



Washington Water Utilities Council

Memorandum

Date: April 18, 2017

To: PNWS/AWWA Trustees

From: Joan Kersnar, Chair

RE: Washington Water Utilities Council – Spring 2017 Committee Report

Activities and Focus for 2017

The WWUC continues to monitor and participate on behalf of the water industry in relevant litigation, regulation, and legislation. The significant areas of focus over the past several months since our last report are specifically addressed below.

Legislative Activities

The WWUC serves as a state legislative monitoring, information, and coordination resource for its member utilities. For the 2017 legislative session, WWUC members are aware of several key points that affect our efforts:

- Last November's elections determined the makeup and control of the Washington State House, Senate and Governor's Office. Republicans remain the majority in the Senate and Democrats in the House, both by slim margins, and the Democratic Governor was re-elected
- This year will be a 105-day legislative session, with April 23 being the last day of the regular session. With the legislature needing to find billions of dollars to fund education to meet the state Supreme Court's *McCleary* decision, most observers expect a long session, with one or more special sessions a strong possibility.
- Recent water-related court cases have played heavily into legislators' thinking during the 2017 legislative session. To provide some guidance to the WWUC and its members, the WWUC Water Right Committee prepared an "Exempt Well Issues Summary and Options Paper". This is primarily in response to the recent Hirst Decision which has put the onus of verifying water availability on individual property owners. This, in turn, has led to individuals and counties asking WWUC members for water or a portion of their water rights.

2017 AWWA Water Matters! Fly-In

This year the WWUC participated in the AWWA Water Matters! Fly-In on March 22-23 in Washington, D.C. The Fly-In provides a coordinated opportunity to promote issues important to our industry with our congressional delegation at the same time that the same issues are being promoted to the rest of the states' congressional representatives and senators by other AWWA members. This year, representatives from WEF, NACWA and a couple of other wastewater associations joined delegates from AWWA during the congressional visits.

Joan Kersnar, Chair of the WWUC; John Kounts, Chair of the WWUC Legislative Committee; and Linda McCrea, member of the National Water Utility Council, represented Washington State at this event, which is sponsored by the National Water Utility Council. The three Washington delegates to the Fly-In met with members or staff for all ten of Washington's congressional representatives and both senators. Priority issues for the meetings were funding for the Water Infrastructure Finance and Innovation Act (WIFIA) at the full authorization level of \$45M, doubling of the appropriations for the Drinking Water and Clean Water SRF programs, and maintaining the tax-exempt status of interest on municipal bonds.

Regulatory Activities

The WWUC routinely analyzes proposed Washington State agency guidance and policy documents, as well as rules and regulations, for their impact on WWUC members. We also regularly discuss proposals with agencies and provide informal and/or formal review and comment. In addition, the WWUC participates in or tracks stakeholder processes convened by state agencies to address pressing water issues. Below are some of the major activities underway:

- The WWUC is continuing to work with the Department of Health and Department of Ecology on water rights issues relating to small or failing water system consolidation.
- The WWUC is also tracking and providing input to the update to Washington State's Drought Contingency Plan, which is to be completed before July 2017.
- The WWUC is tracking a renewed Department of Ecology rulemaking regarding reclaimed water. The WWUC commented in an earlier phase of rulemaking, which was suspended due to inability to resolve difficult issues (*e.g.*, water rights impairment). The agency reinitiated the rulemaking effort this year, and the WWUC will track developments and consider commenting on future rule drafts.

Judicial Activities

The WWUC monitors court cases and appeals involving water rights and other relevant legal issues. A considerable amount of both committee and meeting time is dedicated to this work. There are no significant Washington court decisions to report for this period.

WWUC is continuing to track appeals arising from or in the context of water right actions following a small system water system consolidation, which relates to the inter-agency effort described above. The WWUC continues to be concerned about how the Department of Ecology is implementing provisions of the 2003 Municipal Water Law and is monitoring agency steps and any appeals.

Membership and Financial Situation

Overall, we continue to have good attendance at meetings and active participation in decisions. The work of the WWUC is well appreciated and respected throughout the water community in Washington State and also by affected stakeholders. We anticipate staying active throughout the legislative session and engaging in litigation that pertains to our mission.