

DATE: July 20, 2009
TO: MWPAAC
FROM: Wes Jorgenson, MWPAAC Engineering & Planning Committee Chair
SUBJECT: Brief Summary of E&P meeting on July8, 2009

The meeting covered the following items:

1. Reclaimed Water Comprehensive Plan – Process, purpose & need statement and criteria for the Reclaimed Water Comprehensive Plan – E&P comments.
2. Reclaimed Water tasks from July through November 2009 (Handout)

The following are summary meeting minutes; full meeting minutes along with the presentations are available at the MWPAAC website under E&P Committee.

Agenda item 1, Reclaimed Water Comprehensive Plan (RWCP) – Process, purpose & need statement, and criteria for the Reclaimed Water Comprehensive Plan - MWPAAC Comments

This is a follow-up to the presentation by KC Staff at the June 17th E&P meeting. The intent of this agenda items was for E&P members to provide comments on the proposed RWCP process, purpose and need statement. Below are specific comments that received full support from the E&P committee that are being submitted for review and approval by full MWPAAC prior to submitting them to Christy True: (The list of all individual comments is at the end of this memo under appendix A.)

I. Specific changes to the Purpose and Need Statement:

Change number 1

Throughout the purpose and needs document the following statement is made:

King County is currently developing a Reclaimed Water Comprehensive Plan to determine if, how, when and where it's reclaimed water program should expand over the next 30 years.

E&P Committee proposes the sentence read as follows:

King County is currently developing a Reclaimed Water Comprehensive Plan to determine if, how, when, **by whom & at whose expense**, and where it's reclaimed water program should expand over the next 30 years.

Change number 2

Modify 5th bullet under the Guiding Principles by adding the words in italics:

5.2.1 Guiding Principles

The planning process will be guided by the following principles:

- Position WTD to respond to changing conditions and new regulations
- Mitigate long-term impacts

- Maximize existing investments
- Consider reclaimed water in capital projects planning (RCW 90.48.112)
- Recommend options that can provide the greatest value, considering costs, *cost allocation to benefitted parties*, the environment, and the community
- Provide meaningful participation in the planning process for customers, other governments, tribes, and the public

Change number 3

Modify the Regional Wastewater System Planning criterion by adding another criterion shown in the last bullet noted in italics below:

Regional Wastewater System Planning

The purpose of this criterion is to evaluate how serving potential uses for reclaimed water fits into future improvements and operations of the regional wastewater system.

Specifically, this criterion will gauge the following:

- Ability to maintain the efficient and safe operations of the regional wastewater system
- Ability to cost-effectively incorporate a reclaimed water strategy into future King County regional wastewater treatment and/or conveyance improvements
- Ability to meet regulatory requirements, including those reasonably anticipated
- *Ability to obtain funding from benefitted parties*

Change number 4

Rewrite the criterion under Protecting Water Quality in Puget Sound to better match the description under the “driver” on page 2.

II. Other proposed comments

1. Given the current economic climate, MWPAAC would strongly recommend delaying the Reclaimed Water comprehensive Study until 2011 or beyond.
2. MWPAAC strongly recommends that reclaimed water policies be reviewed as soon as possible during the early stages of the Reclaimed Water Comprehensive Plan. The proposed process by KC DNR shows policies would not be complete until 2013. If policies are intended to guide not only the comprehensive planning process but expansion of the existing reclaimed water system, 2013 is too late for the policies to have much effect. The existing water reuse policies adopted in 2006 are clearly outdated (The policies are shown below). MWPAAC believes that KC Council should update adopted policies prior to KC DNR staff marketing and entering new contracts for reclaimed water.

If KC staff does not have resources to develop draft financial policies MWPAAC’s Rate and Finance committee could develop draft financial policies for KC consideration prior to the end of 2009.

Below are currently adopted (2006) Water Reuse policies

28.86.100 Water reuse policies (WRP).

A. Explanatory material. The water reuse policies are intended to guide the county in continuing to develop its program to produce reclaimed water. The county will coordinate its program with regional water supply plans and work with state agencies and local jurisdictions on opportunities for water reuse. The county will implement pilot and demonstration projects. Additional projects shall be implemented subject to economic and financial feasibility assessments, including assessing environmental benefits and costs.

The water reuse policies, as in the treatment plant policies, intend that the county continue producing reclaimed water at its treatment plants. The treatment plant policies also address the potential construction of one or more satellite plants. These small plants would provide reclaimed water, with the solids being transferred to the regional plants for processing.

(King County 9-2006)
28.86.100

WASTEWATER TREATMENT

B. Policies.

WRP-1: King County shall actively pursue the use of reclaimed water while protecting the public health and safety and the environment. The county shall facilitate the development of a water reuse program to help meet the goals of the county to preserve water supplies within the region and to ensure that any reclaimed water reintroduced into the environment will protect the water quality of the receiving water body and the aquatic environment.

WRP-2: By December 2007, the King County executive shall prepare for review by council a reclaimed water feasibility study as part of a regional water supply plan which will include a comprehensive financial business plan including tasks and schedule for the development of a water reuse program and a process to coordinate with affected tribal and local governments, the state and area citizens. The reclaimed water feasibility study shall be reviewed by the RWQC. At a minimum the feasibility study shall comply with chapter 90.46 RCW and include:

1. Review of new technologies for feasibility and cost effectiveness, that may be applicable for future wastewater planning;
2. Review of revenue sources other than the wastewater rate for distribution of reused water;
3. Detailed review and an update of a regional market analysis for reused water;
4. Review of possible environmental benefits of reused water; and
5. Review of regional benefits of reused water.

WRP-3: Recycling and reusing reclaimed water shall be investigated as a possible future significant new source of water to enhance or maintain fish runs, supply additional water for the region's nonpotable uses, preserve environmental and aesthetic values and defer the need to develop new potable water supply projects.

WRP-4: King County's water reuse program and projects shall be coordinated with the regional water supply plans and regional basin plans, in accordance with state and federal standards. The coordination shall be done with the affected water supply purveyors. Water reuse must be coordinated with water supply/resource purveyors to

ensure that resources are developed in a manner complementary with each other to allow the most effective management of resources in the county.

WRP-5: King County shall implement nonpotable projects on a case-by-case basis. To evaluate nonpotable projects, King County shall develop criteria which will include, but are not limited to: capital, operation and maintenance costs; cost recovery; potential and proposed uses; rate and capacity charge impacts; environmental benefits; fisheries habitat maintenance and enhancement potential; community and social benefits and impacts; public education opportunities; risk and liability; demonstration of new technologies; and enhancing economic development. A detailed financial analysis of the overall costs and benefits of a water reuse project shall include cost estimates for the capital and operations associated with a project, the anticipated or existing contracts for purchases of reused water, including agricultural and other potential uses, anticipated costs for potable water when the project becomes operational; and estimates regarding recovery of capital costs from new reused water customers versus costs to be assumed by existing ratepayers and new customers paying the capacity charge. Water reuse projects that require major capital funding shall be reviewed by RWQC and approved by the council.

WRP-6: King County shall work with local water purveyors, including when the local purveyors update their water comprehensive plans, to evaluate the opportunities for water reuse within their local service area.

WRP-7: King County shall develop an active water reuse public education and involvement program to correspond with the development of the water reuse program and be coordinated with other water conservation education programs.

WRP-8: King County shall utilize a forum or multiple forums to provide opportunities for coordination and communication with the Washington state Departments of Health and Ecology, which have the principal state regulatory roles in the planning, design and construction of reuse facilities. The county shall involve other parties on these forums, including but not limited to, the Corps of Engineers, Washington state Department of Fish and Wildlife, National Marine Fisheries Service, United States Fish and Wildlife Service, regional water suppliers, tribal governments, local water and wastewater districts, cities, local health departments, watershed forums and environmental and community groups.

WRP-9: King County shall work, on a case-by-case basis, with the Washington state Departments of Health and Ecology on water reuse projects including, but not limited to, those that are not specifically cited in the 1997 Department of Health and Ecology Water Reclamation and Reuse Standards.

WRP-10: King County shall hold and maintain the exclusive right to any reclaimed water generated by the wastewater treatment plants of King County.

WRP-11: King County's water reuse program projects shall not impair any existing water rights unless compensation or mitigation for such impairment is agreed to by the holder of the affected water rights.

WRP-12: King County shall retain the flexibility to produce and distribute reclaimed water at all treatment plants including retaining options to add additional levels of treatment.

WRP-13: King County shall continue to evaluate potential funding of pilot-scale and water reuse projects, in whole or in part, from the wastewater utility rate base.

WRP-14: King County shall complete an economic and financial feasibility assessment, including environmental benefits, of its water reuse program. The assessment shall include the analysis of marginal costs including stranded costs and benefits to estimate equitable cost splits between participating

governmental agencies and utilities. The assessment shall also include a review of existing and planned water and wastewater facilities in an approved plan to ensure that water reuse facilities are justified when any resulting redundant capacity as well as other factors are taken into account.

WRP-15: King County should pursue development of a water reuse program to discharge reclaimed water to reduce freshwater consumption used in the operation of the Ballard Locks when environmental benefits and financial conditions merit this investment and new program. (Ord. 15602 § 5, 2006; Ord. 13680 § 10, 1999).

Appendix A

Engineering and Planning Subcommittee Meeting

Date: Wednesday, July 8, 2009; 9:00 a.m. – 11:00 a.m.

Attendees: Joyce Nichols and Wes Jorgenson, City of Bellevue; Dennis Cheung, City of Issaquah; Bobbi Wallace, City of Kirkland; Ron Nowicki, Lakehaven Utility District; Laura Keough, Northeast Sammamish Sewer and Water District; Margaret Wiggins, Northshore Utility District; Arne Lind, Ronald Wastewater District; Mary Shustov, Sammamish Plateau Water and Sewer District; Trish Rhay, City of Seattle; Mark Buscher, Debra Ross and Laura Wharton, King County; Tamie Kellogg, Kellogg Consulting

I. Reclaimed Water Comprehensive Plan -

- Mark Buscher gave a brief summary of the Purpose and Need Statement and detailed planning process documents.
- Mark explained that two minor adjustments were made since the last E&P meeting to the planning process document: Step 1 of the document will be reviewed and approved by the King County Council; and decision point 6 is now a question instead of a statement.

Member Comments and Questions:

- A question was asked about the fluidity and flexibility of the planning process, Mark replied that the decision makers are identified at each decision point. The Executive and County Council would be the primary decision makers; the process includes time for input from MWAAC and other interested parties.
- A suggestion was made to include economic incentives for using reclaimed water; Mark said that issue can be explored in the plan (step 3 – economic analysis and step 6 – development of a financial plan). There was also a comment that reclaimed water-related costs should be allocated to benefited parties.
- Laura replied that the planning process will explore funding sources and cost allocation during development of the financial plan
- A suggestion was made to explore the possibility of local utilities receiving a LEED rating for utilizing reclaimed water.
- A comment was made, given the economic uncertainties the County is facing, whether it is prudent to proceed with a reclaimed water comprehensive plan at this time. There is also the concern that reclaimed water will diminish the water rights of others. Laura noted that the County receives requests for reclaimed water from various jurisdictions and entities, which was one impetus to conduct a comprehensive planning process to determine if, how, when, and where the county's reclaimed water program should expand.
- A comment was made that during the RWQC July meeting, one of the RWQC members raised the question about the County's authority to sell water and become a water purveyor.
- Several commented that there needs to be sufficient evidence of problems and these problems should be stated in the Purpose and Needs Statement. Mark clarified that the Purpose and Need Statement explains the reasons for conducting the planning process now. A question was asked regarding the County's negotiation on reclaimed water pricing, Mark answered that the County has been in conversations with the City of Redmond for the 60 Acres Park (soccer fields). The soccer facility is located partially in Redmond and partially in the County. The facility is currently drawing water directly from the river. The method of operation is that the County is the wholesaler and the local agency is the retailer.
- A question was raised regarding what's included in the comprehensive plan vs what WTD is doing under the existing program. Mark replied that there is a distinction between the

comprehensive planning process and the existing reclaimed water program. Under the existing reclaimed water program (Brightwater backbone system, South Plant and Carnation Treatment Plants), WTD will continue to make arrangements and negotiate contracts. Under the south backbone, which is considered the existing program, there is a WTD contract to provide water to Willows Run; but the County is working with Redmond to see if they'd prefer to be the purveyor. The purpose of the comprehensive plan is to see how and where it might or might not be feasible to expand the county's existing reclaimed water system. Laura also mentioned that WTD plans to include contract openers, for when future policies are adopted so that the contracts can at some point in the future reflect any changes made

- Some E&P members commented that that existing RWSP policies do not address cost recovery objectives. They noted the following:
 - The County is continuing to invest in the current reclaimed water system.
 - The County Council will review the cost recovery policy for reclaimed water.
 - The County is expanding markets, and waiting until 2013 to change policies is too far out in time, and suggested that reclaimed water financial policies should be revised sooner.
- A suggestion was made to add the term “collaboration” in Step 6 under regional involvement, as that is one of the most important steps.
- A comment was made that there can be an interested party that is not a retailer.
- A comment was made about the timing of the financial policies and the need for updating the Regional Wastewater Service Plan prior to beginning the Financial Plan for the reclaimed water comprehensive plan. If the policies are amended in the near future, the guidelines that are adopted can be used to steer us through the planning process.
- There was a suggestion to consider discussion during Step 3 on codes and regulations related to sustainable practices and that the County could begin by applying these to unincorporated areas.
- A request was made to provide the state legislation language to E&P that was referred to on Page 1 of the Purpose and Needs Statement.
- A comment was made that there will likely be a more stringent treatment and discharge requirement to Puget Sound.
- A suggestion was made that “if, how, when, where” should be expanded to read “ to determine if, when, how, by whom, and at whose expense, and where it's reclaimed water should expand...?”
- A suggestion was made under recommended options that can provide the greatest value, considering costs insert... and cost allocation to those who benefit.
- A suggestion was made that another RW criterion should be: ability to obtain funding from benefited parties.
- A comment was made that the criteria of protecting water quality in Puget Sound on page 25 doesn't match the driver. Does removing the highest quality water in the discharge benefit the Sound?
- A suggestion was made to review how reclaimed water fits into GMA and other codes, policies.
- During discussion of the criteria, there was a comment made to consider prioritizing uses for groundwater recharge.
- A comment was made that localized use of reclaimed water should be a priority. Localizing utilities would promote better accountability.

There was agreement by E&P subcommittee members to forward the following recommendations to full MWPAAC. We will write them up and send them to E&P Subcommittee members for their review:

- In the Purpose and Need Statement:
 - Change the phrase “...to determine if, how, when, and where it’s reclaimed water program should expand...” **with** “...*to determine if, when, how, by whom and at whose expense, and where it’s reclaimed water program should expand...*”
 - Under the guiding principles listed in purpose and need statement, pages 23-24, 5th bullet, add the words in italics: Recommend options that can provide the greatest value, considering costs *and cost allocation to benefited parties*, the environment, and the community
 - Add the following bullet to the list under the Regional Wastewater System Planning criterion: *Ability to obtain funding from benefited parties*
 - Rewrite the bullets under the Protecting Water Quality in Puget Sound criterion to match more to how that driver is explained in document
- Given the economic climate, delay the plan
- Develop financial policies and guidelines in the near term, to guide the existing program and development of reclaimed water comp plan for King County Council consideration. A MWPAAC committee, possibly Rate and Finance, could develop these by the end of the year.