consolidation. The scope of the rate study was to consider revenue requirements for both unconsolidated and consolidated utilities, as well as the development of rate design options to meet revenue requirements. The County's selected consultant, FCS Group completed the authorized rate study in 2022, at which time the Board was briefed on the following key advantages of consolidation:

- Shared planning and capital prioritization
- Economies of scale through rate blending
- Simplification of accounting, administration, and utility billing
- Improved rate stability and risk reduction

The results of the rate study were presented to the three existing Utility Advisory Committees (UACs), who provided supportive feedback for the consolidation effort.

The Board approved 2023 water and sewer rate increases during the mid-term budget cycle to cover operational cost increases only, with an expectation consolidation efforts be finalized by January, 2024.

Public outreach efforts regarding the upcoming utility consolidation include a project specific informational page on the Public Works web site, messaging in quarterly utility newsletters and the annual Water Quality Report, and continual engagement with the Utility Advisory Committees (UACs).

Staff have engaged the UACs to develop recommendations for ongoing input from the communities in management of the consolidated utilities, which would include a seven member consolidated advisory committee.

Recommended code updates have been developed to provide for consolidation of the water and sewer utilities and is available for public review on the water and sewer utility web page. Staff has submitted an AIS requesting the Board set a public hearing to hear comments related to the proposed updates. A draft Resolution consolidating the utilities will be submitted to coincide with the code updates.

Fund and budget development is in process and will be incorporated into the 2024-2025 budget approval process.

**Documents Attached:**

- PowerPoint Presentation



# Public Works

Water and Sewer Utilities Consolidation

May 31, 2023

# Introduction

- BoCC previously recognized value of water and sewer utilities consolidation and requested Public Works move forward with consolidation process.
- A feasibility study was completed by HDR, Inc., which identified a path to consolidation.
- A water and sewer utilities rate study was completed by FCS Group, outlining the benefits of consolidation.
- In preparation for consolidation, the Board authorized 2023 rate increases to cover operational increases only.
- Board was briefed on timeline for completion of consolidation.



# Main Topics for Today

- Recap – benefits of consolidation
- Preview summary of required code updates
- Review consolidation final steps and timelines



# A Reminder – Why Consolidation

Key advantages to consolidation include:

- Improved financial stability and reduced volatility
- Shared planning and capital prioritization
- Economies of scale achieved only if rates are blended
- Simplified accounting, administration, and utility billing

The American Water Works Association's *Journal AWWA* recently published an article in its December 2021 issue, entitled "*Too Small to Succeed: State-Level Consolidation of Water Systems.*" It noted, "consolidation is widely seen as a necessary process to improve water quality and build greater sustainability into water management... Our analysis shows that consolidation may be an opportunity for water systems to move away from a reactive style of management to become more proactive, resulting in improved water quality, increased public trust, and greater affordability."



# Water & Sewer Utilities Maintenance & Operations Projected Ending Fund Balances

Fund	Utility	2023	2024	2025	2026	2027	2028
4200	Boston Harbor Water & Sewer	157,507	127,197	128,370	131,286	141,209	153,413
4300	Tamoshan Sewer	9,944	1,619	(4,606)	(8,644)	(10,382)	(9,741)
4400	Tamoshan Water	47,032	20,139	(6,312)	(32,295)	(57,778)	(82,734)
4410	Olympic View Sewer	9,120	(17,220)	(26,378)	(35,346)	(44,112)	(57,667)
4340	Grand Mound Sewer	1,108,230	1,136,650	1,141,198	1,142,487	1,156,147	1,160,308
4350	Grand Mound Water	1,178,263	1,049,892	1,047,223	1,045,605	1,048,918	1,051,957
	Assumes 3% Rate Increase 2024 - 2028						
	Boston Harbor - projections do not provide adequate funding to transfer to capital reserve funds						
	Tamoshan - projections do not support any funding transfers to capital reserve funds						





# Why Consolidation?

## Rate Blending Comparison

Non-Consolidated Water Rate Schedules	2023	2024	2025	2026	2027	2028
Tamoshan	\$106.73	\$133.39	\$166.72	\$208.42	\$229.24	\$252.16
Boston Harbor	\$64.68	\$67.87	\$71.32	\$74.88	\$78.64	\$82.52
Grand Mound	\$64.54	\$66.38	\$68.69	\$68.48	\$69.88	\$71.22

Consolidated Water Rate Schedule	2023	2024	2025	2026	2027	2028
Tamoshan	\$106.73	\$101.65	\$96.01	\$89.83	\$82.95	\$75.46
Boston Harbor	\$64.68	\$66.68	\$68.75	\$70.90	\$73.13	\$75.46
Grand Mound	\$64.54	\$66.59	\$68.69	\$70.85	\$73.12	\$75.46

Based on FCS Rate Study and includes base rate and 700 cubic feet usage.

Rates are being updated for 2024-2025 budget development.



# Cost Impact to Customers

	Sample Change to Combined Water/Sewer Bill (2028)	Sample Change by Percentage (2028)
Tamoshan	(\$320.39)	(63%)
Boston Harbor	(\$39.34)	(17.2%)
Grand Mound	\$12.02	6.8%
Olympic View	(\$41.48)	(26.9%)



# Consolidation Implementation Steps Underway

- Public outreach and engagement on utility consolidation
- Utility Advisory Committee recommendations
- Code updates and Resolution forming combined utilities
  - One water and one sewer Operation and Maintenance Fund
  - One water and one sewer Reserve Fund
- Fund and budget development and adoption



# Public Outreach and Engagement

- Utility consolidation page on County web site
- Quarterly mailings to all customers
- Flyers included in monthly billings
- Messaging in annual Consumer Confidence Report
- Engagement with Utility Advisory Committees
- Open houses planned for June
- Outreach and engagement will continue throughout process



# Water and Sewer Utility County-UAC Engagement Timeline

Date	Engagement
9/9/2021	UAC Meeting: Boston Harbor UAC informed BoCC will be asked to approve contract award for FCS Utility Rate Study
9/14/2021	UAC Meeting: Tamoshan UAC informed BoCC will be asked to approve contract award for FCS Utility Rate Study
11/10/2021	UAC Meeting: Boston Harbor UAC informed of BoCC approved contract award for FCS Utility Rate Study
12/14/2021	UAC Meeting: Tamoshan UAC informed BoCC approved contract award for FCS Utility Rate Study
6/16/2022	FCS Utility Rate Study Presentation to Tamoshan UAC
6/21/2022	FCS Utility Rate Study Presentation to Boston Harbor UAC
6/21/2022	Tamoshan UAC sent a letter of support for utility consolidation
7/14/2022	Utility Rate Study Briefing to BoCC
7/14/2022	UAC Meeting: Boston Harbor UAC is informed that the earliest timeframe for consolidation is 2024
7/18/2022	BoCC briefing slides sent to Boston Harbor UAC
8/11/2022	County staff submitted a response to specific UAC questions relating to consolidation
9/13/2022	UAC Meeting: Tamoshan UAC is informed that the earliest timeframe for consolidation is 2024
9/13/2022	BoCC briefing slides sent to Tamoshan UAC
9/15/2022	UAC Meeting: Utility consolidation was discussed with Boston Harbor UAC
11/10/2022	UAC Meeting: Boston Harbor UAC informed of HDR's three options for a consolidated UAC
12/13/2022	UAC Meeting: Tamoshan UAC informed of HDR's three options for a consolidated UAC
1/12/2023	UAC Meeting: Boston Harbor UAC informed of benefits consolidation will have on the smaller utilities
2/22/2023	Reviewed Consolidation with Olympic View UAC
3/9/2023	UAC Meeting: Structure of a consolidated UAC further discussed with Boston Harbor UAC
3/23/2023	Draft of proposed County Code changes sent to all three UACs
3/23/2023	UAC Meeting: Tamoshan UAC informed that utility consolidation is in the public outreach phase
5/11/2023	UAC Meeting: Boston Harbor UAC is informed of the full schedule for utility consolidation in 2024
5/22/2023	Meeting with Boston Harbor UAC to go over FCS Utility Rate Study questions



# Utility Advisory Committee Recommendations

- Currently 3 individual UACs (Boston Harbor, Tamoshan, Olympic View)
- No current Utility Advisory Committee for Grand Mound
- Options providing efficiencies and equitable representation discussed with current UACs
- Proposed UAC model would provide for seven-person consolidated UAC
  - 2 from Grand Mound
  - 2 from Boston Harbor
  - 2 from Tamoshan
  - 1 from Olympic View



# Code Updates and Consolidation Resolution

- Minor code updates required to consolidate utilities
  - Proposed updated code includes revisions based on public outreach
  - Staff will request Board set a public hearing on code updates for mid-July
- Resolution forming consolidated utilities drafted
  - Staff will request Board set a public hearing on Resolution for mid-July
  - Resolution will repeal previous Resolution on utilities, establish a consolidated rate and fund structure, and establish a consolidated Utility Advisory Committee



# Code Update – Summary of Changes

SEWER DEFINITIONS AND GLOBAL CHANGES Code Chapters 15.09, 15.10, 15.12	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	ULID No. 1 is defined in 15.09.020 and referenced throughout code chapter(s)	Change “ULID No. 1” to “Boston Harbor sewerage area” in definitions and throughout code chapters	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	ULID No. 96-2 is defined in 15.09.020 and referenced throughout code chapter(s)	Change “ULID No. 96-2” to “Grand Mound sewerage area” in definitions and throughout code chapters	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	ULID No. 4 is defined in 15.09.020 and referenced throughout code chapter(s)	Change “ULID No. 4” to “Tamoshan sewerage area” in definitions and throughout code chapters	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	“Olympic View sewerage area” or “LID No. 1” is not defined like the other service areas	Add definition for Olympic View sewerage area (LID No. 1) to 15.09 that references Resolution 11233 that established it	Provides a definition for the only County service area that was not defined in the code
	“Satellite sewerage area” is not defined or referenced in code chapter(s)	Define as “geographically distinct sewerage area of Grand Mound, Boston Harbor, Tamoshan, or Olympic View”	Provides a definition for a newly added term in the water and sewer code chapters
	“Revised Code of Washington” or “RCW” is not defined but is referenced in code chapter(s)	Define as “collection of permanent statutes passed by the Washington State Legislature and currently in force in the State of Washington”	Provides a definition for an acronym that is not currently defined in the water and sewer codes chapters
	“Washington Administrative Code” or “WAC” is not defined but is referenced in code chapter(s)	Define as “codified rules put in place by State of Washington executive branch agencies for implementing legislation”	Provides a definition for an acronym that is not currently defined in the water and sewer codes chapters





# Code Update – Summary of Changes (Cont.)

SEWER SYSTEMS Code Chapter 15.09	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	Connection to the County water system is required as a condition of connection to the County sewer system (15.10.110).	Add “if available” language to water system connection requirement	Clarifies that this requirement does not apply to the areas of the County utility service area that do not have available County water connections (Olympic View and Beverly Beach)
	Sale or reallocation of sewer capacity to a parcel outside of but contiguous to ULID No. 1 may occur upon payment of the GFC and administrative fee (15.09.160)	A sale or reallocation of sewer capacity may only occur within the same satellite sewerage area and not between different satellite sewerage areas	Original code was written with just Boston Harbor in mind; Adds language clarifying that sewer capacity cannot be transferred to or from other utility service areas
	All grease and oil interceptors shall be managed and maintained according to the Department’s grease and oil management program (15.09.230)	Change “grease and oil” to “fats, oils, and grease”	Changes language to match actual name of program and to match the standard terminology used in the industry
	The County may charge dischargers that exceed stated limitations a fee at a rate set in the rates and fees resolution adopted by the board (15.09.230)	The County may charge dischargers that exceed stated limitations a fee to cover additional treatment costs associated with the discharge	Gives discretion to charge fees that are proportional to the impact of the discharge
	If a utilities advisory committee is appointed, the director shall provide a copy of the appeal to the UAC within three working days of receipt (15.09.320)	Remove “If a utilities advisory committee is appointed”	Updates language to reflect existence of utility advisory committee (UAC)



# Code Update – Summary of Changes (Cont.)

WATER SYSTEMS Code Chapter 15.10	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	ULID No. 2 is defined in 15.10.20	Change “ULID No. 2” to “Boston Harbor water service area” in definitions and throughout code chapter	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	ULID No. 3 is defined in 15.10.20	Change “ULID No. 3” to “Tamoshan water service area” in definitions and throughout code chapter	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	“Satellite sewerage area” is not defined or referenced in code chapter(s)	Define as “geographically distinct water service area of Grand Mound, Boston Harbor, or Tamoshan”	Provides a definition for a newly added term in the water and sewer code chapters
	Connection to the County water system is required as a condition of connection to the County sewer system (15.10.120).	Add “if available” language to water system connection requirement	Clarifies that this requirement does not apply to service areas that do not have County water connections (Olympic View and Beverly Beach)
	Sale or reallocation of water capacity to a parcel outside of but contiguous to ULID No. 1 may occur upon payment of the GFC and administrative fee (15.10.170).	A sale or reallocation of water capacity may only occur within the same satellite sewerage area and not between different satellite sewerage areas	Original code was written with just Boston Harbor in mind; Adds language clarifying that water capacity cannot be transferred to or from other utility service areas
	The departments of public works and community planning and economic development are responsible for the cross-connection control program (15.10.260).	Remove “department of community planning and economic development”	Clarifies that CPED is not involved in the County’s cross connection control program
	Backflow prevention assembly inspection, as required under Section 15.10.260, shall be charged at a rate specified by the Rates and Fees Resolution passed by the board (15.10.280).	Backflow prevention assembly inspection shall be performed as required under the cross-connection control program and WAC 246-290-490.	Offers simplification to rates and fees schedule by making the backflow assembly inspection not a required fee under the rates and fees resolution.
	If a utilities advisory committee is appointed, the director shall provide a copy of the appeal to the UAC within three working days of receipt (15.10.320).	Remove “If a utilities advisory committee is appointed”	Updates language to reflect existence of utility advisory committee (UAC)



# Code Update – Summary of Changes (Cont.)

WATER AND SEWER CHARGES, RATES, AND FEES Code Chapter 15.12	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	For non-residential customers, one ERU shall be designated for these volumes of each water consumed or sewerage discharged: 700 cu ft per month for Grand Mound, 900 cu feet per month for all other utility service areas (15.12.030).	For non-residential customers, one ERU shall be designated for each 700 cu feet per month of water consumed or sewerage discharged for all of the utility service areas	Provides consistency and administrative efficiencies by making ERU determination the same across the utility; May marginally impact non-residential customers in Boston Harbor (total of 5 accounts)
	Charges that are not adjusted every January 1 <sup>st</sup> based on the Utility Construction Cost Index or the Consumer Price Index include: water and sewer-based rates, water consumption rates, and non-sufficient fund charge on returned checks (15.12.100).	Add hydrant meter monthly service charge, hydrant meter temporary connection fee, posting delinquent account/shut off notice, service disconnection, and after-hours service charges to these exceptions	Simplifies these fees by avoiding administrative calculations to adjust fees that are not directly tied to labor and materials costs
	Certain charge adjustments shall be based on the Utilities Construction Cost Index published by Engineering News and Record (15.12.100).	Certain charge adjustments shall be based on the Utilities Construction Cost Index published by Engineering News-Record for the most recently completed year	Corrects the name of the publication and clarifies that the most recently published index will be used
	Call outs between the hours of three p.m. and seven a.m. on weekdays or at any time on weekends shall be assessed an after-hours service fee (15.12.130).	Change three p.m. to three-thirty p.m.	Better reflects the schedules of the utility operators responding to call-outs and prevents customers from being charged a fee when it is still within an operator's shift



# Code Update – Summary of Changes (Cont.)

<b>POTENTIAL CHANGES DEPENDENT ON GFC STUDY</b> Code Chapters 15.09, 15.10, 15.12	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	“Additional Capacity Charge” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will potentially be removed; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies
	“General Facility Charge” or “GFC” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will potentially be modified; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies
	“Equivalent Service Extension Charge” or “SEC” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will likely be removed; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies
	“Service Extension Charge” or “SEC” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will likely be removed; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies



# Fund and Budget Development and Adoption

- Public Works developing budgets and rate structures for consolidated water utility and consolidated sewer utility
  - Will be incorporated into 2024-2025 budget development process
- Proposed rate structure will follow FCS model and address utility growth and inflation
- Board will be briefed on rate structure per budget adoption schedule



# Questions?



# Public Works

Water and Sewer Utilities Consolidation

May 31, 2023

# Introduction

- BoCC previously recognized value of water and sewer utilities consolidation and requested Public Works move forward with consolidation process.
- A feasibility study was completed by HDR, Inc., which identified a path to consolidation.
- A water and sewer utilities rate study was completed by FCS Group, outlining the benefits of consolidation.
- In preparation for consolidation, the Board authorized 2023 rate increases to cover operational increases only.
- Board was briefed on timeline for completion of consolidation.





# Main Topics for Today

- Recap – benefits of consolidation
- Preview summary of required code updates
- Review consolidation final steps and timelines



# A Reminder – Why Consolidation

Key advantages to consolidation include:

- Improved financial stability and reduced volatility
- Shared planning and capital prioritization
- Economies of scale achieved only if rates are blended
- Simplified accounting, administration, and utility billing

The American Water Works Association's *Journal AWWA* recently published an article in its December 2021 issue, entitled "*Too Small to Succeed: State-Level Consolidation of Water Systems.*" It noted, "consolidation is widely seen as a necessary process to improve water quality and build greater sustainability into water management... Our analysis shows that consolidation may be an opportunity for water systems to move away from a reactive style of management to become more proactive, resulting in improved water quality, increased public trust, and greater affordability."



# Water & Sewer Utilities Maintenance & Operations Projected Ending Fund Balances

Fund	Utility	2023	2024	2025	2026	2027	2028
4200	Boston Harbor Water & Sewer	157,507	127,197	128,370	131,286	141,209	153,413
4300	Tamoshan Sewer	9,944	1,619	(4,606)	(8,644)	(10,382)	(9,741)
4400	Tamoshan Water	47,032	20,139	(6,312)	(32,295)	(57,778)	(82,734)
4410	Olympic View Sewer	9,120	(17,220)	(26,378)	(35,346)	(44,112)	(57,667)
4340	Grand Mound Sewer	1,108,230	1,136,650	1,141,198	1,142,487	1,156,147	1,160,308
4350	Grand Mound Water	1,178,263	1,049,892	1,047,223	1,045,605	1,048,918	1,051,957
	Assumes 3% Rate Increase 2024 - 2028						
	Boston Harbor - projections do not provide adequate funding to transfer to capital reserve funds						
	Tamoshan - projections do not support any funding transfers to capital reserve funds						



# Why Consolidation?

## Rate Blending Comparison

Non-Consolidated Water Rate Schedules	2023	2024	2025	2026	2027	2028
Tamoshan	\$106.73	\$133.39	\$166.72	\$208.42	\$229.24	\$252.16
Boston Harbor	\$64.68	\$67.87	\$71.32	\$74.88	\$78.64	\$82.52
Grand Mound	\$64.54	\$66.38	\$68.69	\$68.48	\$69.88	\$71.22

Consolidated Water Rate Schedule	2023	2024	2025	2026	2027	2028
Tamoshan	\$106.73	\$101.65	\$96.01	\$89.83	\$82.95	\$75.46
Boston Harbor	\$64.68	\$66.68	\$68.75	\$70.90	\$73.13	\$75.46
Grand Mound	\$64.54	\$66.59	\$68.69	\$70.85	\$73.12	\$75.46

Based on FCS Rate Study and includes base rate and 700 cubic feet usage.

Rates are being updated for 2024-2025 budget development.



# Cost Impact to Customers

	Sample Change to Combined Water/Sewer Bill (2028)	Sample Change by Percentage (2028)
Tamoshan	(\$320.39)	(63%)
Boston Harbor	(\$39.34)	(17.2%)
Grand Mound	\$12.02	6.8%
Olympic View	(\$41.48)	(26.9%)



# Consolidation Implementation Steps Underway

- Public outreach and engagement on utility consolidation
- Utility Advisory Committee recommendations
- Code updates and Resolution forming combined utilities
  - One water and one sewer Operation and Maintenance Fund
  - One water and one sewer Reserve Fund
- Fund and budget development and adoption



# Public Outreach and Engagement

- Utility consolidation page on County web site
- Quarterly mailings to all customers
- Flyers included in monthly billings
- Messaging in annual Consumer Confidence Report
- Engagement with Utility Advisory Committees
- Open houses planned for June
- Outreach and engagement will continue throughout process



# Water and Sewer Utility County-UAC Engagement Timeline

Date	Engagement
9/9/2021	UAC Meeting: Boston Harbor UAC informed BoCC will be asked to approve contract award for FCS Utility Rate Study
9/14/2021	UAC Meeting: Tamoshan UAC informed BoCC will be asked to approve contract award for FCS Utility Rate Study
11/10/2021	UAC Meeting: Boston Harbor UAC informed of BoCC approved contract award for FCS Utility Rate Study
12/14/2021	UAC Meeting: Tamoshan UAC informed BoCC approved contract award for FCS Utility Rate Study
6/16/2022	FCS Utility Rate Study Presentation to Tamoshan UAC
6/21/2022	FCS Utility Rate Study Presentation to Boston Harbor UAC
6/21/2022	Tamoshan UAC sent a letter of support for utility consolidation
7/14/2022	Utility Rate Study Briefing to BoCC
7/14/2022	UAC Meeting: Boston Harbor UAC is informed that the earliest timeframe for consolidation is 2024
7/18/2022	BoCC briefing slides sent to Boston Harbor UAC
8/11/2022	County staff submitted a response to specific UAC questions relating to consolidation
9/13/2022	UAC Meeting: Tamoshan UAC is informed that the earliest timeframe for consolidation is 2024
9/13/2022	BoCC briefing slides sent to Tamoshan UAC
9/15/2022	UAC Meeting: Utility consolidation was discussed with Boston Harbor UAC
11/10/2022	UAC Meeting: Boston Harbor UAC informed of HDR's three options for a consolidated UAC
12/13/2022	UAC Meeting: Tamoshan UAC informed of HDR's three options for a consolidated UAC
1/12/2023	UAC Meeting: Boston Harbor UAC informed of benefits consolidation will have on the smaller utilities
2/22/2023	Reviewed Consolidation with Olympic View UAC
3/9/2023	UAC Meeting: Structure of a consolidated UAC further discussed with Boston Harbor UAC
3/23/2023	Draft of proposed County Code changes sent to all three UACs
3/23/2023	UAC Meeting: Tamoshan UAC informed that utility consolidation is in the public outreach phase
5/11/2023	UAC Meeting: Boston Harbor UAC is informed of the full schedule for utility consolidation in 2024
5/22/2023	Meeting with Boston Harbor UAC to go over FCS Utility Rate Study questions





# Utility Advisory Committee Recommendations

- Currently 3 individual UACs (Boston Harbor, Tamoshan, Olympic View)
- No current Utility Advisory Committee for Grand Mound
- Options providing efficiencies and equitable representation discussed with current UACs
- Proposed UAC model would provide for seven-person consolidated UAC
  - 2 from Grand Mound
  - 2 from Boston Harbor
  - 2 from Tamoshan
  - 1 from Olympic View



# Code Updates and Consolidation Resolution

- Minor code updates required to consolidate utilities
  - Proposed updated code includes revisions based on public outreach
  - Staff will request Board set a public hearing on code updates for mid-July
- Resolution forming consolidated utilities drafted
  - Staff will request Board set a public hearing on Resolution for mid-July
  - Resolution will repeal previous Resolution on utilities, establish a consolidated rate and fund structure, and establish a consolidated Utility Advisory Committee



# Code Update – Summary of Changes

SEWER DEFINITIONS AND GLOBAL CHANGES Code Chapters 15.09, 15.10, 15.12	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	ULID No. 1 is defined in 15.09.020 and referenced throughout code chapter(s)	Change “ULID No. 1” to “Boston Harbor sewerage area” in definitions and throughout code chapters	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	ULID No. 96-2 is defined in 15.09.020 and referenced throughout code chapter(s)	Change “ULID No. 96-2” to “Grand Mound sewerage area” in definitions and throughout code chapters	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	ULID No. 4 is defined in 15.09.020 and referenced throughout code chapter(s)	Change “ULID No. 4” to “Tamoshan sewerage area” in definitions and throughout code chapters	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	“Olympic View sewerage area” or “LID No. 1” is not defined like the other service areas	Add definition for Olympic View sewerage area (LID No. 1) to 15.09 that references Resolution 11233 that established it	Provides a definition for the only County service area that was not defined in the code
	“Satellite sewerage area” is not defined or referenced in code chapter(s)	Define as “geographically distinct sewerage area of Grand Mound, Boston Harbor, Tamoshan, or Olympic View”	Provides a definition for a newly added term in the water and sewer code chapters
	“Revised Code of Washington” or “RCW” is not defined but is referenced in code chapter(s)	Define as “collection of permanent statutes passed by the Washington State Legislature and currently in force in the State of Washington”	Provides a definition for an acronym that is not currently defined in the water and sewer codes chapters
	“Washington Administrative Code” or “WAC” is not defined but is referenced in code chapter(s)	Define as “codified rules put in place by State of Washington executive branch agencies for implementing legislation”	Provides a definition for an acronym that is not currently defined in the water and sewer codes chapters



# Code Update – Summary of Changes (Cont.)

SEWER SYSTEMS Code Chapter 15.09	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	Connection to the County water system is required as a condition of connection to the County sewer system (15.10.110).	Add “if available” language to water system connection requirement	Clarifies that this requirement does not apply to the areas of the County utility service area that do not have available County water connections (Olympic View and Beverly Beach)
	Sale or reallocation of sewer capacity to a parcel outside of but contiguous to ULID No. 1 may occur upon payment of the GFC and administrative fee (15.09.160)	A sale or reallocation of sewer capacity may only occur within the same satellite sewerage area and not between different satellite sewerage areas	Original code was written with just Boston Harbor in mind; Adds language clarifying that sewer capacity cannot be transferred to or from other utility service areas
	All grease and oil interceptors shall be managed and maintained according to the Department’s grease and oil management program (15.09.230)	Change “grease and oil” to “fats, oils, and grease”	Changes language to match actual name of program and to match the standard terminology used in the industry
	The County may charge dischargers that exceed stated limitations a fee at a rate set in the rates and fees resolution adopted by the board (15.09.230)	The County may charge dischargers that exceed stated limitations a fee to cover additional treatment costs associated with the discharge	Gives discretion to charge fees that are proportional to the impact of the discharge
	If a utilities advisory committee is appointed, the director shall provide a copy of the appeal to the UAC within three working days of receipt (15.09.320)	Remove “If a utilities advisory committee is appointed”	Updates language to reflect existence of utility advisory committee (UAC)



# Code Update – Summary of Changes (Cont.)

WATER SYSTEMS Code Chapter 15.10	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	ULID No. 2 is defined in 15.10.20	Change “ULID No. 2” to “Boston Harbor water service area” in definitions and throughout code chapter	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	ULID No. 3 is defined in 15.10.20	Change “ULID No. 3” to “Tamoshan water service area” in definitions and throughout code chapter	ULID numbers will be less relevant after utility consolidation and identifying service areas by community name provides clarity
	“Satellite sewerage area” is not defined or referenced in code chapter(s)	Define as “geographically distinct water service area of Grand Mound, Boston Harbor, or Tamoshan”	Provides a definition for a newly added term in the water and sewer code chapters
	Connection to the County water system is required as a condition of connection to the County sewer system (15.10.120).	Add “if available” language to water system connection requirement	Clarifies that this requirement does not apply to service areas that do not have County water connections (Olympic View and Beverly Beach)
	Sale or reallocation of water capacity to a parcel outside of but contiguous to ULID No. 1 may occur upon payment of the GFC and administrative fee (15.10.170).	A sale or reallocation of water capacity may only occur within the same satellite sewerage area and not between different satellite sewerage areas	Original code was written with just Boston Harbor in mind; Adds language clarifying that water capacity cannot be transferred to or from other utility service areas
	The departments of public works and community planning and economic development are responsible for the cross-connection control program (15.10.260).	Remove “department of community planning and economic development”	Clarifies that CPED is not involved in the County’s cross connection control program
	Backflow prevention assembly inspection, as required under Section 15.10.260, shall be charged at a rate specified by the Rates and Fees Resolution passed by the board (15.10.280).	Backflow prevention assembly inspection shall be performed as required under the cross-connection control program and WAC 246-290-490.	Offers simplification to rates and fees schedule by making the backflow assembly inspection not a required fee under the rates and fees resolution.
	If a utilities advisory committee is appointed, the director shall provide a copy of the appeal to the UAC within three working days of receipt (15.10.320).	Remove “If a utilities advisory committee is appointed”	Updates language to reflect existence of utility advisory committee (UAC)



# Code Update – Summary of Changes (Cont.)

WATER AND SEWER CHARGES, RATES, AND FEES Code Chapter 15.12	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	For non-residential customers, one ERU shall be designated for these volumes of each water consumed or sewerage discharged: 700 cu ft per month for Grand Mound, 900 cu feet per month for all other utility service areas (15.12.030).	For non-residential customers, one ERU shall be designated for each 700 cu feet per month of water consumed or sewerage discharged for all of the utility service areas	Provides consistency and administrative efficiencies by making ERU determination the same across the utility; May marginally impact non-residential customers in Boston Harbor (total of 5 accounts)
	Charges that are not adjusted every January 1 <sup>st</sup> based on the Utility Construction Cost Index or the Consumer Price Index include: water and sewer-based rates, water consumption rates, and non-sufficient fund charge on returned checks (15.12.100).	Add hydrant meter monthly service charge, hydrant meter temporary connection fee, posting delinquent account/shut off notice, service disconnection, and after-hours service charges to these exceptions	Simplifies these fees by avoiding administrative calculations to adjust fees that are not directly tied to labor and materials costs
	Certain charge adjustments shall be based on the Utilities Construction Cost Index published by Engineering News and Record (15.12.100).	Certain charge adjustments shall be based on the Utilities Construction Cost Index published by Engineering News-Record for the most recently completed year	Corrects the name of the publication and clarifies that the most recently published index will be used
	Call outs between the hours of three p.m. and seven a.m. on weekdays or at any time on weekends shall be assessed an after-hours service fee (15.12.130).	Change three p.m. to three-thirty p.m.	Better reflects the schedules of the utility operators responding to call-outs and prevents customers from being charged a fee when it is still within an operator's shift



# Code Update – Summary of Changes (Cont.)

<b>POTENTIAL CHANGES DEPENDENT ON GFC STUDY</b> Code Chapters 15.09, 15.10, 15.12	CURRENT CODE	PROPOSED CHANGES	BENEFITS
	“Additional Capacity Charge” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will potentially be removed; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies
	“General Facility Charge” or “GFC” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will potentially be modified; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies
	“Equivalent Service Extension Charge” or “SEC” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will likely be removed; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies
	“Service Extension Charge” or “SEC” is defined in 15.09 and referenced throughout code chapters	Definition and references to charge will likely be removed; Dependent on results of ongoing GFC study	Removal and simplification of water and sewer connection fees would provide administrative efficiencies



# Fund and Budget Development and Adoption

- Public Works developing budgets and rate structures for consolidated water utility and consolidated sewer utility
  - Will be incorporated into 2024-2025 budget development process
- Proposed rate structure will follow FCS model and address utility growth and inflation
- Board will be briefed on rate structure per budget adoption schedule





# Questions?