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AUG 05 2014

WA State Boundary Review
Board For King Co.

Ms. Angelica Velasquez
Boundary Review Board
Yesler Bldg., Rm 240
400 Yesler Way
Seattle, WA 98104

Subject: **Preservation of Ronald Wastewater District**

Dear Ms. Velasquez and Members of the Boundary Review Board:

This letter is in support of maintaining a "status quo" between the two entities City of Shoreline and Ronald Wastewater District.

My reasons for this are that there was no original intent for the City to assume the District. The City has in the past shown a callous disregard for the District and its rate payers.

1. Disregard for Ratepayers:

An instance of this is when the was planning work South of 175th on Highway 99, and required the District to expend hundreds of thousands of dollars to replace some piping, which the District asserted could be replaced easily and simultaneously with the planned construction for that Phase of the Highway 99 reconfiguration and renewal. The City WOULD NOT allow the District to do it for the best benefit of the rate payers, so extra cost was charged to rate payers.

2. The City says there will be a shared benefit:

Any "shared services" proposed by the City of Shoreline will be to the detriment of a single focused – one purpose organization like Ronald Wastewater District, with millions added to the charges to rate payers.

How the City could conceivable benefit:

The following calculations and information are based on the actual numbers are from the City and Ronald WD websites. The rates and calculations are estimates, based upon professional experience with State and Local governments. The City may or may not make any assessments or other charges, depending upon the transition and City Council action, and nothing here assumes this is an accurate depiction of the end result if the City is allowed to assume the District. This computation is solely intended to be illustrative of the possible result of the combination.

The City can possibly assess rate payers about $1,519,882 administratively on an annual basis, to help the General Fund. Then they will probably increase the RWD rates by 11% to 15% to replace the funds they have transferred to the General Fund! This is accomplished by proceeding with the following scenario:

The actual City expenditures for 2013 was $52,537,420[1] for all funds, including the General Fund, source from the City website.

Deducting minor funds like crime forfeitures fund, Bond Funds, and capital funds, nets total expenditures at $39,879,744 ($52,537,420 less $12,657,676)[1].

The City of Shoreline presumably has a central service cost allocation, and their General Fund financial information reports 2013 actual Intergovernmental revenue (transfers from other funds) of $895,173[2]. So, the City increased its General Fund by the indicated amount by charging other funds. A central service cost allocation plan, allocating administrative costs to direct program, departments, and funds is a method of distributing "overhead costs" benefitting all organizations. The Federal Government has regulations (OMB Circular A-87, now found at 2 CFR (Code of Federal Regulations) Part 225- Cost Principles for State, Local , and Tribal Governments), it requires be followed if any funds might be considered or have Federal Funds. Many States also require conformance to the regulations.

This is a typical application and use of a cost allocation plan. It is a way of recovering costs from special types of funds and programs. Recovering costs are called "charging full costs."

New "Revenue" for City from the Cost Allocation Plan:

The Ronald Wastewater District is a plum to be picked by the City, because of the funding sources it has, and the fact that it will be added to the "base " expenditures for the City's Central Services Cost Allocation Plan.

Net City Expenditures	$39,879,744	74.83%
Net RWD expenditures	13, 414,673[3]	25.17%
Total combined expenditures	$53,294,417	100.00%

Total General Fund Indirect costs, including City Manager, Administrative Services, Human Resources, City Attorney, that could be allowable to be allocated (this is an estimate):

$6,039,990

The City would use their cost allocation plan to distribute costs, but estimating, using an overall indirect cost rate to estimate, indicates the following:

City Administration	$6,039,990	A
Total combined expenditures	$53,294,417	B

Rate: A divided by B = $6,039,990/$53,294,417 = 11.33%

Typical Application of Rate to Recover Intergovernmental Costs =

Net RWD expenditures	$13, 414,673_	C
Indirect Cost Rate:	11.33%	D

Costs to Charge RWD: 11.33% x $13,414,673 = $1,519,882

The City can then assess rate payers the $1,519,882 administratively to help the General Fund. Then they will probably increase the RWD rates by 11% to 15% to replace the funds they have transferred to the General Fund!

Purported City Savings:

Direct Utility Savings for Option 1b - RWD Operated by the City, but SPU & NCWD operated independently

Savings Summary	2020	2028	2040	21-yr Total
Salaries & Benefits	$0	$0	$0	$0
Administrative & Contract	$628,000	$628,000	$628,000	$13,188,000
Amortization of Capital Items	$115,000	$115,000	$115,000	$2,415,000
Subtotal Direct Savings	$743,000	$743,000	$743,000	$15,603,000
Incremental Cost in Shared Services Allocation	-$507,730	-$507,730	-$507,730	-$10,662,323
Net Direct Savings	$235,270	$235,270	$235,270	$4,940,677

The graphic of the City savings indicates that $235,270 will be saved for the City, but as I have shown, rate payers of the City will probably be assessed an additional $1,519,882. Please DO NOT ALLOW the City of Shoreline to take over the Ronald Wastewater District!

Thanks for your and the Board's consideration!

Sincerely,

Glen David Halverson
1612 NW 198th St
Shoreline (Richmond Beach), WA 98177
206-546-5210

1 City Financial Overview: Page 2 Executive Summary
2 City Financial Overview: Page 2 Executive Summary
3 2014 Financial Plan Adopted – Ronald Wastewater District

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WA State Boundary Review
Board For King Co.

Debbie Kellogg
City of Shoreline Ronald Wastewater Assumption
Written Public Comment

1. Original Intent in November 1995 was NOT a "Full-Service" City

- Nov. 8, 1994: Shoreline residents vote 3-to-1 for incorporation.
- Feb. 7, 1995: Primary election for City Council positions.
- April 25, 1995: General election for City Council finalists.
- May 5, 1995: Election certified and new City Council members sworn in.

According to History Link, the voters intended to the special purpose districts (meaning Fire, Schools, Water, and Wastewater), something that had been a goal since 1987:

http://www.historylink.org/index.cfm?DisplayPage=output.cfm&file_id=7681

> *In 1987, the Shoreline Incorporation Study Committee began seriously investigating becoming a city as a way to keep more tax monies in the area while retaining the existing sewer and fire districts. But residents failed to express enthusiasm for becoming a city and the group dissolved after a year later.*

There were additional ballot measures to address the independence of fire district and library system a year later, but the new City Council never asked the citizens for a vote on entering the utility business, as required in RCW 35.92.70:

http://community.seattletimes.nwsource.com/archive/?date=19950920&slug=2142635

> *The electorate yesterday gave resounding "Yes" votes to Proposition No. 1 for Shoreline to join the King County Rural Library District and to Proposition No. 2 to join Fire Protection District No. 4.*

There has never been a serious discussion of joining the Shoreline School District with the City of Shoreline, even though school district is a special purpose districts. The Shoreline School District is regarded as one of the best school districts in King County and the property owners in Shoreline/Lake Forest Park pay dearly for it – the Shoreline Schools property taxes are the highest in King County and are in the top 25 in the State of Washington.

http://community.seattletimes.nwsource.com/archive/?date=19921005&slug=1516715

> ...there are many reasons for annexation, from lower taxes to local control over zoning - but nothing overrides the importance of protecting the school district.

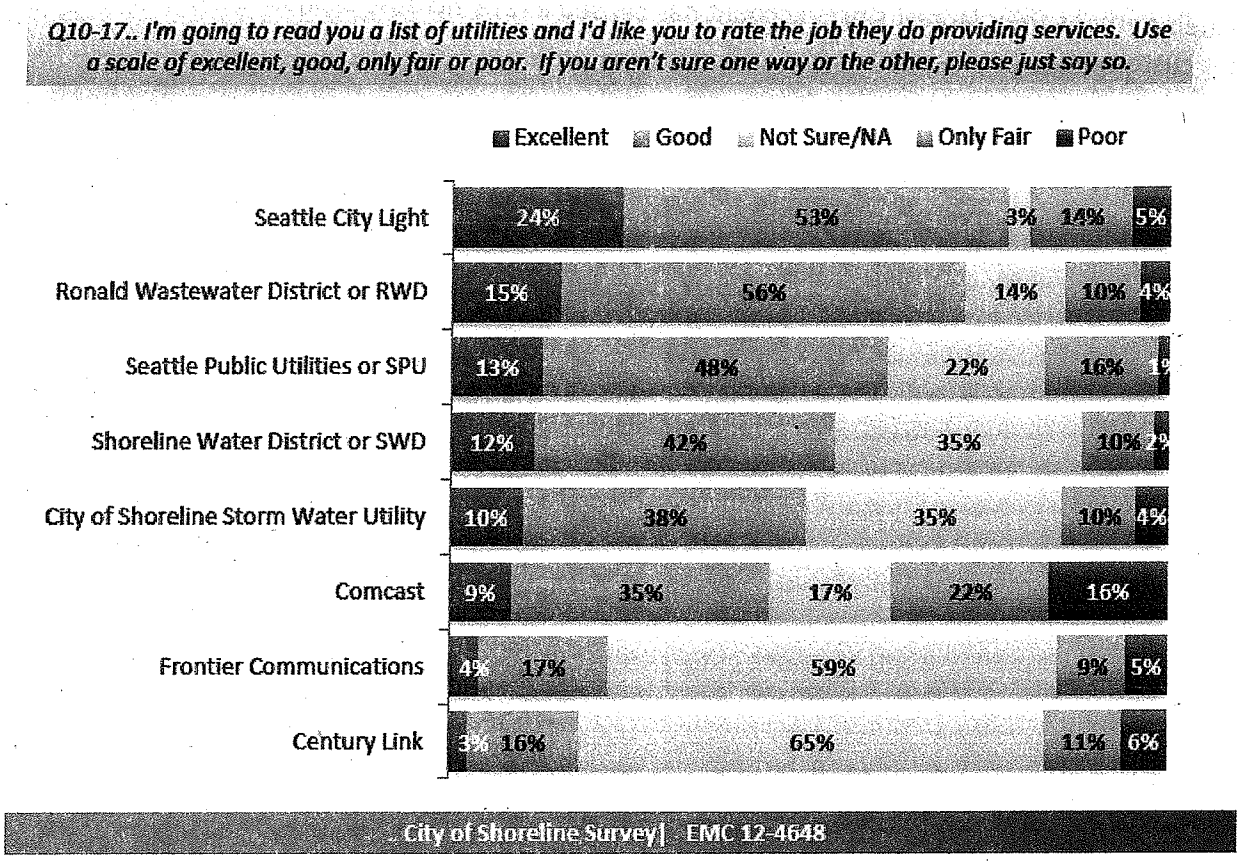
The services directly provided by a full-service city include (in part):

- Fire protection
- Police protection
- Electric utility
- Water utility
- Wastewater utility
- Garbage collection
- Surface Water/Storm Water Management
- Libraries

In Washington State Charter Cities, not Code Cities, are largely the full service cities. Shoreline contracts for fire, police, electric, surface water, etc. and has no plans to do otherwise in the future. The original voter intent in the incorporation as a code city was not to become a full service city and to preserve all of the special purpose districts. If the Shoreline City Council desired to change course, they should have held an election like they did with the library and fire districts and held public hearings.

2. Ronald Wastewater has a high customer service rating

The City of Shoreline conducted a poll as part of their SPU feasibility study but did not include the gas utility provider (Puget Sound Energy), however, it demonstrates that the City of Shoreline residents are not dissatisfied with the services provided by Seattle City Light, Ronald Wastewater District, Seattle Public Utilities, or the Shoreline Water District. The lowest rated public utility is that provided by the City of Shoreline, the surface water utility.



Applying the aggregation methodology that the City of Shoreline applies in presenting results of the survey (combining excellent and good responses as approval), these are the results in a table:

Seattle City Light	77%
Ronald Wastewater District	71
Seattle Public Utilities	61
Shoreline Water District	54
City of Shoreline Surface Water Utility	45
Comcast	44
Frontier	24
CenturyLink	19

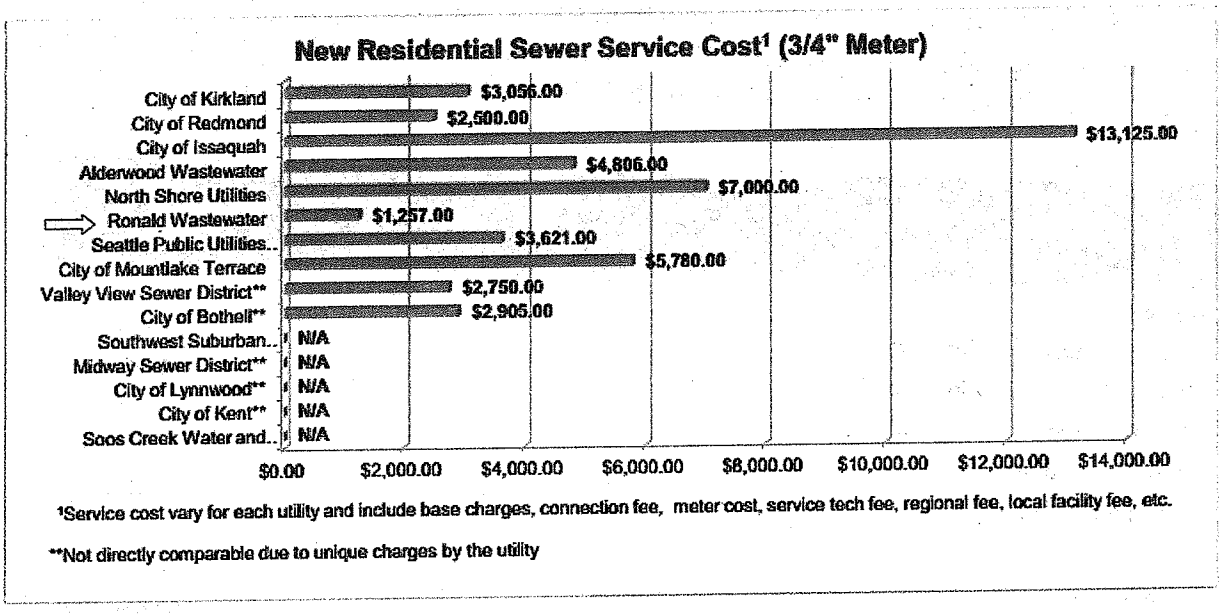
It is clear from the graphic and the table that Ronald Wastewater as a utility provider is rated as a much better provider of services than the City of Shoreline by the City's own surveyor.

Additionally, the City of Shoreline surface water utility through an audit discovered that has failed annually since it assumed the franchise from King County to bill the Shoreline School District $180,000 annually since the City of Shoreline took over the surface water utility from King County, causing one to question how the City of Shoreline will operate a much more complex drinking water system with significant financial risk to its rate payers. This failure to bill their perhaps their largest single account has caused a rate increase of more than 10% to all other customers.

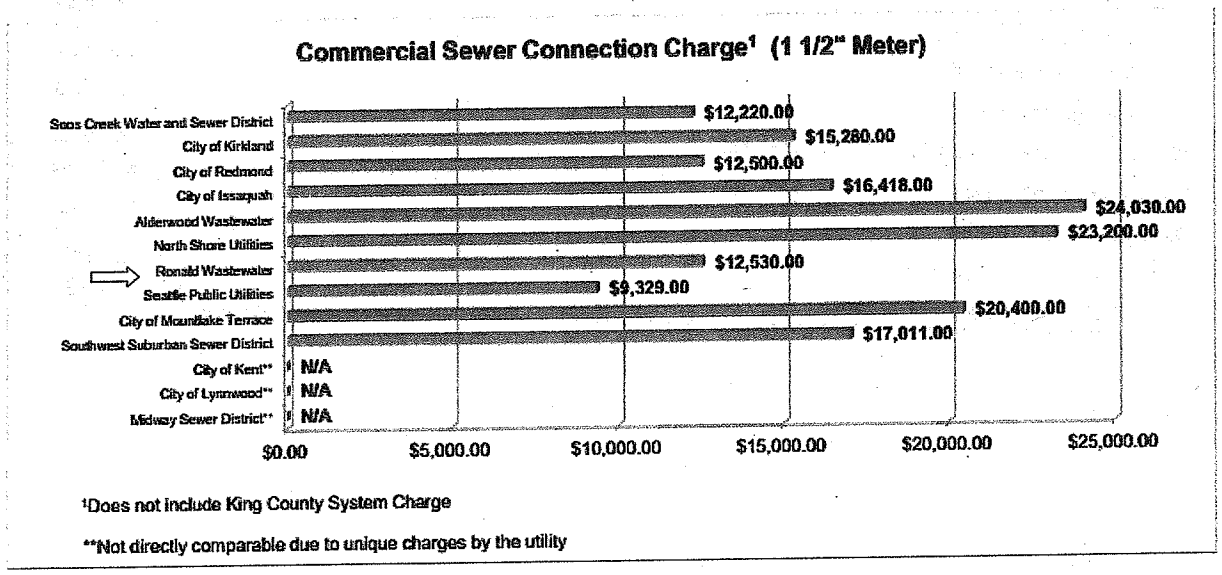
3. Unification Study Proves Little Benefit to Ratepayers

Ronald Wastewater is already one of the lowest cost wastewater utility providers in the City of Shoreline Utility Unification Study, as they demonstrate in their own charts:

Residential New Connections



Commercial New Connections



In the 2002 Interlocal Agreement attachment, the schedule of payments that Ronald Wastewater shows that in 2014 will pay $803,000 to the City of Shoreline. The last amount to be paid by Ronald Wastewater is $883,000 under the Interlocal Agreement in 2017, amazingly

enough the city staff and consultant used the franchise fee of $823,000 (this figure lies between the 2014 franchise fee of $803,000 and the 2015 franchise fee of $833,000 without any further explanation as to how they arrived at this number) as an expense to estimate City of Shoreline wastewater operations in 2020 (when Ronald Wastewater no longer is obligated to pay any franchise fee as it no longer exists, the funds that would have gone to the City as general fund revenue are now in a restricted enterprise account. This amount ($823,000) will have to made up from a rate increase or a utility tax as franchise fees are paid in lieu of a utility tax. The city staff report page 4 attached in Exhibit C model then states that they did not discount the income stream over 20 years! This assumption is incorrect as the value of a dollar tommorow is not the same as the value of a dollar today due to inflation and opportunity cost.

Table 2 Financial Results for 2020 for RWD	
Revenues	
Rate Revenues (includes taxes)	$3,342,202
Wholesale Treatment Revenue (includes taxes)	$10,381,959
Misc. Revenues	$371,215
Capital Contributions	$515,285
Total Revenues	$14,611,662
Expenses	
Wholesale Water Supply/Treatment	$9,864,497
Non-Supply O&M	
Labor	$1,038,336
Materials & Supplies	$145,500
Employee Benefits	$416,534
Administrative	$1,129,703
City of Shoreline Tax Expense (franchise fee)	⇨ $823,510
Total Operating Expenses	$13,418,080
Debt payments - Initial	$0
Cash Funded CIP - Ongoing	$1,193,582
Total Expenses (with Debt & CIP)	$14,611,662

Direct Utility Savings for Option 1b - RWD Operated by the City, but SPU & NCWD operated independently

Savings Summary	2020	2028	2040	21-yr Total
Salaries & Benefits	$0	$0	$0	$0
Administrative & Contract	$628,000	$628,000	$628,000	$13,188,000
Amortization of Capital Items	$115,000	$115,000	$115,000	$2,415,000
Subtotal Direct Savings	$743,000	$743,000	$743,000	$15,603,000
Incremental Cost in Shared Services Allocation	-$507,730	-$507,730	-$507,730	-$10,662,323
Net Direct Savings	$235,270	$235,270	$235,270	$4,940,677

If one assumes a discount rate of 6.5% (3.0% base interest plust 3.5% inflation), $235,270 annually over 21 years equals $1,177,434 this result is 77% lower than the forecast savings of $4,940,670.00. Ttotal direct savings is only 0.38%. The City of Shoreline has transferred its long-term debt cost from the surface water utility operations into the Ronald Wastewater enterprised fund as seen above.

General Operations Savings for Option 1b - City Operates the RWD Service Area

Savings Summary	2020	2028	2040	21-yr Total
Amount of Shared Services Allocation	$507,730	$507,730	$507,730	$10,662,323
Reduction in FTE Assigned to Other Departments	$180,707	$180,707	$180,707	$3,794,839
Reduction in City Contracts	$145,000	$145,000	$145,000	$3,045,000
Subtotal General Operations Savings	$833,436	$833,436	$833,436	$17,502,161

If one assumes a discount rate of 6.5% (3.0% base interest plust 3.5% inflation), $833,436 annually over 21 years equals $4,171,020 this result is 77% lower than the forecast savings of $17,502,156. The general operations savings is only 1.31%. The City of Shoreline has transferred overhead costs from the surface water enterprise fund and general city operations in nearly the exact amount of what they used to receive from their franchise fee payments included in Table 2 as an expense in 2020 in the amount of $823,000, but they have shifted the cost of other long-term debt and direct costs from other city operations the Ronald Wastewater revenues.

Savings Summary	Direct Utility Savings 2020-2040 (in Millions)	Average Annual Direct Utility Savings as a % of combined revenues (includes Treatment Revenue)	Average Annual Direct Utility Savings as a % of combined revenues (excludes Treatment Revenue)	General Operations Savings 2020-2040 (in Millions)
Option 1a – SPU Alone	$26.5	10.4%	10.4%	$28.7
Option 1b – RWD Alone	$4.9	1.6%	5.5%	$17.5
Option 2 – SPU and RWD	$56.2	9.9%	16.3%	$36.7
Option 3 – Add NCWD in 2028	$69.4	10.3%	15.5%	$39.5
Option 4 – Add NCWD in 2020	$81.6	12.2%	18.2%	$41.3
Option 5 - RWD plus NCWD in 2028	$12.0	2.9%	6.2%	$22.1

Additionally, at the present time Ronald Wastewater has no debt and the City of Shoreline has long-term debt with an outstanding balance of $2,938,272. It appears that before assumption the City of Shoreline will add to this long-term debt as evidenced by projects identified in the Surface Waster Master Plan. Additionally, the City of Shoreline has issued additional debt last in the purchase of the former King County storage yard for public works, parks, and utilities, borrowing from the surface water utility enterprise fund to make some of the early payments in the amount of $300,000 per year. Provisions have to be made to repay the enterprise fund and the Utility Unification Study as presented does not make it clear how this will be achieved. However, it appears that part of the strategy

4. SEPA Determination of Non-Significance is Flawed

November 25, 2013 – Utility Work Plan Update presented to City Council
December 09, 2013 – Ordinance 681 Passed by Council Council
May 19, 2014 – Utility Unification Study Present to City Council
May 13, 2014 – City of Shoreline staff completes SEPA Checklist
May 15, 2014 – DOE issues SEPA registration number
May 15, 2014 – City of Shoreline Planning Director Signs SEPA DNS
May 19, 2014 – SEPA DNS Published – No Administrative Appeal or Public Comment
May 19, 2014 – Shoreline City Council Approves Boundary Review Board Applications

The SEPA Register shows the date the City of Shoreline submitted the Ronald Wastewater Assumption to the system as May 15, 2014 here:

https://fortress.wa.gov/ecy/separ/Register/ShowRegister.aspx?Register=1693

The SEPA Checklist under Description of Proposal (page one) claims that under RCW 35.13A.030 the City of Shoreline will assume Ronald Wastewater and refer to Ordinance 681. Ordinance 681 refers to the 2002 Interlocal Operating Agreement and uses as its authority RCW 35.13A.070, this is the first mistake in the checklist.

SEPA requires a 14-day comment period from other public agencies, tribes, and the general public; clearly, given the timeline above, the City of Shoreline did not follow this practice.

The SEPA Checklist goes on to further claim that in Section 8 the Final EIS for the Comprehensive Plan issued 11/2/98 is directly related to this proposal (even though no citation or notation as to why is provided as the 2002 Interlocal Agreement had not yet been entered into), and claims that Supplemental EIS's were issued for the 2005 Comprehensive (sic) Update as well as the 2012 Comprehensive Plan update. Consulting the DOE SEPA Register website, it appears that the 2012 Comprehensive Plan did NOT include an EIS:

https://fortress.wa.gov/ecy/separ/Register/ShowRegister.aspx?Register=108820

In 2005 an EIS was NOT issued for the update to the Comprehensive Plan (EIS actions are notated specifically as such):

https://fortress.wa.gov/ecy/separ/Register/ShowRegister.aspx?Register=42718

The SEPA Checklist states on the following page that the Capital Facilities Element "...addresses past deficiencies and anticipates the needs of growth through acceptable levels of service, prudent use of fiscal resources, and realistic timelines" The supporting analysis of Wastewater facilities describes none of the features in the statement just quoted from the SEPA Checklist, can be found here: http://cityofshoreline.com/home/showdocument?id=12671

It is a Comprehensive Plan, the level of detail alleged in the SEPA Checklist is ordinarily not provided in a city comprehensive plan. The Goal CF I includes by citation the Seattle Public Utilities 2013 Comprehensive Water Plan even though it had not yet been completed! No realistics timelines are provided and only the most general level of service provided:

http://cityofshoreline.com/home/showdocument?id=12672

No analysis was performed, the City of Shoreline in a LUPA case brought as a result of the Crista Master Use Plan was cited by the judge for failure to take do any analysis as required under SEPA or consider any public comments they received in writing or during a public hearing, as a result a large part of the Master Plan was removed from future consideration without approval by the King County Superior Court Judge (see Case Number 10-2-19520-3).

SEPA requires that all interrelated parts of a planned action be identified and all necessary permits be identified as well. The City of Shoreline has omitted all project-specific planned actions from their SEPA checklist even as they undertake implementation of these projects. The Washington State Department of Ecology SEPA Handbook suggests public comment may be abbreviated when detailed implementation plans have been developed and are in place already, but comprehensive planning documents, conceptual plans, and utility unification studies without any rate setting models do not constitute detailed implementation plans.

An example of one such planned action with environmental impacts in the Brugger Bog Storage Yard (now referred to as the North Maintenance Facility) purchased by the City of Shoreline from King County in 2013. Although Ronald Wastewater is within walking distance of the Shoreline City Hall and has storage facilities that are only three years old, the City of Shoreline elected to purchase in the most northeastern corner of Shoreline a long-disused storage yard with a decant facility and fuel tanks in disrepair that is located directly adjacent to a Type II stream and a wetland.

State and federal records show that the fuel has been inadequately cleaned up from the soil, and the neighborhood has been opposed to any decant operation being restarted on the basis of noxious odors, noise, and vermin. These all constitute environmental impacts, not to mention additional traffic. The City of Shoreline plans on constructing offices for utility operations and billing at this location as well yet there is no mention of this planned action nor has the City of Shoreline stated how they will dispose of the existing Ronald Wastewater offices and storage yard. The sale agreement with King County requires the operation of the decant and fueling facilities: http://www.shorelinewa.gov/home/showdocument?id=14389

42 SECTION 2. The King County council, having determined that the sale of the
43 subject property is in the best interest of the public, hereby authorizes the executive to
44 execute the sale in substantially similar form as provided in Attachment A to this
45 ordinance and to execute any other documents necessary to convey and deliver the
46 property to the buyer. This authorization is contingent upon the prior execution by both
47 parties of the Joint Use Agreement for Fueling Services and Vactor Decanting between
48 the city of Shoreline and King County as provided in Attachment B to this ordinance. All
49 actions up to now taken by county officials, agent and employees consistent with the
50 terms and purposes of the sale agreement are hereby ratified, confirmed and approved.

Vacator decant facility are used by street sweepers (transportation), surface water, wastewater, and water utilities, it is obvious that the City of Shoreline intends to reopen the facility even though the City of Mountlake Terrace has constructed a new decant facility only one-half mile away. The City of Shoreline presently has an Interlocal Agreement with the City of Mountlake Terrace for decant and vehicle maintenace service, evidently Shoreline is willing to provide King County decant service as a buyer free of charge.

Another necessary permit to identify in the SEPA checklist would have been an Interlocal Agreement with Snohomish County for the annexation of the Point Wells area. The NOI identifies Point Wells as part of MUGA for Shoreline, however, Exhibit G, Map 3 shows that Point Wells is part of the Town of Woodway's MUGA. Although both Shoreline and Woodway included Point Wells within their MUGA, Woodway precedes Shoreline by decades. Additionally, as noted, an Interlocal Agreement would have been a necessary permit to obtain as part of SEPA if not for the fact that the Town of Woodway had not already entered into an Interlocal Agreement in April 2014:
http://cosweb.ci.shoreline.wa.us/uploads/attachments/cmo/CMWeeklyUpdate/2014.5.19/WoodwayResolution14-372_SNOCOannexationILA.pdf

The above are just some examples of the inadequacies found in a cursory review of the SEPA checklist and the DNS submitted by the City of Shoreline, the DNS is so suspect it should be disregarded. If the City of Shoreline had solicited comments from agencies and the public, some of these faux pas may have been avoided. As such, there has been a pervision of the intent of SEPA in collaborating with other agencies and inviting citizen participation in the identification of environmental impacts.

5. Public Process has been systematically subverted

The November 1994 election in which the vote to incorporate was approved 3 to 1, with the voters receiving materials that the special purpose districts would be preserved.

There are no online records of the 1997 meetings referred to in the minutes and staff reports from 2002 Shoreline City Council in which the Interlocal agreement to assume Ronald Wastewater was approved on June 24, 2002 and at the meeting on January 10, 2002 work session where the outlines of the agreement was discussed. No public hearings were held to solicit public comment at that time.

Additionally, the Interlocal Agreement in Section that the comprehensive plans for both Ronald Wastewater and the City of Shoreline were to updated as soon as possible to reflect the future assumption. The City of Shoreline did not update their Comprehensive Plan in 2005 to show the plan for the future assumption of Ronald Wastewater.

Meetings where no public comments/public hearings were solicited:

- January 10, 2002 – no public hearing
- June 24, 2002 – no public hearing
- May 22, 2013 – special meeting to file a claim for breach of the Interlocal Agreement, the community turns out in force to speak in favor of Ronald Wastewater and request mediation or arbitration
- July 29, 2013 – no public hearing on discussion of 2002 Interlocal Agreement
- November 18, 2013 – City Attorney authorized to file a claim against Ronald Wastewater (at the end of the meeting, concluding an executive session and no members of the public present)
- November 25, 2013 – no public hearing prior to discussion of utility work plan update
- December 9, 2013 – Ordinance 681 was adopted, waiving council rule requiring 3 readings of the ordinance prior to adoption
- April 21, 2014 – Utility Unification Study Draft Introduced, no public hearing scheduled
- May 19, 2014 – Final Draft of Utility Unification Study presented and no public hearing was held in order to submit the Notice of Intent simultaneously to the King and Snohomish Counties Boundary Review BoardsIt has been demonstrated that the savings to the ratepayer are minimal to non-existent. As a matter of fact, in all likelihood wastewater rates will have to be increased and/or utility taxes imposed to account for the lost franchise fees that were included in Table 2 (with a red bar at the top) as Ronald expenses, this is the source of funds that the City of Shoreline is playing with as the anticipated surplus. In the December 9, 2013 meeting, the minutes reflect the following:

    > Concern was expressed about approving the ordinance on such a fast timeline without a public process and before the Utility Unification and

ordinance shall be submitted for ratification or rejection by majority vote of the voters of the city or town at a general or special election.

However, in HB 1407 the City of Shoreline sought to piggyback onto a bill the City of Marysville had in the works to complete annexation of utitilies for unincorporated areas they had recently annexed into the City. The City of Shoreline discussed their legislative agenda in November 2010 at a dinner meeting where it was not included on the agenda and no public notice or public comment had been given that the City of Shoreline intended to make sure there would be no question of law that a vote on the assumption of Ronald Wastewater or purchase of Seattle Public Utilities would be required by entry of the following:

http://apps.leg.wa.gov/documents/billdocs/2011-12/Pdf/Bills/House%20Bills/1407.pdf

The insertion of RCW 35.92.070(1)(c) describes a city exactly like Shoreline and would exempt Shoreline from the requirements of RCW 35.92.070. By the mere fact that the City of Shoreline sought a change in the RCW shows the City has its own doubts on the applicability of this law, yet they assert in the SEPA Checklist and elsewhere it does not. But my main point is that once again, in a matter involving Ronald Wastewater, the City of Shoreline chose to conduct the business of the people not in open council chambers but in private.

The King and Snohomish Counties Boundary Review Boards are the first public hearings in which the ratepayers and residents of the Ronald Wastewater District and the City of Shoreline have had the opportunity to express their opinion on the matter of assumption. I would like to make it clear I am against it. The City of Shoreline during the past five years has actively worked to make it less transparent and make it harder to citizens to participate. Work sessions used to be held in open council chambers streaming live on television and rebroadcasting on cable TV or on the internet using video on demand, those members of the public who elected to attend the meetings were afforded the opportunity to speak at general public comment. The Shoreline City Council has moved their work sessions to dinner meetings which have no audio or video recording, no public comment, and the meeting packet disappers after the meeting is over.

Thank you very much for you consideration of my concerns.

> Concern was expressed about approving the ordinance on such a fast timeline without a public process and before the Utility Unification and Efficiency Study has been completed. While a public vote is not required and the Revised Code of Washington (RCW) allows the Council to take action on the ordinance, it is Council's duty to listen to the public on the issue and a public vote would be the right action. Councilmembers clarified that passage of the ordinance would not preclude a public vote at a later time, particularly if the efficiency study does not identify clear benefits.

The Utility Unification Study demonstrated for Option 1b, clear benefits to the ratepayer have not been identified yet the Shoreline City Council was not provided with the option to consider a public vote. However, Ronald Wastewater had an election to annex stray parcels in various parts of Shoreline as part of the 2002 Interlocal Agreement, yet the City of Shoreline feels an election under the provisions of RCW

http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2008/staffreport060908-8a.pdf

In effect, the City of Shoreline demanded under the 2002 Interlocal that at expense of the Ronald Wastewater ratepayers that an election be held to annex all the outlying pieces of the special purpose district.

The City of Shoreline has repeatedly made the claim it does not believe it is required to hold a vote before assumption of Ronald Wastewater as described in these two RCWs:

RCW 54.16.180
Sale, lease, disposition of properties, equipment, and materials — Procedure — Acquisition, operation of sewage system by districts in certain counties.

(1) A district may sell and convey, lease, or otherwise dispose of all or any part of its works, plants, systems, utilities and properties, after proceedings and approval by the voters of the district, as provided for the lease or disposition of like properties and facilities owned by cities and towns. The affirmative vote of three-fifths of the voters voting at an election on the question of approval of a proposed sale shall be necessary to authorize such a sale.

RCW 35.92.070
Procedure — Election.

When the governing body of a city or town deems it advisable that the city or town purchase, acquire, or construct any such public utility, or make any additions and betterments thereto or extensions thereof, it shall provide therefore by ordinance, which shall specify and adopt the system or plan proposed, and declare the estimated cost thereof, as near as may be, and the

5. Public Process has been systematically subverted

The November 1994 election in which the vote to incorporate was approved 3 to 1, with the voters receiving materials that the special purpose districts would be preserved.

There are no online records of the 1997 meetings referred to in the minutes and staff reports from 2002 Shoreline City Council in which the Interlocal agreement to assume Ronald Wastewater was approved on June 24, 2002 and at the meeting on January 10, 2002 work session where the outlines of the agreement was discussed. No public hearings were held to solicit public comment at that time.

Additionally, the Interlocal Agreement in Section that the comprehensive plans for both Ronald Wastewater and the City of Shoreline were to updated as soon as possible to reflect the future assumption. The City of Shoreline did not update their Comprehensive Plan in 2005 to show the plan for the future assumption of Ronald Wastewater.

Meetings where no public comments/public hearings were solicited:

- January 10, 2002 – no public hearing
- June 24, 2002 – no public hearing
- May 22, 2013 – special meeting to file a claim for breach of the Interlocal Agreement, the community turns out in force to speak in favor of Ronald Wastewater and request mediation or arbitration
- July 29, 2013 – no public hearing on discussion of 2002 Interlocal Agreement
- November 18, 2013 – City Attorney authorized to file a claim against Ronald Wastewater (at the end of the meeting, concluding an executive session and no members of the public present)
- November 25, 2013 – no public hearing prior to discussion of utility work plan update
- December 9, 2013 – Ordinance 681 was adopted, waiving council rule requiring 3 readings of the ordinance prior to adoption
- April 21, 2014 – Utility Unification Study Draft Introduced, no public hearing scheduled
- May 19, 2014 – Final Draft of Utility Unification Study presented and no public hearing was held in order to submit the Notice of Intent simultaneously to the King and Snohomish Counties Boundary Review BoardsIt has been demonstrated that the savings to the ratepayer are minimal to non-existent. As a matter of fact, in all likelihood wastewater rates will have to be increased and/or utility taxes imposed to account for the lost franchise fees that were included in Table 2 (with a red bar at the top) as Ronald expenses, this is the source of funds that the City of Shoreline is playing with as the anticipated surplus. In the December 9, 2013 meeting, the minutes reflect the following:

CITY OF SHORELINE

August 30, 2013

Dear Brugger's Bog Neighbor:

On July 26, the City of Shoreline purchased the Brugger's Bog Maintenance Facility, located at 19547 25th Avenue NE, from King County for $2.9 million. The facility was used by the King County Roads Services Division from the mid 1950's until 2011, and will now, after some initial improvements, be used by the City's Public Works Department as a maintenance facility to help meet present and future growth needs.

Since incorporation, the City has used the one-acre maintenance facility located in Hamlin Park to house both Parks and Public Works maintenance operations. Over time, as the City has taken on more maintenance responsibilities, the Hamlin site has reached its maximum capacity, creating crowded working conditions for both Parks and Public Works staff. As well, with the City's assumption of the Ronald Wastewater District in 2017 and the acquisition of the Seattle Public Utility water system in 2020, additional maintenance facility space is required beyond current capacity at Hamlin.

The City will be making improvements to Brugger's to accommodate current Public Works maintenance operations and to serve as a fueling station for City and Shoreline Police vehicles. Between now and the end of 2014, the City will be making the initial improvements to the site, including creating a draft site plan for the facility, improving site access and appearance, activating fueling services for city vehicles, analyzing short and long-term stormwater decant service needs, installing a maintenance operations building on site, and relocating Public Works Street Maintenance and Surface Water Utility staff and operations to the site.

In addition to the initial improvements, the City will also be working on the long-term planning process to prepare for when the City begins operating wastewater and water utilities. In the coming months, you will begin to see some activity on the site, including surveyors, site clean-up crews, and other staff working on initial site redevelopment. As site planning moves forward, the City will be seeking neighborhood and community input on the project and future site considerations. Please visit shorelinewa.gov/bruggersbog for project updates.

For more information about the acquisition and improvement of the Brugger's Bog Maintenance Facility please feel free to contact me directly at jnorris@shorelinewa.gov or (206) 801-2216.

Sincerely,

John Norris, Management Analyst

17500 Midvale Avenue N ♦ Shoreline, Washington 98133
Telephone: (206) 801-2700 ♦ www.shorelinewa.gov

Aug 1, 2014

Angelica Velasquez
Boundary Review Board
Yesler Building, Room 240
400 Yesler Way
Seattle, WA 98104

RECEIVED
AUG 04 2014
WA State Boundary Review
Board For King Co.

Dear Ms. Velasquez,

I'm writing this letter concerning the August 19th meeting of the Boundary Review Board to consider assumption of the Ronald Wastewater District by the city of Shoreline.

The vast majority of citizens are satisfied with the operations and maintenance of Ronald Wastewater Sewer District and do not want to see it change hands to become operated by the City of Shoreline.

The interlocal agreement reached between the City and Ronald Wastewater in 2002 did not have a public vote. It did not even conduct public hearings to determine how the ratepayers/residents felt about this.

However, when Ginny Scantlebury ran for Ronald Wastewater Commissioner last year, her main reason for running was to keep "our" Special Service District independent from the City. She obtained 48% of the vote from citizens who were like minded. That's a substantial number of voters when you consider it only takes 15% of the number of voters who turned out at the last election to put an issue on the ballot as an initiative.

We have serious concerns about both the quality of service and the cost of service if the City of Shoreline takes over the District. There have been many protests at the Shoreline City Council meetings where citizens carried signs and gave public testimony urging the Council to give the ratepayers a chance to vote on this important issue.

We have gone unheard from the Council but we are hoping that you will hear our cry. The voters established this Special Purpose District back in 1951 and we deserve to have a say in its future. The Shoreline Council refuses to put this matter up for a vote because they know/fear that the voters will reject their effort to absorb the District into their sphere of operations. The people of Shoreline do not want the 'assumption' to continue.

Please help us...

Sincerely,

Timothy Ramsey
1403 North 160th Street
Shoreline, WA 98133
206 252 4137

RECEIVED

AUG 05 2014

WA State Boundary Review
Board For King Co.

July 31, 2014

Boundary Review Board
Yesler Bldg, Rm 240
400 Yesler Way
Seattle, Wa. 98104

Angelica,

Thanks for considering my comments.

1. Full-Service City as Justification for Ronald Wastewater Interlocal Agreement

When Shoreline voted to incorporate in 11/1995, the intention was to preserve the special purpose districts (meaning Fire, Schools, Water, and Wastewater), something that had been a goal since 1987:

http://www.historylink.org/index.cfm?DisplayPage=output.cfm&file_id=7681

In 1987, the Shoreline Incorporation Study Committee began seriously investigating becoming a city as a way to keep more tax monies in the area while retaining the existing sewer and fire districts. But residents failed to express enthusiasm for becoming a city and the group dissolved after a year later.

The revisionist history being promulgated by Councilmember Chris Eggen and former Councilmember Bob Ransom are not supported by the evidence.

Only 6 years after the City of Shoreline began operations in 2002, the City and Ronald Wastewater with no public hearings or public input signed an interlocal agreement to have the city takeover the wastewater district. This smacks of empire building and circumvented the public process. Maralyn Chase and Cindy Ryu in the last legislative session tried to pass a bill that would have required a public vote on the takeover of Ronald Wastewater, a bill that Chris Eggen has mischaracterized as harmful to the Shoreline residents. In the past Chris Eggen has said several times in public hearings he was in favor of a vote and now he has proven he is not. In fact, he told me personally face to face, when I was running for a Ronald Wastewater Commissioner position, August 2013, that he was totally in favor of the vote. How can we trust our Shoreline City Council to take care of our utilities when they lie?

2. The City Purports Cost Savings

The one-year net cost-savings for the merging Ronald Wastewater with the City of Shoreline is $235,000 as estimated by the City of Shoreline. There are 16,000 ratepayers in the Ronald Wastewater system, the average savings per customer annually would be $14.69, the City states the benefit would be 1.6%. However, the City has not accounted for:

- Any future rate increases
- Any future increases in utility taxes (at the moment Ronald by law cannot be taxes in excess of 6% utility tax, when the City owns the utility there is no cap on utility taxes)

In the two tables below, it is clear the main beneficiary is not the ratepayers but the City of Shoreline:

General Operations Savings for Option 1b - City Operates the RWD Service Area

Savings Summary	2020	2028	2040	21-yr Total
Amount of Shared Services Allocation	$507,730	$507,730	$507,730	$10,662,323
Reduction in FTE Assigned to Other Departments	$180,707	$180,707	$180,707	$3,794,839
Reduction in City Contracts	$145,000	$145,000	$145,000	$3,045,000
Subtotal General Operations Savings	$833,436	$833,436	$833,436	$17,502,161

Direct Utility Savings for Option 1b - RWD Operated by the City, but SPU & NCWD operated independently

Savings Summary	2020	2028	2040	21-yr Total
Salaries & Benefits	$0	$0	$0	$0
Administrative & Contract	$628,000	$628,000	$628,000	$13,188,000
Amortization of Capital Items	$115,000	$115,000	$115,000	$2,415,000
Subtotal Direct Savings	$743,000	$743,000	$743,000	$15,603,000
Incremental Cost in Shared Services Allocation	-$507,730	-$507,730	-$507,730	-$10,662,323
Net Direct Savings	$235,270	$235,270	$235,270	$4,940,677

Ronald Wastewater presently has NO debt, the direct utility savings in the Amortization of Capital Items benefits the city due to the large amount of bonds they have issued for their surface water utility. One subject that the City doesn't even cover in this study is moving Ronald Wastewater employees from a debt-free facility to a debt-ridden building. That's going to mean higher rates for the ratepayers.

The Shared Services savings is misleading as the operations of the city surface water utility is largely a contract operation, once again, the city benefits from the cost operation and there is no proposed rate reduction for the surface water and/or wastewater utility for the ratepayers. Administrative & Contract reflects the overhead that the City will charge the wastewater operation, once again, this amount will benefit the City and not the ratepayer.

When the City benefits from the unification of Ronald Wastewater by a factor of 2 to 5 as compared to the amount available to the ratepayers (based on EXISTING RATES AND UTILITY TAXES, not future surface water and wastewater rates and utility taxes), there is little to no benefit from unification.

Ginny Scantlebury
Shoreline Citizen

Ginny Scantlebury

CITY OF ALGONA
402 Warde Street
Algona, Washington 98001

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Public Works (253) 833-2741
Police (253) 833-2743
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AUG 08 2014
WA State Boundary Review Board For King Co.

August 7, 2014

King County Boundary Review Board
Yesler Building, Room 240
400 Yesler Way
Seattle, WA 98104

Dear Boundary Review Board Members,

The City of Algona supports the City of Shoreline's assumption of the Ronald Wastewater District (RWD). After reviewing the facts of the case and considering the City of Shoreline's careful, deliberate and lawful path toward assuming the RWD, the City of Algona is confident that the Boundary Review Board will find no other reasonable decision but approval of assumption.

The City of Shoreline has complied with all rules and regulations applicable to assuming the utility. Specifically, the City of Shoreline's road to assumption of the RWD has, and continues to be, consistent and in lockstep with requirements of the Growth Management Act, RCW 36.70A, King County's regional planning efforts and the City of Shoreline's own Comprehensive Plan.

Most notably, RCW 35.13A.030, states "...whenever a portion of a district equal to at least sixty percent of the assessed valuation of the real property lying within such district, is included with the corporate boundaries of a city, the city may assume by ordinance the full and complete management and control of that portion of the entire district not included within another city..."Considering that 99 percent of its residents are served by the district, the statute grants the City of Shoreline the authority to assume the entirety of utility district.

Further, assuming utilities is a critical tool in allowing cities to provide services of high quality and efficiency. Assumptions such as the City of Shoreline's, enables the city to decrease overhead costs and streamline operational costs. Evidence of this fact, is a study of the assumption by the City of Shoreline of RWD showing that assuming the RWD will result in nearly $5 million of savings.

Preserving the power and process of assumption is critical in maintaining a city's ability to conduct business that is equitable to its residents and efficient in operation. Approving the City of Shoreline's assumption of the RWD upholds the rights and abilities of all cities in the Puget Sound region to better serve their residents.

Sincerely,

Mayor David E. Hill, City of Algona DH

cc. Debbie Tarry, City Manager, City of Shoreline