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AGENDA

1. CALL TO ORDER / ROLL CALL / ACCEPT OR MODIFY AGENDA / CONFLICT OF INTEREST DISCLOSURE
5:00 PM
2. UAC MEMBER CHANGES – 10 MIN.
3. WINSLOW WATER SYSTEM FIRE FLOW UPDATE (SEE ATTACHED) – 40 MIN.
4. PUBLIC WORKS UPDATE – 10 MIN.
 - A. WATER TANK FUNDING AND FINANCING
 - B. 2021-22 BUDGET
5. CCAC-UAC JOINT SUBCOMMITTEE UPDATE – 10 MIN.
6. SMALL WATER SYSTEMS DISCUSSION (CONTINUED; SEE ATTACHED) – 25 MIN.
7. 2021 WORK PLAN – 20 MIN.
 - A. MAJOR PROJECT REVIEW (WATER TANK, BEACH MAINS, VILLAGE BASIN STUDY)
 - B. STORMWATER MASTER PLAN
 - C. WASTEWATER TREATMENT PLANT STUDY RECOMMENDATIONS/FOG ORDINANCE
 - D. GROUNDWATER MANAGEMENT PLAN
8. NEXT MEETING AGENDA PLANNING – 5 MIN.
9. ADJOURNMENT
7:00 PM

CITY OF BAINBRIDGE ISLAND
MEMORANDUM

TO: City Council
FROM: Utility Advisory Committee
DATE: May 9, 2018
SUBJECT: Recommendations on Fire and Other Municipal Codes Impacting Island Water Systems

Background

The COBI municipal code sections applicable to water systems understandably focuses on the City owned systems. Today's code is likely a holdover from when Winslow was the City. Today, there are 28 Class A¹ water systems on the island (two are owned by COBI and four owned by Kitsap Public Utility District) and approximately 155 Class B² water systems.

In 2016 the Utility Advisory Committee responded to concerns that small rural water systems were forestalled from upgrading due to interpretation of the BIMC and construction requirements by recommending the inclusion of a policy in the Utility Element of the Comprehensive Plan to encourage cost effective upgrades of water systems to improve both water quality and possibly fire flow.

The City Council thereafter adopted the following Policy as part of the Utilities Element of the Comprehensive Plan:

Policy U11.5: Adopt standards that differentiate between urban and non-urban density fire flow requirements. A differential policy is needed to promote cost effective water system upgrades by the many small water systems on the island.

In 2017, the City Council added implementation of this policy to the UAC's work plan. Accordingly, a subcommittee of the UAC began research on governmental regulations of upgrades of water systems serving single family residences in an effort to develop the standards and /or policy that would accomplish the goals of Policy U11.5.

The subcommittee's research included review of the current COBI Fire Code and other relevant City codes, review of fire codes from other jurisdictions, meetings with Bainbridge Island Fire Marshal Luke Carpenter, the Fire Marshal of Kitsap County, KPUD, City staff, and managers of various small water systems, and discussions with the Public Works Department regarding the City's Design and Construction Standards.

The subcommittee's research uncovered the following findings:

- 1) Water systems upgrades and improvements are subject to COBI's Fire Code, The City's Right of

¹ Having 15 or more connections or serving public schools.

² Having 3 to 14 connections.

Way Design and Construction Standards, and regulations contained in the Washington Administrative Code and promulgated by the Department of Ecology and the Department of Health's Office of Drinking Water.

- 2) There appears to be a differential review process by the City of Bainbridge Island with regard to water system projects. What governs the review process seems to be determined by :
 - a) Whether the system is owned by the City or one of the independent water purveyors such as KPUD,
 - b) Whether the water system construction/extension is in response to a building permit for new or remodeled structures, and
 - c) Whether the work will be performed in the City's right-of-way or private property.
- 3) BIMC sections that address water systems are:
 - a) BIMC Title 13, chapters 13.08, 13.10, 13.18, and 13.20 Public Services –Water – Codifies the policies and procedures of presumably the City owned water systems.
 - b) BIMC Title 20 Fire Code – Codifies requirements for buildings not water systems
 - c) BIMC Design and Construction Standards, sections 10-15 – Codifies construction practices and specifies materials for water system infrastructure in the city right-of-way.
- 4) BIMC Title 13 appears to apply to only City-owned water systems while Title 20 of the Fire Code applies to the entire Island. However, there are 11 references in Title 20 to Title 13. It is therefore unclear whether specific chapters of 13 that are referenced in Title 20 of the code apply to non-city systems.
- 5) Amendment B 105.1 of the COBI Fire Code,³ section 20.04.110, provides the foundation for fire flow requirements for one and two family dwellings of 3600 square feet or smaller at a rate of 1,000 gallons per minute. The section then provides various exceptions which are intended for construction where the mandated flow is not available. While the section does not provide for a required time period, the IFC code as adopted specifies one hour. Thus, this Code, by reference, implies a requirement that water systems have a fire flow storage capacity of 60,000 gallons.

In Addition to fire flow storage, the Department Health's Office of Drinking Water requires a water system to have sufficient water storage to provide for peak day service during an event.
- 6) The Design and Construction standards outlined in section 10-15 for the installation of water systems in the City Right-of-Way are extensive and appear to have been originally written for extensions to the Winslow system. However, as currently written, these standards can be construed to apply to independent water systems creating an undue burden on smaller systems outside of the City's Winslow core.

³ Based on the International Fire Code

- 7) Achieving the requirements of the fire code and the right-of-way code, as written, along with other jurisdictional codes may result in water system upgrade designs that are cost prohibitive for many of the water systems on the island. As a result, aging water systems may find the financial and physical requirements beyond their capacity. The unintended consequence of the current regulations may actually be impeding implementation of water quality and fire flow improvements and disaster preparedness.
- 8) Kitsap County's Fire Code amends the International Fire Code, the basis for all fire codes including COBI's Fire Code, to reduce the required fire flow requirements to 500 gallons per minute for 30 minutes. Apparently, many other communities do the same, and this standard is also contained in the Washington Survey and Ratings Bureau standards. This standard reduces the required fire flow storage to 15,000 gallons.
- 9) Based on discussions with the Fire Marshal and Public Works director, there is not currently an expectation that independent water systems comply with the standards as strictly interpreted.
- 10) While the current COBI Fire Code does not on its face provide for water systems to depart from the 1000 GPM fire flow standard based on size or capacity, former Fire Marshal Luke Carpenter used his discretion, as authorized under section B 103.1 of the IFC, to provide a more pragmatic and reasonable approach for single family residences under 5000 square feet. He permits construction of such a structure if the serving water system can provide 500 gallons per minute and further requires sprinklers for houses over 5000 square feet.
- 11) The Fire Department estimates that 40% of homes on Bainbridge island do not have access to a fire hydrant.
- 12) Pragmatically, the current governmental review process for water systems is different depending on whether the system is new, is connected to City, KPUD, or smaller preexisting water systems, or is served by an individual well. The level of City review is also affected by whether the water system work is to be performed in a City right of way.
- 13) When a water systems seeks to upgrade its facilities, there needs to be greater clarity and certainty about the review by the Planning Department, Public Works Department, and the Fire Marshal.

After drafting an initial proposal, the subcommittee had several meetings with the Utility Advisory Committee at large and with the Fire Marshals Carpenter and Moravec.

At these meetings the UAC and the Fire Marshals agreed that it would be useful to create a working group of various interested parties including representatives of Group A and B water systems and the Fire Marshal to focus on these issues so as to encourage better fire safety on the island. Also, there was a recommendation that a member of the City Public Works Department attend these meetings to assist with any questions regarding the City's Design and Construction Standards.

Fire Marshal Carpenter also noted that the International Fire Code is due to be revised in 2018 and by the City in 2019, and the working group could provide input about any and all issues that smaller water systems were encountering in following the fire and other municipal codes when upgrading their systems.

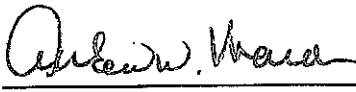
The objective of these meetings would be to work with the Fire Marshal and the Public Works

systems to improve water quality and fire flow where possible.

UAC Recommendations:

1. Assemble a working group of Group A and B representatives to discuss their concerns with the Fire Marshal and the city's Public Works department.
2. Clarify Code section BIMC 20.04.110 to reflect the Fire Marshal's actual current approach for residential construction. See Background #13 above.
3. Review and update the fire code standards ~~that~~ to provide clarity for both new developments and water systems seeking to upgrade their facilities.
4. Review and clarify Utilities and Right of Way uses section 10-15 water line requirements.
5. Review and provide clarity regarding BIMC 13 sections on water as to its impact, if any, on non-city owned systems.
6. Revise and map current and projected infrastructure to determine areas that can be upgraded.
7. Work with City staff, major water systems and the fire marshal to develop uniform water system standards for design, construction, and fire flow for island water systems. These standards need to be sensitive to the limitations of small water systems

Approved unanimously at the Utility Advisory Meeting of May 9, 2018



Co-Chair Andrew Maron



Co-Chair Jeff Kanter

Jim Thrash

Nancy Nolan

Emily Sato

Steve Johnson

Ted Jones

Attachments: Excerpts from Bainbridge Island Comprehensive Plan and Code sections of other jurisdictions

Additional Comprehensive Plan Policies -

Policy U 11.6 - "Encourage and support water utilities to enter into cooperative activities, such as jointly managed operations, shared storage, and construction of interties, to manage water resources and systems more efficiently, economically, and safely."

And,

Policy U 11.7 - "Encourage and facilitate consolidation of water systems, with particular emphasis on mergers of contiguous and small systems, to manage water resources and systems more efficiently, economically, and safely."

Kitsap County

Municipal Code B105.1 One – and two- family dwellings. The minimum fire-flow requirements for one- and two – family dwellings in subdivisions shall be 500 gallons per minute for thirty (30) minutes.

Developments of 6 homes or less, not exceeding 3,600 sq. ft. are not required to provide fire flow.–
(based on discussion with Morgan Johnson, general manager of Silverdale Water District)

Mason County Interim Fire Flow Standards for Group A Public Water Systems, Existing Residential Development -

- Fire suppression storage shall be based on a minimum of 500 gallons per minute (gpm) flow for 30 minutes duration, which equates to 15,000 gallons for fire protection, and is also consistent with stipulations in the State Water System Coordination Act. The minimum dedicated fire suppression storage volume at any time shall not be less than 15,000 gallons. This minimum would be in addition to other storage volumes required for public water systems under the state drinking water rules and design requirements.

- If water is provided from other sources for fire control purposes, the gallon requirements for fire storage requirement may be reduced by 25%.

King County recognizes a differential requirement based on the following:

17.08.030 Exemptions.

A. The following permits and approvals are exempt from the water flow and fire hydrant requirements of this chapter. These exemptions do not exempt any development from compliance with the requirements of state law.

1. Subdivisions and short subdivisions located outside an Urban Growth Area designated by the King County comprehensive Plan and that do not contain a lot less than thirty-five thousand square feet in size.

4. Building permits for structures that:

a. do not exceed two-thousand-five hundred square feet in floor area (excluding garage);

b. are served by a Group B water system; and

c. are located outside an Urban Growth Area.

5. Building permits for structures that exceed the two-thousand-five hundred square feet limit provided for in subsection A.4.a. of this section, but comply with subsection A.4.b. and c. of this section, shall be exempt from this chapter if the fire marshal determines that the project will not create a substantial fire hazard.

B. The fire marshal shall have the authority to impose conditions including, but not limited to, increased setbacks, use of fire retardant materials or sprinkler system requirements on permits exempt under subsection A. of this section where necessary to mitigate identified fire hazards.

Thurston County exempts private water systems from meeting the code as flows:

Thurston County 14.32.110 - Section 507 amended—Fire protection water supplies.

International Fire Code sections 507.1, 507.2, 507.3 and 507.5.1 are amended, and section 507.6 is added to read as follows:

507.1 Required water supply. An approved water supply capable of supplying the required fire flow for fire protection shall be provided to premises upon which facilities, buildings, or portions of buildings are hereafter constructed, or are converted from a single/two family dwelling or townhome to a non-residential use, or are substantially improved or moved into or within the jurisdiction.

Exceptions:

1. Group U Occupancies.

2. Private residences, townhouses and their accessory structures not served by a municipal water supply. However, if a municipal water system supplies hydrants for group R-3 and U occupancies, the hydrants shall comply with Appendix C as amended by Thurston County.

(Group A and B water systems are not considered municipal water supplies)

**MEMORANDUM REGARDING
THE CITY OF BAINBRIDGE ISLAND'S POLICIES
TOWARD SMALL WATER SYSTEMS**

Prepared by the City of Bainbridge Island
Utility Advisory Committee
September 23, 2020

TABLE OF CONTENTS

Contents

EXECUTIVE SUMMARY	1
I. INTRODUCTION.....	2
II. BACKGROUND	2
A. Comprehensive Plan	2
B. Water Systems on Bainbridge Island	3
1) Group A.	4
2) Group B	5
3) Private Wells.....	5
4) Statistical Analysis	5
C. Ownership and Management of Water Systems	6
D. Service Areas	6
E. Problems Identified with Small Water Systems	7
F. Legal and Regulatory Authorities Pertinent to Small Water Systems.....	8
1) Federal:	8
2) State:	8
3) Kitsap Public Health District.....	9
4) Kitsap County	9
5) WUTC	10
G. History of COBI Policies and Activities Related to Island Water Systems	10
III ANALYSIS AND RECOMMENDATION	12
A. Overview	12
B. City Relationship with KPUD	13
C. Policy Alternatives.....	14
1) Minimal	14
2) Reactive	14
3) Active.....	15
4) Active Plus Acquisition (over time)	15
D. UAC Recommendation	16
E. Suggested Next Steps.....	17
IV. CONCLUSION	18
EXHIBITS	19

EXECUTIVE SUMMARY

In 2018, the City Council asked the Utility Advisory Committee (UAC) to “study and recommend a process for facilitating consolidation of small water systems.” The Council’s direction was driven by the City’s Comprehensive Plan, which generally calls for managing utility services in a manner that is efficient, effective, and safe, and preserves and protects the Island’s water resources.

As part of its work, the UAC developed four alternative models for a future City of Bainbridge Island (COBI) policy regarding facilitating the consolidation of small water systems:

- Minimal, hands-off role;
- Reactive to requests from water systems – which the UAC suggests summarizes the City’s current policy;
- Active assistance to water systems; and,
- Active assistance along with acquisition over time of small water systems.

The UAC believes it is time for the City to depart from its reactive and inconsistent approach towards interfacing with small water systems on Bainbridge Island. Accordingly, the UAC **recommends that the City adopt a policy of providing active and consistent assistance, if requested, to the small water systems on Bainbridge Island, and encourage, if appropriate, voluntary consolidation of those systems into the City’s current water utility.** Priority focus should be on the water systems within and adjacent to the City’s current county-assigned service areas.

The UAC encourages the Council to consider addressing this policy in coordination with the development of the City’s Groundwater Management Plan, and through the Winslow Water System Business Planning effort, both of which are proposed to be funded in the 2021-22 Biennial Budget.

COBI UTILITY ADVISORY COMMITTEE
MEMORANDUM REGARDING COBI'S POLICIES TOWARD
SMALL WATER SYSTEMS

I. INTRODUCTION

In 2018, the City Council asked the Utility Advisory Committee (UAC) to “study and recommend a process for facilitating consolidation of small water systems.” The council’s direction begins implementation of Comprehensive Plan Utilities Element Policy U-11.7, which is reproduced in the next section.

There are 35 Group A (the largest) water systems on Bainbridge Island, and 135 Group B systems (the smallest). COBI currently owns and manages two of the Group A systems (Winslow-Fletcher Bay and Rockaway Beach) and one Group B system (Casey Street).

The UAC gathered data on Island water systems, considered the history of water system management on the Island, and consulted with water system experts within state, county-wide, and city governments, and from the private sector.

The UAC then developed four alternative models for COBI policy regarding small water systems: (1) minimal, hands-off role; (2) reactive to requests from water systems – which the UAC suggests is an apt description of the City’s current policy; (3) active assistance to water systems; and (4) active assistance along with acquisition over time of small water systems. Descriptions of these alternatives are contained in this memo and on an attached matrix.

As discussed in this memorandum, the UAC believes it is time for the City to depart from its disengaged, reactive, and inconsistent attitude toward water management on Bainbridge Island. Accordingly, the UAC recommends that the City adopt a policy of providing active and consistent assistance, if requested, to the small water systems on Bainbridge Island, and encourage, if appropriate, voluntary consolidation of those systems into the City’s current water utility. Priority focus should be on the systems within and adjacent to the City’s current county-assigned service areas.

The primary reasons for this policy are to help ensure all Island residents have adequate, safe drinking water and to protect Island water resources.

II. BACKGROUND

A. Comprehensive Plan

In 2017, the City Council approved an update to the Comprehensive Plan, which included a newly revised Utilities Element. Among the goals and policies in the Utilities Element are the following pertinent to this subject (key clauses are identified by bold highlighting):

- Goal U-10. Ensure that city-managed and **to the extent possible non-city managed utility services** are sufficient, cost effective, reliable, and that safe water utility service is provided.

- Goal U-11: Require utilities to operate in a manner that **preserves and protects the water resources** of the Island.
- Policy U 11.6: **Encourage and support water utilities to enter into cooperative activities**, such as jointly managed operations, shared storage, and construction of interties, to manage water resources and systems more efficiently, economically, and safely.
- Policy U 11.7: **Encourage and facilitate consolidation of water systems**, with particular emphasis on mergers of contiguous and small systems, to manage water resources and systems more efficiently, economically, and safely.

The Comprehensive Plan also contains Policy U 11.9 which states as follows: “Conduct a study of consolidation of water systems owned by the City and Kitsap Public Utility District. Pursue long-term consolidation of larger water systems.” As is shown below, the City and KPUD own the three largest water systems on the Island, all of which are substantially larger than the remainder of Island water systems.

The UAC was not asked to study and recommend a process for implementing Policy 11.9 – but rather to focus on “small water systems.” The size of “small water systems” was not defined, but for purposes of this memo the UAC will consider “small” to be all systems other than the three largest owned by the City and KPUD.

The drinking water policies and goals in the afore-described 2017 Comprehensive Plan build on those already outlined in the Water Resources Element of the City’s 2004 Comprehensive Plan, namely:

- WR 3.2: The City may elect to facilitate small water system management services by applying to the Department of Health to be an approved Satellite Management Area (SMA).
- WR 3.3: New development in previously unclaimed water service areas may be required to dedicate public water systems to the City if the system meets City standards and the City determines it is appropriate to accept, own and operate such systems.

All of these goals and policies were adopted to help ensure that all island residents have safe drinking water.

B. Water Systems on Bainbridge Island

Potable water service is provided to residents of Bainbridge Island from private single or double¹ connection wells or public water systems classified by the Washington State Department of Health as Groups A or B, depending on the number of connections.

¹ The 2005 Kitsap Coordinate Water System Plan notes that normally only single-connection wells are considered “private,” but the Kitsap Public Health District has an exemption that allows double-connection residential wells meeting certain criteria to be classified as a “private well.”

- 1) **Group A.** Those water systems serving 15 or more connections or the general public are labeled Group A. There are 35 active Group A systems on Bainbridge Island which are listed below by number of connections, and shown on a map attached as Exhibit A. This data comes from the Washington State Department of Health, and can be accessed at this link: <https://fortress.wa.gov/doh/eh/portal/odw/si/Intro.aspx>.

Name/Owner 	Connections	Population
Winslow/Fletcher Bay (COBI)	3165	7130
North Bainbridge (KPUD)	1894	4663
South Bainbridge (KPUD)	1245	2863
Meadowmeer (managed by KPUD)	311	897
Island Utility (KPUD)	255	590
Port Madison (managed by KPUD)	103	233
Bucklin (managed by WA Water Co)	103	272
Emerald Heights	92	250
Bill Point (managed by KPUD)	84	200
Rockaway Beach (COBI)	72	175
Eagle Harbor Marina	54	17
Phelps Road (managed by WA Water Co)	22	58
Harbor Crest (KPUD)	21	53
Rose Avenue	20	53
Place Eighteen (managed by KPUD)	18	32
Ferncliff (managed by KPUD)	18	40
Ravens Reach	16	42
Graham Place	15	34
Hidden Heights	14	36
Islandwood Estates	14	40
Walden Water	13	34
Derby Downs	13	30
Seabold Heights (managed by KPUD)	12	36
Bloedel Reserve	8	2
Battle Point Park	6	0
Montessori Country School	5	0
Strawberry Hill Park	5	0
COBI Public Works	4	0
Fort Ward Park	3	1
Carden County School	2	3
Eagledale Park	2	0
Hazel Creek Montessori	2	0
Fieldstone Memory Care	1	96
Island Center Community Center	1	0
Seabold Community Hall	1	0
Totals	7614	17,880

- 2) Group B. Those water systems serving 2 to 14 connections are classified by the State and Kitsap Health District as Group B. There are 135 Group B systems on Bainbridge Island, many of which are shown on a map attached as Exhibit A. A list of the Group B water systems provided by Kitsap Public Health District is attached at Exhibit B. The list indicates the Group B water systems have 540 connections. Assuming 2.1 residents per connection, the Group B systems serve 1134 residents.
- 3) Private Wells. Many properties owners obtain potable water for a single residence or business from a private well. These are not considered “public water systems,” and therefore are not addressed in detail in this analysis.
- 4) Statistical Analysis. The WA Department of Health and Kitsap Public Health District data indicates that the 35 *Group A* water systems on Bainbridge Island serve 7614 connections and 17,880 residents, and the 135 *Group B* water systems serve 540 connections and approximately 1134 residents.

There is no data indicating how many Bainbridge residents are served by *private wells*. But, it is possible to estimate that number. One method is to subtract the population served by Group A and B water systems (19,110) from the total Island population of 25,300². Doing so results in an estimate that 6286 of the Bainbridge population obtains water from private wells.³

Looking further at the 35 Group A systems, the three largest cannot be considered “small.” The City’s Winslow/Ferncliff system and KPUD’s North Bainbridge and South Bainbridge water systems together serve 6304 connections and a population of 14,656. Thus, the remaining 32 Group A water systems, which are truly small systems, in the aggregate serve 1310 connections and 3224 residents.

In summary, on a percentage basis, it is estimated that Bainbridge residents obtain water from:

Large Group A water systems	58 %
<i>City – Winslow/Fletcher</i>	28 %
<i>KPUD – No. & So. Bainbridge</i>	30 %
Small Group A water systems	12.5 %
Group B water systems	4.5 %
Private wells	24 %

² US Census, 2019.

³ It is important to note again that this is only an estimate. Another calculation method, based on parcels, yields a lower result. KPHD records indicate that approximately 2000 parcels of property on Bainbridge are served by private wells. Multiplying that number by 2.1 persons per connection tells us that 4200 people are served by private wells, which is approximately 2000 less than that above population method. But, if this method was to be used, it is unclear how to allocate those 2000 people among the Group A and B systems.

C. Ownership and Management of Water Systems

Water systems are owned by a variety of organizations: governments like COBI, for-profit corporations, non-profit organizations such as homeowner associations, and private individuals and businesses.

Many water systems, primarily very small ones, are self-managed. That is, the owners utilize volunteers or contractors to perform needed operational and administrative tasks.

In addition, two large organizations manage water systems owned by others pursuant to negotiated contracts of varying durations. They are Kitsap Public Utility District (KPUD) and Northwest Water Service, Inc.

KPUD owns and manages 4 Group A systems on Bainbridge Island: North Bainbridge, South Bainbridge, Island Utility, and Harbor Crest; and at least 3 Group B systems. See map at **Exhibit A**. KPUD also manages Group A water systems on Bainbridge Island owned by other entities, typically homeowner associations. Examples are Port Madison, Seabold Heights, Ferncliff, Place 18, and recently Bill Point and Meadowmeer.

Northwest Water Service, a private for-profit company headquartered in Port Orchard, manages 6 Group A and 16 Group B systems on Bainbridge Island. It manages 450 systems in Washington. Northwest Water generally does not provide complex engineering and construction services but may refer that work to KPUD or Washington Water.

Washington Water Service, a division of a publicly-traded California corporation with a local office in Gig Harbor, owns and manages three Group A water systems on the Island. It used to manage other water systems as well. However, in 2018, Washington Water changed its business model and will now only manage water systems it owns. The company thus withdrew from managing various Island small water systems unless and until they agreed to sell to Washington Water.

D. Service Areas

The 2005 Kitsap County Coordinated Water System Plan (CWSP) assigned “service areas” to Group A systems within the County. Most service areas contained just the properties currently being served by the Group A systems. The two largest water systems, COBI and KPUD, were also assigned properties that were not currently being served by that utility. This assignment essentially established that assigned water system as the primary future provider for the area.

Group B water systems do not have assigned “service areas” under CWSP. They do have the right to provide water service to the properties consistent with their approved water system plans.

The attached **Exhibit C** shows the assigned service areas on Bainbridge Island. COBI has three assigned areas: a large swath across the middle of the Island in which the Winslow-

Fletcher Bay system is located; the Rockaway Beach area which contains the Rockaway Beach system; and the northern tip of the Island in which neither COBI or any other Group A system operates a water system.

KPUD has two large service areas, resulting from its ownership of the North Bainbridge System and its relatively-recent acquisition of the South Bainbridge and Island Utility Systems.

There is an area on the south side of Eagle Harbor that is not within any assigned service area. It is wedged between the City's Winslow and Rockaway Beach systems, and adjacent to other small water systems.

E. Problems Identified with Small Water Systems

Beginning in the 1970's, the WA State Department of Health identified significant deficiencies with many small water systems throughout the state. Generally, many small water systems have some or all of the following problems: (1) lack of professional management; (2) outdated and deteriorating infrastructure; (3) lack of appropriate capital improvement planning and capability; (4) insufficient financial resources; (5) inadequate backup and support; and (6) limited fire suppression facilities.

For example, there are no requirements by either the State Office of Drinking Water or Kitsap Public health that Group B systems have reserves for improvements or repairs. The State Department of Health does require Groups A systems to have a capital reserve at the time they are initially created and approved. There is also a requirement that the amount of reserve be reviewed every 5 years during a Group A sanitary survey inspection, but this requirement is dependent on the State Department of Health's staffing. (Anecdotally, DOH did fail to review Meadowmeer's reserves at its last inspection due to new staff.) The lack of reserve requirements for Group B systems is becoming more significant because most water small water systems were developed during the 1960's and 1970's, and the equipment is reaching the end of its useful lives.

Small water systems also often rely on volunteer staff with little to no professional experience or knowledge of regulatory changes. Volunteers may also be reluctant to raise rates to make necessary safety improvements like backup generators for power outages, fire hydrants, interties with adjacent systems, and seismic improvements. These safety concerns are becoming more pressing due to the effects of global warming and the drier, longer summers Bainbridge is experiencing.

The Washington State Department of Health (DOH) has encouraged small water systems to develop more "professional" planning, maintenance, financing, and staffing, and to consider consolidation with other water systems in order to jointly possess the resources to develop those attributes of effective water system management. As noted above, the City's comprehensive plans have similarly called for consolidation.

Neither the City's Public Works Department nor the UAC has conducted a survey of the condition of the Group A and B systems on the Island, so we are not in a position to state which, if any, of the above-identified deficiencies are suffered by Island water systems. However, the

UAC has received complaints from customers of numerous small water systems about deficiencies in their systems and the need for assistance. Therefore, more data would be helpful.

Finally, as identified in the 2005 Kitsap County Coordinated Water System Plan, smaller water systems negatively impact the ability to accomplish water resource management made possible by larger interconnected water systems, and Group B water systems, which typically have shallow wells, are more likely to negatively impact stream flows.

F. Legal and Regulatory Authorities Pertinent to Small Water Systems

- 1) Federal: EPA Safe Water Drinking Act (1974). The Act protects public drinking water supplies throughout the United States. It sets regulatory limits for the amounts of certain contaminants in water provided by public water supply systems. The EPA also implements various financial programs to ensure drinking water safety. (See Title XIV of Public Health Service Act.)
- 2) State: Public drinking water is regulated at the State level by the Washington State Department of Health.
 - a. Group A systems (15 or greater connections or public access): The Washington State Department of Health (DOH) regulates Group A's under state law and a formal agreement with the US Environmental Protection Agency (EPA) for carrying out the federal Safe Drinking Water Act. DOH's Drinking Water Division's highest priority is responding to actual or potential public health emergencies. DOH's technical staff is available to water systems 24 hours a day. See Ch. 246-290 WAC.
 - b. Group B systems (2-14 connections): Group B systems are regulated under Chapter 246-291 of the Washington Administrative Code. Group B regulations suggest that new Group B owners should design their systems to comply with the more regulated Group A requirements like seismic safety, power outage, back-up systems, and capital reserves in order to allow for future consolidation into Group A's. Older Group B systems had no such requirements. Group B rules for ongoing oversight were amended in 2014 to be optional due to State budget cuts at DOH, so DOH does not provide oversight of Group B systems. See section 3) below for information about Kitsap Public Health District involvement with Group B systems.
 - c. Revolving Fund: The DOH makes funds available to Group A drinking water systems to pay for infrastructure improvements and consolidation of Class A systems or consolidation of Group B's into existing Group A systems through the Drinking Water State Revolving Fund. There was \$20 million available in the last cycle. The loan program is funded through state and federal money and is subject to state laws and additional federal regulations. These loans cover capital improvements that increase public health and compliance with drinking water regulations. They are for Public entities, so COBI and KPUD can apply for these loans, but private management agencies (like Washington Water) can not apply.

- d. State Loans: In implementation of the priority the State Department of Health places on the consolidation of Group A water systems, the State has created a loan and grant program. One such program offers \$25,000 grants to help public entities (like the City) investigate consolidation.
- e. DOH Priorities: One of the priorities of the DOH is to consolidate Groups A's (and possibly Group B's with Group A's or other B's) for the following reasons:
 - Better economies of scale ensure better supervision and monitoring
 - Large systems are generally more reliable
 - Large systems reduce the administrative burden on the Health Department
 - Improved well head protection ensures aquifer protection for all
 - Improved fire safety

3) Kitsap Public Health District: Although often mis-identified as a Kitsap County department, Kitsap Public Health District (KPHD) is a separate district governed by a seven-person Board composed of the three county commissioners and the mayors of the four Kitsap cities, including Bainbridge Island.

- a. Group A's: KPHD defers to the State DOH to regulate Group A's, but assists State DOH with sanitary survey inspections/reports through a joint plan of responsibility agreement.
- b. Groups B's: KPHD initially inspects Group B systems when they are installed. In September 2018 the KPHD adopted the proposed ordinance 1999-6, now approved as Ordinance 2018-01 which regulates ongoing operation of Group B's. The new ordinance requires all Group B's to purchase an annual permit, have a sanitary service inspection every 5 years, and obtain a water status report from the Health District at the time of sale to be delivered to the purchaser. Between 2009 and 2018, due to lack of funding, no one was monitoring Group B's for potential acute health problems from bacteria, nitrates and poorly monitored well head protection.
- c. Wells: The KPHD publishes wellhead protection guidelines for owners of wells, but it is not clear whether these rules are well distributed or whether any government entity ensures that the rules are followed.

4) Kitsap County: As required by RCW 70.116, Kitsap County adopted its first Coordinated Water System Plan (CWSP) in 1992, and updated it in 2005. As mentioned previously, it is this document that assigns "service areas" within the County, and also establishes other policies and strategies.

As mentioned in Section F.2) e. above, for many decades the State encouraged the consolidation and professionalization of water systems. Kitsap County has followed those policies. The 2005 County Plan calls upon the County's water systems to coordinate and consolidate and to stop the proliferation of new small water systems. One of the principal points of the 2005 County Plan is to "provide improved coordination of new development and to restrict the proliferation of small public water systems." (See section 2-3.) The 2005 County Plan also called for "future growth planning" to be "in consideration and coordinated with the water service that it is in." (See Exhibit 2-4)

5) WUTC: The Washington Utilities and Transportation Commission regulates the rates charged by private water companies (such as Washington Water Co. and Northwest Water Inc.) operating within Washington State that have 100 or more connections or charges more than \$557 a year per customer.

G. History of COBI Policies and Activities Related to Island Water Systems

Prior to 1990, the City of Winslow owned and operated a water system to serve the Winslow area. The Winslow city limits were generally High School and Finch Roads. The water system was created in the 1940's and added to over the intervening years. By the 1970's, the major sources of Winslow's water were wells at the Head of the Bay and Fletcher Bay which fed a large reservoir at the High School – all of which were located outside the city limits.

The rest of Bainbridge Island was served by many private water systems, most of which were for-profit corporations or homeowner associations. One of the issues influencing the Home Rule movement in the late 1980's was a desire to better protect and manage the Island's water supply.

In 1991, the City of Winslow annexed the remainder of Bainbridge Island creating the City of Bainbridge Island. This had no direct effect on the ownership or management of water systems on the Island, but it did mean that the new COBI could begin to develop plans for water supply and system management. In February 1993, COBI adopted its first such planning document, Resolution 93-3., attached as **Exhibit D**. This document stated, among other things, that the City shall be prepared to, upon request from a water system, acquire a system, become a contract service provider for a system, or provide support assistance to a system.

In 1994, the Rockaway Beach Homeowner Association approached the City because its water system was failing. In implementation of the above policy, the City acquired the Rockaway Beach water system in 1996, and utilized the Local Improvement District (LID) process to construct a new well, reservoir, and distribution lines.

Regarding City assistance to Island water systems, it apparently provided limited support services as a Satellite System Agency (SMA) in the late 1990's to 19 small water systems. However, due to staffing concerns and other more pressing issues, in 2000, the City allowed the services contracts to expire. In 2002, the City revoked that portion of Resolution 93-3 regarding serving as an SMA.⁴ In 2001, the North Bainbridge Water Company approached the City about purchasing its system. The City staff commenced negotiations, but the owner of the company ultimately sold it to KPUD. KPUD Board of Commissioner minutes indicate KPUD believed COBI had decided not to purchase the company. That is not correct, as the issue had never reached the City Council.

During 2010-13, the City considered selling its water system to KPUD or contracting with KPUD to manage the system. The City eventually chose not to do so.

⁴ The Resolution revoking SMA authority, Resolution 2002-25, indicates in its title that the entire Resolution 93-3 has been repealed. However, the content of Resolution 2002-25 states it is eliminating the SMA program only. Thus, there may be an ambiguity as to whether the remaining portion of Resolution 93-3 is still in effect.

In 2015, KPUD purchased the South Bainbridge Water Company and Island Water Company. These systems were sold to KPUD by their private owners without notice to the City despite an informal agreement between the City and KPUD that KPUD would not purchase any water systems within the City without first obtaining agreement from the City.

In the 2017 Comprehensive Plan, the City adopted the policies listed on the first page of this memorandum. (See Section I.A. above.)

In 2017, a small 8-customer Group B water system known as Casey Street approached the City about acquiring it. After consideration, the City chose to do so because: (1) it was located within the City's water service area; (2) it was located in the north Ferncliff area relatively close to the City's existing Winslow water system; (3) the City has periodically discussed constructing a new water pipeline from North Ferncliff to North Madison to "loop" the Winslow system, which would be directly adjacent to the Casey Street system; and (4) acquiring this system would be a "test case" about how COBI might manage assimilation of small systems in the future.

In 2018, two Group A systems, Bill Point and Place 18, were faced with changing managers when Washington Water Service Co. withdrew. COBI staff had preliminary discussions regarding assuming satellite management of the systems, which would require eventual approval from Washington DOH, but the water systems contracted with others.

In 2019-20, three larger Group A systems, Emerald Heights, Bill Point, and Meadowmeer, contacted UAC representatives and some City senior staff about possible assistance from COBI. In February 2020, the UAC recommended to the City Council and senior staff that COBI consult with the three systems regarding their needs and the assistance the City might be able to provide. Apparently, City representatives have not had such consultations (COVID limitations no doubt impacted the staff), and Bill Point and Meadowmeer have retained KPUD as manager for the time being.

The 2019-2020 budget called for the City to begin a Groundwater Management Plan (GMP). For a variety of reasons, this process did not begin. The UAC understands that during the 2021-22 budget deliberations the City Council will be re-engaging the discussion around the development of a GMP. The UAC further understands the planned first step in the GMP process was the hiring of a hydrogeologist to manage the plan. The UAC supports the development of a GMP, and suggests the work plan should be expanded to include implementation of many of the recommendations contained in this memorandum.

Finally, beginning with the City's first Comprehensive Plan in 1994 and then continuing in the two major updates in 2004 and 2017, many policies were adopted concerning water systems on Bainbridge Island. Some are listed in Section II.A above. Taken together, the policies call for:

- Ensuring reliable, safe, and cost-effective water for City and non-City managed utility service;
- Preserving and protecting water resources;
- Encouraging water utilities to enter into cooperative activities;
- Encouraging and facilitating consolidation with particular emphasis on mergers of contiguous and small systems;

- Applying to the Department of Health to become a satellite management agency (SMA); and;
- Requiring new development to build according to City standards (Group A standards) and dedicate water systems to the City when it is appropriate for the City to accept such system.

III ANALYSIS AND RECOMMENDATION

A. Overview

In the three decades since the small City of Winslow annexed the remainder of Bainbridge Island, thus becoming the City of Bainbridge Island, the City has had only limited focus on Island water systems that it did not own. This is surely because the City was focused on other more pressing issues, such as land use policies and transportation, and because Island water systems were in general not seeking assistance from the City as they were still newer and in better repair.

Historically, the City had not been involved with the smaller water systems, and the City's passage of Resolution 93-3 did not significantly change that position. The City has no direct regulatory authority over Island water systems, other than management of the City's rights-of-way. Therefore, the City has had only minor interactions with Island water systems since the late 1990's and did not "advertise" its availability as a resource for those systems. This is despite the City's Comprehensive Plan policies encouraging actions to improve water resource protection and management. Island water systems needing assistance had to turn to private water companies and KPUD out of necessity.

In the meantime, interest in preserving water resources and in improving water quality in aging systems has become a larger concern of most island citizens, particularly in light of the steadily increasing development of the island and increasing population. To meet this increasing concern, the City and others conducted studies of Island water resources and the various aquifers which exist beneath the island. Unfortunately, to date, no studies were conducted about how the multitude of water systems, either individually or in the aggregate, were effectively and efficiently managing the resource or whether small water systems were protecting the health of islanders by ensuring good water quality.

The import of local control of the water consumed by its citizens has been highlighted elsewhere in the country, such as Flint, Michigan. There, the State assumed control resulting in catastrophic consequences. Similarly, stories across the country of private entities controlling water supplies and charging exorbitant rates while failing to ensure water quality have increased.

The 2005 CWSP suggests that Bainbridge as a water purveyor should implement policies that ensure efficient and effective management of water resources for numerous reasons. The 2005 Plan also assigned responsibility to Bainbridge Island's water utilities to plan for water system development within its assigned water service areas, to require new development to be built to Group A standards to help facilitate connection at a later time, and to require new developments to record a covenant at the registry of deeds and note the covenant on a title report for subsequent owners. (See Section 5.3.3)

It is interesting, and perhaps meaningful, to note that the 2005 County Plan (section 1.2.11 and in section 9) projects population growth concentrated in Central and North Kitsap and suggests that it will be necessary to develop water sources in the other parts of the County and “establish transmission mains to move the water to where growth is occurring.” This argues for the City to be more involved in the water resources of the island to ensure that the City retains a seat at the table in any future discussions concerning use of water from Bainbridge Island wells in other areas in Kitsap County.

Given this situation, what should be the City’s role toward Island water systems? Should the City continue to ignore requests for help from smaller water purveyors like Emerald Heights, Bill Point, and Meadowmeer, and thus avoid the opportunity to cooperate with or even consolidate with those systems? Should it adopt a somewhat more active policy of providing assistance only when approached by a small water purveyor? Or more proactively still, should the City seek out water systems to assist in the management (and perhaps ownership) of their water systems, so as to encourage more professional management of them and more island-wide planning and cooperation? What should be the City’s role in ensuring Island residents have access to safe and adequate water?

Whatever policy is chosen, the focus of the City should be the long term. How do the citizens of Bainbridge Island want their water resource to be managed in 20, 30, 50, 75, 100 years? Is it through many, decentralized, small water systems, or by one or more large organizations? As stated, for many of the reasons outlined in this memo above, the State and County have made it clear that it believes consolidation over time is the best means for ensuring quality drinking water for all citizens.

B. City Relationship with KPUD

KPUD is a major provider of water service on the Island, owning four systems (two large and two small) and managing six others. This study effort by the UAC was specifically directed toward small water systems. The UAC was not asked to discuss or evaluate the present and future relationship between the City and KPUD. Thus, to a certain extent, this analysis and recommendation has been prepared while “avoiding the elephant in the room.”

However, prior to outlining alternatives available to the City and making its policy recommendation, the UAC believes it is appropriate to comment on the City’s relationship with KPUD.

The City and KPUD both serve approximately the same number of customers on the Island (approximately 7000 people or 30% of the Bainbridge population), and both have two large County-designated service areas. Yet there is no island-wide water resource and management planning being done by KPUD or the City, either separately or together.

At the current time, KPUD and the City exist as collaborating neighboring water utilities serving their own customers and cooperating in limited ways on planning and projects, while at the same time being competitors toward water systems they don’t own or manage.

At some point in the future, the City needs to develop a policy about how it intends to work with KPUD. Comprehensive Plan Policy U 11.9 anticipates that analysis, when it states:

“Conduct a study of consolidation of water systems owned by the City and Kitsap Public Utility District. Pursue long-term consolidation of larger water systems.”

Such a study *could* result in consolidation of one or more of the large water systems, but it could also result in collaborative activities such as construction of joint storage facilities and transmission lines, or preparation of island or sub-regional water resource planning. At a minimum, an interlocal agreement should be developed which outlines how and under what circumstances either utility will provide services to or assume ownership of water systems on the Island that they do not currently own. This will prevent the acquisition of water systems by either utility without knowledge of the other.

C. Policy Alternatives

The UAC suggests there are four policy alternatives for COBI’s relationship with the other water systems on Bainbridge Island.: minimal; reactive; active; and active plus acquisition over time. To aid in the consideration of the alternatives, the UAC prepared a discussion Matrix, attached as **Exhibit E** to this Memo. The matrix outlines possible levels of city action for water systems within COBI’s Current and Future Retail Service Areas as defined by the Kitsap County CWSP, and within small water systems that are not within COBI’s assigned service areas.

The matrix also differentiates between smaller Group B’s and the larger Group A systems, and posits that the City may establish different policies for them. Finally, the matrix provides pros and cons of the possible recommendations and provides examples of sample water systems that fit within the matrix sections.⁵

1) Minimal

In this situation, COBI decides it will have nothing to do with water systems on Bainbridge Island other than those it currently owns: Winslow-Fletcher Bay, Rockaway Beach, and Casey Street. COBI will defer entirely to other water purveyors/managers, primarily to KPUD and Northwest Water Company.

The City might do this because it takes the least effort, staff time, and cost, and allows it to focus fully on its current 2700 water customers. On the other hand, this policy abdicates any assistance to the vast majority of Bainbridge Island land and citizens, and likely gives up any long-term ability to consider, manage, and protect the entire Island water resource or protect the safety and adequacy of drinking water for Island citizens.

2) Reactive

This is essentially the policy in Resolution 93-3, and describes what the City has been doing in the past 30 years. That is, on occasion, the City has provided assistance to small water systems or acquired them. This policy is the status quo – the City reacts to requests from other water systems and may respond consistent with staff time and interest.

⁵ Ex. E. does not detail the minimal alternative, since it is less than what the City is currently doing. Further, Active and Active Plus Acquisition alternatives are merged into one row for a simpler presentation.

This policy is slightly more energetic than the Minimal alternative discussed above, in that the City may decide to deal with the needs of other water systems if the city staff or council conclude that it can do so within existing resources. But, this reactive policy could lead to unfair practices, i.e., assistance to some water systems and not to others.

3) Active

Under this policy, the City reaches out to the small water systems and encourages assistance and cooperation. It does so by devoting sufficient City staff, time, and resources to determining the needs of the water systems and developing financial, engineering, and management solutions. This policy does not mandate that small water systems participate with the City in any way, but rather calls for the City to develop the resources that will attract cooperation from small systems.

This policy will enable COBI to become more actively engaged with managing and thus preserving and protecting Island water resources. This policy has the potential to increase revenue to the City's existing water utility, thus utilizing economies of scale to benefit both current City and small water system customers. Also, in the long term, this policy may be the most cost-effective means to protect Island water supplies and ensure safe and adequate drinking water for Island citizens.

Among those steps that could be taken are:

- to become a Satellite Management Agency (SMA) pursuant to WAC 246-295,
- to require new development within or adjacent to the City's designated service areas to either connect to the City water system or build to Group A standards to facilitate future connection.

The City could also begin implementation of the 2005 County Plan's directive to create a water system plan which includes a program of capital improvements required to provide the anticipated level of island-wide water service, and to ensure that Bainbridge's water utility plans respond to its own land use and comprehensive plan policies.

This active policy will, at least at the outset, require some investment by the City. There should be no doubt about this. A major reason the City has not been more involved with Island water systems and resources is that it has not had the budget to do so. To be effective, the City must hire staff and perhaps consultants, when needed. The UAC has not attempted to determine any details of the costs to implement this policy; the Public Works Department is best suited to do that.

It is possible the funding for this investment could be shared by the City's water utility and general fund accounts so as to not unduly burden the City's existing water customers. That is because there is a general island-wide purpose behind this policy (water resource protection) and also a potential COBI water utility benefit (economies of scale).

4) Active Plus Acquisition (over time)

This policy is essentially the same as the Active policy above, but with one significant change. That is, if a small water system requests assistance from the City with meeting its defined needs, be it management, testing, billing, reconstruction, etc., the City may agree to do

so on condition that the water system agree to be consolidated within the COBI water utility at some established time in the future. The UAC does not recommend a set period, leaving that to negotiation between the parties.

This policy is in furtherance of DOH's long-standing objective to consolidate small water systems within larger ones, and encourages long-range planning of water resource management.

D. UAC Recommendation

For the reasons outlined above, the UAC believes that the City should depart from its disengaged reactive, and inconsistent position toward other water systems on Bainbridge Island, and become more actively and consistently involved with managing the water resources on the Island.

Accordingly, the UAC recommends that the City adopt alternative #4 for small water systems within and adjacent to the City's assigned service areas. That is, the City should actively seek to provide assistance as needed by those systems, and in doing so there should be a plan for eventual consolidation within the City's water utility.

However, for the small water systems located outside the City's service areas, the UAC recommends adopting policy alternative #3. That is, the City should reach out to small water systems to offer assistance as needed.

The UAC emphasizes that under either alternative #3 or 4, the City will not be mandating any particular outcome for small water systems on Bainbridge Island. The City will be *encouraging* cooperation and consolidation when appropriate.

When implementing the above recommendations, the UAC suggests that the City start by focusing on the Group A systems not owned by KPUD that provide service to water customers (as opposed to the remaining Group A systems which primarily serve parks and facilities for the general public). Thereafter, the City could expand its outreach to the many Group B systems on the Island. However, due to their large number and likely limited incentive to seek professional assistance, the City should proceed with Group B systems much more slowly.

The UAC suggests an example of a circumstance that is ripe for City analysis and possible involvement and assistance exists at the southeast corner of Eagle Harbor. There, three adjacent small Group A water systems operate almost wholly independent of each other. They are the City-owned Rockaway Beach system with 72 connections, the Bill Point water system owned by the 84 members of its Homeowner Association, and the KPUD-owned Island Utility system with 255 connections. Also, nearby is the unassigned service area containing many very small Group A and B systems.

It is logical that the three systems should meet and discuss the current status of their systems and their short- and long-term needs, and then hopefully coordinate and cooperate with each other when implementing improvements. The UAC recommends that the City arrange for and facilitate such a dialogue and cooperative analysis.

E. Suggested Next Steps

If the Council is prepared to establish policies toward small water systems, the UAC suggests the following initial steps:

- 1) Create or assign one or more staff positions within the Public Works Department to focus on water systems and water resource policy, possibly combining that role with the staffing to develop a Groundwater Management Plan.
- 2) Coordinate – and to the extent practical, include – the recommended next steps on small water systems into the City’s development and implementation of upcoming work on a Groundwater Management Plan.
- 3) Update and fine tune its information about Island water system in a comprehensive inventory and map. There is data in a variety of locations about the water systems, which has been the basis for information provided in this memorandum, but there is no single collection of the information in one usable and up-to-date location.
- 4) Internally consider how COBI can provide management, assistance, and capital improvement services for small water systems. The idea is to develop a list of services the City may be able to provide to smaller water systems if needed, such as billing and other administrative tasks, equipment rental, emergency assistance, and inspection and testing.
- 5) Convene a meeting(s) of all small Group A and B systems to discuss problems, potential solutions, cooperation, consolidation, etc., and to advise of the availability of City resources to assist.
- 6) Following the meeting(s) described above, evaluate and then propose steps to solve identified problems in the attending small water systems, and consider and propose recommendations for a larger policy for the City toward small water systems and unassigned service areas. Priority should be given to Group A systems. Among the issues to consider when developing such steps and policies is the financial fees charged to support the City’s efforts, in alignment with the financial recommendations of Goals U-10 and Policies 11.6 and 11.7 of the Comprehensive Plan (reproduced on page 3 above).
- 7) Establish a common venue to enable small water systems to do water sampling, and providing an experienced City employee to assist volunteers with their questions about these and other operational tasks.
- 8) Apply to the State Department of Health to become an approved Satellite Management Agency (SMA).
- 9) Establish policies that make consolidation of systems less administratively burdensome and costly to the property owners and water systems. For example, consider requiring all new Group B systems to be constructed to Group A standards, thus more easily allowing future consolidation with Group A’s, and

consider requiring new building permits for private single-connection wells to consent to later connection to public water systems.

- 10) At the appropriate time, develop an established plan or pathway for the City to assume ownership of and provide capital improvements to systems which need assistance. Such planning would include necessary financing mechanisms, such as Local Improvement Districts (LID's) and state loans and grants.

IV. CONCLUSION

The UAC believes it is time for the City to depart from its disengaged, laissez faire attitude toward water management on Bainbridge Island. Accordingly, the UAC recommends that the City adopt a policy of providing active and consistent assistance to the small water systems on Bainbridge Island, and encourage voluntary consolidation over time of those systems within the City's current water utility. The UAC recommends the City prioritize its efforts and focus on Group A water systems and the small water systems within or adjacent to the City's current assigned service areas.

Adopted unanimously at UAC Meeting on September 23, 2020.

- Charles Averill
- Sheina Hughes
- Ted Jones, Co-Chair
- Nancy Nolan
- Martin Pastucha (absent 9/23/20)
- Emily Sato

EXHIBITS

- Exhibit A: Map Group A and B Water Systems
- Exhibit B: List of Group B Systems
- Exhibit C: Map of Service Areas
- Exhibit D: COBI Resolution 93-3
- Exhibit E: UAC Discussion Matrix

Exhibit A: Group A and B Water Systems

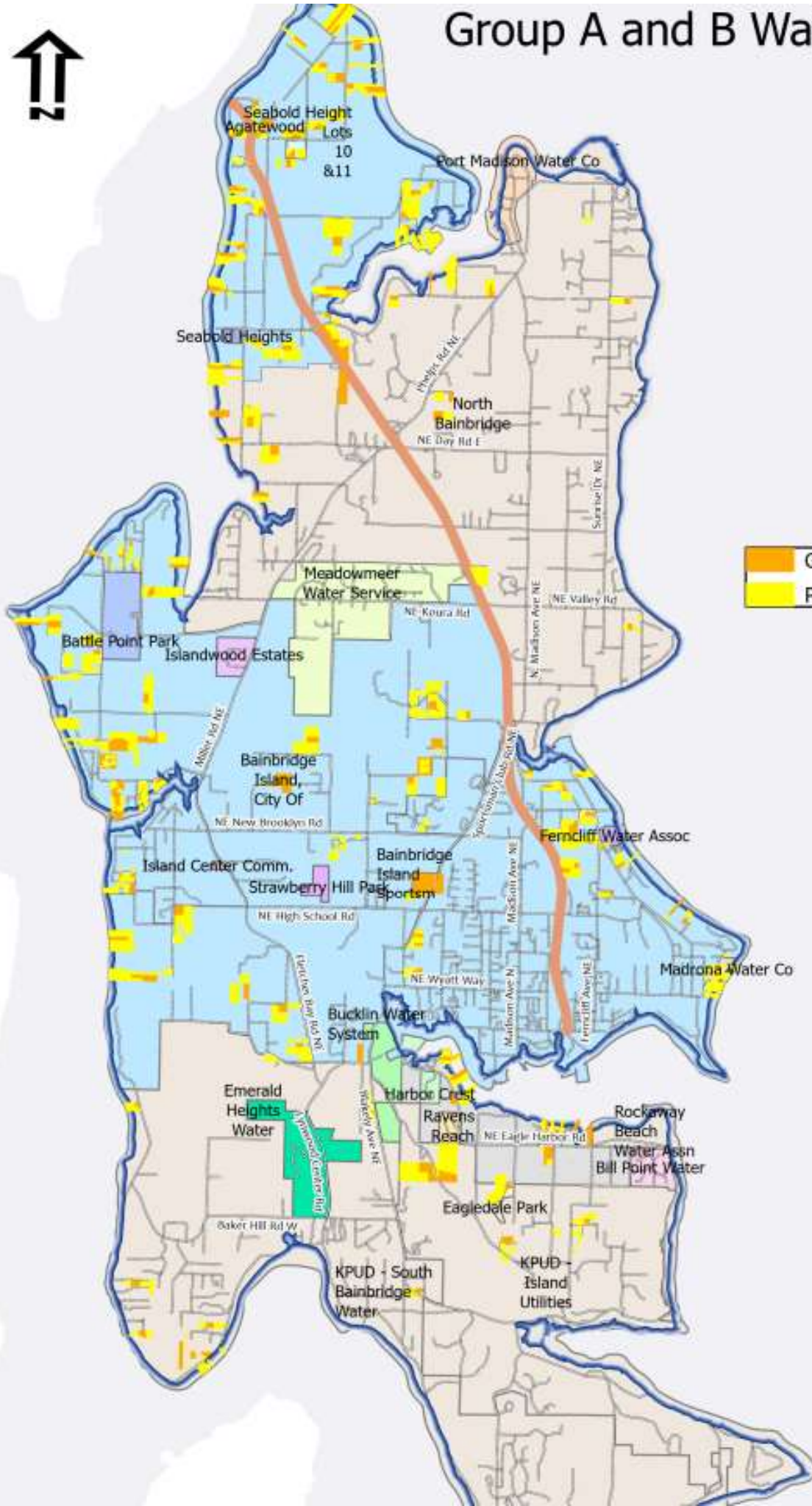


Exhibit B – List of Group B Water Systems on Bainbridge Island

Class	SystemName	ApprovedConnections	ConnectionCount
B	Agate Community	9	6
B	Agate Point	4	4
B	Agatewood	3	3
B	Alford Homes I Water System	8	8
B	Alice Kimball Water System	2	2
B	Amber Water Assoc.	9	9
B	Amis Water	0	3
B	Argonaut	6	3
B	Arrow Point Water	6	5
B	Backland Well System	6	5
B	Bainbridge Green	8	8
B	Bainbridge Is Saddle	1	1
B	Bainbridge Island Marina	2	1
B	Bainbridge Island Sportsmans Club	0	1
B	Battle Point Water System	4	2
B	Bbd Water System	7	6
B	Bennett-Upton Water	6	4
B	Bergstrom Farm	4	4
B	Bernhard Water	4	4
B	Bevins	4	4
B	Big Fir	6	2
B	Blakely	9	9
B	Boetter Water	5	4
B	Booth Water	0	0
B	Bpib	3	3
B	Bronte	4	4
B	Broomgerrie	7	5
B	Browning	3	3
B	Cala Woods	6	5
B	Carole/Swink	4	4
B	Casey Street Water Co. Llc	9	8
B	Cedar Lane Water	4	4
B	Cedar Ponds Water System	0	4
B	Cessna Water	4	4
B	Churchill Water Corp.	9	8
B	Clark Acres Water	0	6
B	Clear Water	6	6
B	Clementz First Edition	4	4
B	Davis Keith Cooperative	5	5
B	Dawson/Tallon	5	2
B	Day Road Water System	4	4
B	Dolphin	4	4
B	Douglas Water System	5	3
B	Eagledale Marina	0	1
B	Family Meadows Water	6	3
B	Fletcher Bay Water	5	5
B	Flora Water	3	3
B	Fox Cove Water	10	9
B	Gale-Blair	3	3
B	Gen-Don Water System	4	4
B	Gordon	6	5
B	Graham Estates	4	4
B	Green Spot Water	4	3
B	Greene Water System	2	2
B	Haley Water System	4	3
B	Hansen/Spellman	6	6
B	Heavenly Waters	6	5
B	Hemlock Street	6	6

B	Hendel	3	3
B	Henderson Road	3	2
B	Hidden Cove	9	7
B	Hidden Cove West Water Co	9	9
B	Holly Lane Gardens	2	1
B	Hooper Point	4	4
B	Hume Water System	4	4
B	Iwihy Inc	7	6
B	Johnston Well	9	9
B	Keeney Water	8	8
B	King, Carol/Ted Water	6	4
B	Kirk Ave Water	9	9
B	Laurelwood	5	5
B	Lazy Brook Farm	4	4
B	Lee Memorial Water Assn	6	1
B	Lightmoor	6	6
B	Little Manzanita Water	4	3
B	Little, Crista Water	6	4
B	Lone Eagle	7	7
B	Lustbader-Preston	4	4
B	Madrono Water Co	14	14
B	Manual Road	4	4
B	Manzanita Road	3	3
B	Martinson Water	0	3
B	McFarland Well	0	4
B	McFarlane Water System	4	2
B	McKeever Water System	6	6
B	McKenzie Water System	0	0
B	Moran Water	3	2
B	Murphys	4	3
B	Norris Sp 615 Water System	4	3
B	Olallie Water Sysem	2	2
B	Olympus Beach Water	8	7
B	Onorato	8	7
B	Park Place Water Company	4	3
B	Parsons	4	2
B	Peabody Water	6	4
B	Piper	9	9
B	Pleasant Lane Water	0	3
B	Port Madison Yacht Club	0	1
B	Puget Bluff Lane Water	6	7
B	Ralston Water System	3	3
B	Raven Ridge	5	5
B	Reese, Roy	6	3
B	Rippy Water System	4	2
B	Ruys Lane	4	4
B	Satterwhite	4	4
B	Schadel / Lewars	6	4
B	Schold - Crystal Springs	5	5
B	Seabold Acres Water Assoc.	4	4
B	Seabold Height Lots 10 &11	3	3
B	Seabold Water	8	7
B	Seattle Yacht Club	4	1
B	Skogen Eight	8	8
B	Skogen Lane	6	5
B	South Springridge Water	8	9
B	Spellman Water System	4	4
B	Springwood Lane	4	4
B	Springwood No. 1	4	4

B	Springwood No. 2	6	8
B	Stetson Acres	6	6
B	Stone-Erickson Water	0	3
B	Strawberry Water System	6	6
B	Sugar Mill	5	2
B	Sulu Water System	6	5
B	Sunset Heights Water	6	6
B	Thalberg Water System	8	8
B	Toad Holler	7	7
B	Tyee Yacht Club	1	1
B	Venice Water System	6	6
B	Wagener	3	3
B	Wallace	3	3
B	Waters, Owen Water System	4	4
B	Wendt Water System	6	4
B	West Port Madison	6	6
B	Wheeler West	5	5
B	Woodhaven Farm Water	3	3

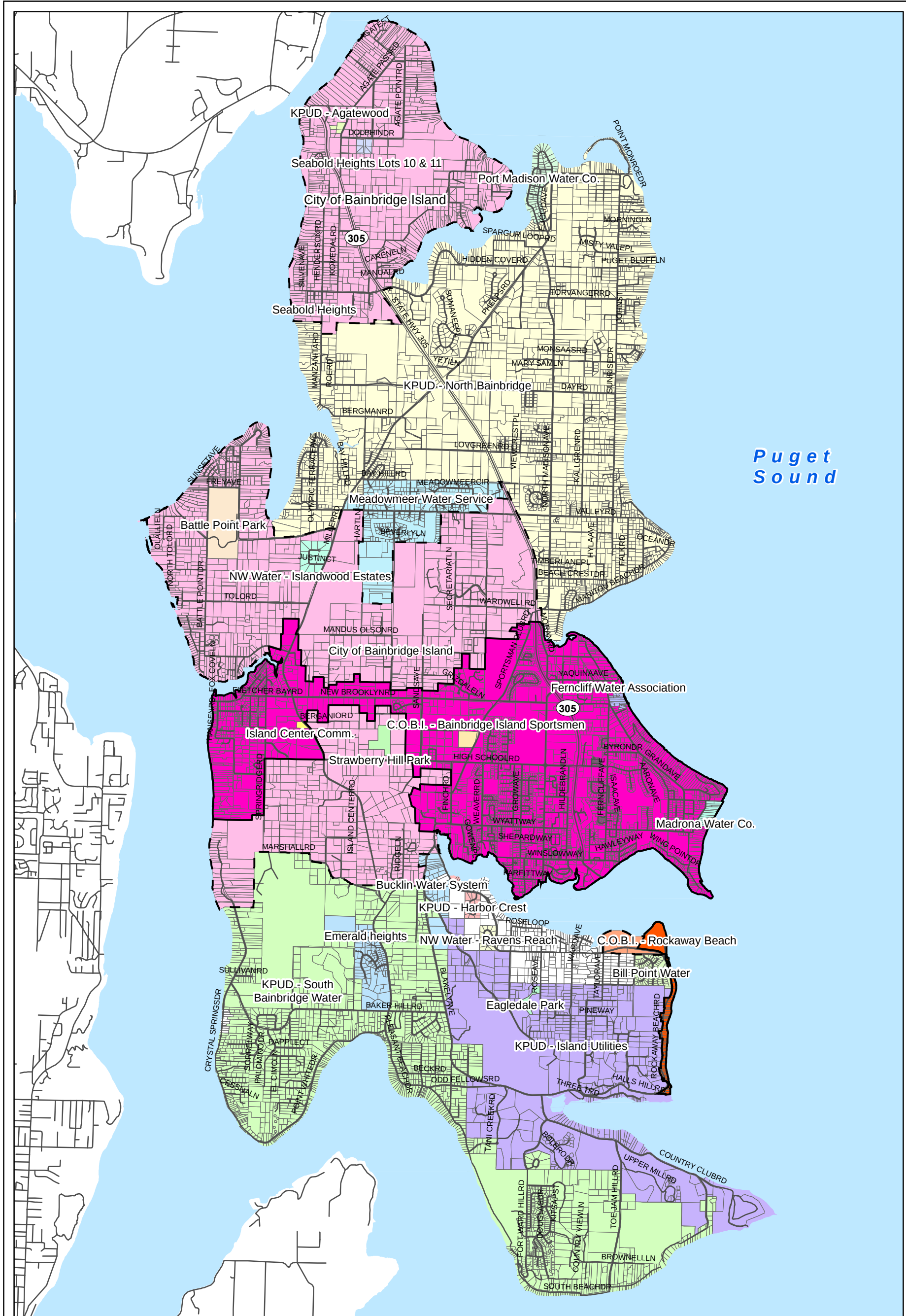


Exhibit C. Service Areas

Legend

- Winslow RWSA
- Rockaway Beach RWSA
- Future Winslow RWSA
- Future Rockaway Beach RWSA

- Roads
- Parcels
- Water Body



0 0.55 1.1 Miles

Water System Plan
City of Bainbridge Island



Exhibit D – Resolution 93-03

RESOLUTION NO. 93-03

A RESOLUTION ESTABLISHING POLICIES TOWARD WATER SYSTEMS OUTSIDE HISTORIC WINSLOW AND WATER RESOURCES ON BAINBRIDGE ISLAND

WHEREAS:

1. The citizens of Bainbridge Island obtain their water from wells owned by private individuals and almost 200 different water purveyors. 42% of the island's population are served by 17 water systems, which serve 12 to 1000 customers. The remaining 58% of the population obtain water from individual systems or small systems developed to serve a few residents.
2. The City of Bainbridge Island owns and operates one system, that being the former City of Winslow's system which serves 1200 connections.
3. Strict new federal and state regulations for drinking water systems, rising water demands, and stringent environmental and resource conservation standards for new water supply projects are making it more difficult for small water systems managers to operate successful systems.
4. Customers of several water systems have approached the City requesting assistance with a variety of system deficiencies. It is expected that small system customers and operators will continue to request the City's help in solving water system problems.
5. The Growth Management Act mandates that the City's land use plans be developed with a consideration of the island's water resources. There is thus a need to inventory water supplies, investigate water resources, and begin comprehensive water planning.
6. All citizens and the City must take steps now to protect the Island's water resources and to insure high quality and quantity of water for our citizens, future generations, and the natural habitat of the Island.

IT IS THEREFORE RESOLVED:

7. The City of Bainbridge Island shall work with other governmental agencies, water purveyors, and citizens to preserve and protect the water resources of Bainbridge Island. The City shall assist citizens and water system purveyors to obtain reliable, high quality water service. In furtherance of this objective, the City shall be prepared to respond to requests to:
 - a. become a direct service provider through acquisition of water systems;
 - b. become a contract service provider to water system operators (performing such services as maintenance, billing, testing); and
 - c. provide support assistance (such as training and purchasing).

8. For existing water systems where the operators have expressed interest in relinquishing ownership to the City, the City shall respond actively to pursue system acquisition. The cost to bring the deficiencies of the water systems up to acceptable regulatory standards shall not be borne by the citizens of the City, but rather by the owners of the water system. The City may utilize the LID/ULID process to help finance the water system improvements.

9. The formation of new small water systems, the organization of new water purveyors, and the proliferation of new small wells shall be discouraged. Those persons desiring new or replacement water service are encouraged to hook-up to existing water systems. The City shall assume ownership of new water systems greater than a size to be determined by the Public Works Department when the systems are placed into service. The Public Works Department shall advise the council as to the size of new water systems that should be owned by the City.

10. The City shall develop a Water System Master Plan consistent with the Comprehensive Land Use Plan. The Water System Master Plan shall include issues of water quantity, quality, conservation, watershed, and well head protection. The City shall also work with water purveyors, other governmental agencies (like Kitsap County Public Utility District No. 1, Washington State Department of Ecology), and private citizens to provide education to the public about the Island's water resources and the benefits of conservation.

11. As part of the City's Water System Master Plan, the City may conclude that certain improvements will benefit the general public. These improvements may include new water sources, storage facilities, service lines, system interties, etc. Contrary to the situation described in paragraph 8, in which costs are paid by specific system owners, improvements which have general community benefit should be paid for by the City as a whole. Funding for these sorts of projects may come from a variety of sources, including general tax revenue, bonds, grants, matching funds, and may, consistent with the law, be allocated proportionate with the benefit.

12. As the City becomes involved with the water resource and water systems outside historic Winslow, in the manner described in the above paragraphs, it must be careful to consider the needs, benefits, and effects of its activities on those persons who obtain water from small private wells.

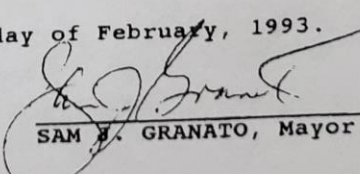
13. The City shall prepare a detailed inventory of all public water supplies on Bainbridge Island, and shall develop a well-monitoring program.

14. At the time annexation became effective, some water systems were actively working with Kitsap County Public Utility District No. 1, the City, and private contractors to improve their systems. The City shall continue to cooperate with these purveyors to accomplish the improvements.

15. The Public Works Department and Planning and Community Development Department shall advise the council by March 30, 1993 of the methods and means to implement this resolution and any proposed budget amendments necessary to do so.

PASSED BY THE CITY COUNCIL this 4th day of February, 1993.

APPROVED BY THE MAYOR this 4th day of February, 1993.


SAM J. GRANATO, Mayor

ATTEST/AUTHENTICATE:

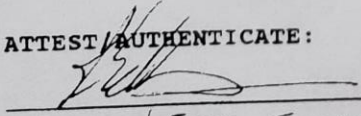

RALPH W. EELLS, FINANCE DIRECTOR

Exhibit E: COBI POLICY DISCUSSION MATRIX FOR ALL ON-ISLAND WATER SYSTEMS

updated: 9/18/2020

	Inside COBI Retail Service Area (RSA)			Outside COBI RSA				
Potential COBI Involvement	Public <i>Group B</i> Systems (3-14 connections)		Private Wells	Public <i>Group A</i> Systems (>14 conn.)	Public <i>Group B</i> Systems (3-14 connections)	Private Wells	Pros	Cons
	Near current infrastructure	Distant from current infrastructure						
<i>Example Systems</i>	<i>Casey Street</i>	<i>North Service Area (unserved now)</i>		<i>Bill Pt, Meadowmeer, Emerald Heights</i>				
Reactive (Status Quo) <i>current staffing</i>	SM, SB and SS if owner and COBI agree and if system is in good shape for fee	Defer to KCHD, KPUD and private water companies for all services and support		SM, SB and SS if owner requests and if system is in good shape for fee	Defer to KPHD, KPUD and private water companies for all services and support		Little city cost, effort and liability No staff growth	Doesn't encourage consolidations as recommended by State and County Doesn't help protect citizens and aquifers from failing aging water systems Occasional acquisition costs
	COBI 1st in line to acquire Rates may vary from contiguous system			COBI <u>may</u> acquire if cost effective and on border of COBI Service Area or infrastructure, <u>if requested by the water system (as current staffing allows).</u>				
Active (Reaching Out) <i>increased staffing</i>	SM, SB and SS if owner requests and if system is in good shape for fee	Defer to KPHD, KPUD and private water companies	COBI not staffed to operate private wells	SM, SB & SS if owner requests and if system is in good shape for fee	Offer information about closest water system and about LID programs available	Defer to KPHD, KPUD and private water companies for all services and support	More cost effective, efficient, reliable and safe	More PW staff required
	In exchange for helping old system; require agreement that when COBI infrastructure is in reach, future source is COBI	Consider trading away service area if serving area is prohibitively costly	Offer information about closest water system and about LID programs available	In exchange for helping old system; require agreement that when COBI infrastructure is in reach, future source is COBI	New Group Bs must build to Group A technical specs to facilitate future consolidation	Offer information about closest water system and about LID programs available	Clear rules for system owner/operators	More planning, acquisition and operations
	Opportunity to pay early connection fee (impact fees included) to get building permit approval		For new wells; require agreement that when COBI infrastructure is in reach, future source is COBI	COBI may acquire if cost effective and on border of COBI Service Area or infrastructure, <u>if requested by the water system.</u>	Short range partnering with large operators (mostly KPUD) on CWF at RSA boundaries and growth areas to create interties and looped supply		More protective of Groundwater	Periodic acquisition costs for interties and system wide improvements
	LID, if needed may be prefunded		Opportunity to pay early connection fee (impact fees included) to get building permit approval	Short range partnering with large operators (mostly KPUD) on CWF at RSA boundaries and growth areas to create interties and looped supply	Long range: Build-out Infrastructure Plan, including wells, storage, and fire fighting. Annual CIP or LIDs until built out.		Encourages and enables consolidation as required by State and County recommendations	
	Discourage new Group Bs in Current RSA - must connect to COBI, unless COBI cannot support							
	New Group Bs must be built to Group A technical specs to facilitate future consolidation							
	Approaches WA standards island-wide.							
					Improve fire protection			

Key
CWF:
DOH:
KPHD:

KPUD: Kitsap Public Utility District
RSA: Retail Service Area
SB: Billing service

SM: Satellite management
SS: Sampling and reporting services