

MEMORANDUM OF UNDERSTANDING
between Mason County and
Public Utility District No. 1 of Mason County

This Memorandum of Understanding (MOU), made as of this 20th day of August, 2019 between Mason County, a municipal corporation of the State of Washington, hereinafter referred to as the "County" and the Public Utility District No. 1 of Mason County, a municipal corporation of the State of Washington, hereinafter referred to as "PUD1".

WHEREAS, federal and State regulations and standards regarding water quality, water and wastewater system operations, and water resources are imposing increased responsibilities, restrictions, obligations, and costs on local governments and utilities; and

WHEREAS, the Department of Health (DOH) and the Department of Ecology (DOE), are in the process of implementing additional requirements to ensure that utility systems operate in accordance with applicable standards; and

WHEREAS, Chapter 43.70.195 RCW requires that counties become the receiver of water systems that the DOH determines have not been effective in resolving deficiencies that threaten public health and safety; and

WHEREAS, PUD1 has been accepted by the County as a Satellite Management Agency (SMA) to own and manage water systems both in and out of receivership in locations not served by other water purveyors; and

WHEREAS, the County and PUD1 have the expertise, financial resources, and statutory authority to inspect, operate, manage, and/or own water and wastewater systems within Mason County, and PUD1 is willing to assume the role of supporting the County as requested for water and wastewater system ownership, operation, and management; and

WHEREAS, planning within the County is needed to assure that adequate supplies of water and wastewater services are available for projected population increases; and

WHEREAS, the Growth Management Act requires the County to develop a Capital Facilities Plan element and a Utilities element as part of the Comprehensive Plan for the unincorporated areas of the County (RCW 36.70A.070), and enhance the availability of water resources necessary to meet the County's needs; and

WHEREAS, the County has determined that it may enter into this agreement to include services as a means to satisfy the requirements of the Growth Management Act, and

Chapter 43.70 RCW and under the authority of the Intergovernmental Agreement Act, Chapter 34.39 RCW; and

WHEREAS, minimum level of service criteria for water and wastewater systems are needed to protect public health, safety, and the environment in the County; and

WHEREAS, economic development opportunities in Mason County will benefit from well-planned water and wastewater utility infrastructure and the ability to provide fire protection and waste treatment for commercial and industrial uses.

WHEREAS, the interlocal cooperative act, Chapter 39.34, authorizes Mason County and PUD1 to enter into this agreement.

NOW THEREFORE, BE IT AGREED AS FOLLOWS:

Section 1. Goals: The goals of this agreement are to:

- A. Establish an agreement between the County and PUD1 to develop and manage the water and wastewater utilities in unincorporated Mason County consistent with the Mason County Comprehensive Plan, and to define responsibilities accordingly.
- B. Communicate the agreement to local and State agencies to solicit their cooperation in implementing the program.
- C. Protect public health, safety, and the environment in Mason County through fostering the provision of water and wastewater service in a fashion that complies with applicable State and federal standards for system operations, drinking water standards, wastewater collection, and treatment standards, and the requirements of the Growth Management Act.
- D. Represent the initial step in a process that is expected to PUD1 being the future municipally owned purveyor of water systems throughout the county except in areas where the City of Shelton, the Belfair Water District, or Port of Allyn Water System is currently operating or in presently unserved areas which could be better served by one of these purveyors.

Section 2. Principles and Procedures: In order to achieve the goals and objectives of this agreement, the County and PUD1 agree to the following principles and procedures:

PUD1 Water and Wastewater Utility Service Areas

PUD1 has authority to provide water and wastewater utility

ownership, operation, and management services to all areas within Mason County and desires to extend its operations where needed and resources allow.

Minimum Level of Service Criteria for Water and Wastewater

- A. PUD1 is providing and will continue to provide water utility services to citizens of Mason County that generally meet minimum level of service criteria for water systems acceptable to both the County and PUD1. PUD1 may expand into wastewater operations where circumstances warrant it and resources justify it.
- B. Minimum levels of service for water and sewer are those established in RCW and/or WAC, and in Mason County ordinance for all water and wastewater systems in the county. Minimum levels of service for fire flow may be required by the fire marshal and fire districts, where feasible, in urbanized areas.

Water Utilities

- C. New and Existing Public Water Systems: Upon application to the County of a development activity requiring a new public water system, or when an existing public water system requests or requires assistance to meet regulatory requirements or customer needs, the County and PUD1 agree to have PUD1 prepare an Initial Evaluation of service for the water system upon request. The cost of the initial evaluation shall be borne by the applicant.

Upon completion of the Initial Evaluation, the system owner may choose to request a formal cost proposal for service from PUD1, or from other approved SMAs.

Prior to approving a development requiring Group B service, the County will review the proposed water system to ensure minimum standards are met, and that long-term solutions are addressed consistent with their Comprehensive Plan under the Growth Management Act. County approval of development requiring Group A and Group B service will require approval by the State Department of Health.

- D. Receivership: Upon notification by the County of a court ordered receivership action, PUD1 agrees to negotiate a contract with the County for the water system placed into

receivership by DOH. PUD1 will prepare an Initial Evaluation (described in Section F below) of the system.

The County and PUD1 will use their best efforts to facilitate financially feasible solutions to all systems placed into receivership. Should PUD1 make application for financial assistance to a third party to fund a receivership or other infrastructure upgrade project, the County agrees to support the PUD1 project. PUD1 agrees to handle all grant/accounting/audit obligations and agrees to assume ownership and operational responsibilities of systems acquired through the receivership process.

Wastewater Utilities

- E. New and Existing Community Sewer Systems and Domestic Wastewater Facilities: Upon application to the County of a development activity requiring a new publicly-owned wastewater system, or when an existing wastewater system requests or requires assistance to meet regulatory requirements or customer needs, the County will first determine whether the County will provide ownership, management, and/or operation services for the system. If the County chooses not to provide service, then the County will give PUD1 the next opportunity to provide ownership, management, and/or operation services for the system. If PUD1 chooses not to provide wastewater utility service, the County will seek to obtain service by another public entity.

If PUD1 is asked to own or manage the system, the PUD1 will be given an opportunity to prepare an Initial Evaluation of the system (described in Section F below). The cost of the evaluation shall be borne by the applicant.

Description of Initial Evaluations to be Prepared by PUD1

- F. The Initial Evaluations will include the following general components:
- Identification of needed facilities and policies
 - List of alternatives for meeting identified needs
 - Recommended facilities
 - Preliminary cost estimates

The general components listed above will incorporate the following:

- Minimum level of service criteria, and State and federal requirements
- Long term operational, procedural, and capital requirements
- Sub regional water and wastewater related issues within the service area or in vicinity of the system

Mutual Aid and Cooperation between the County and PUD1

- G. Growth Management Act Planning: Growth and development under the GMA will result in periodic revisions to the Comprehensive Land Use Plan, a component of which is capital planning. To facilitate capital planning, the County agrees to notify PUD1 as appropriate regarding land use policies and proposed changes. This should be done as far in advance as possible to allow for sound economic judgment in the capital planning process.
- H. Water Resource Issues: PUD1 agrees to utilize its available staff, expertise, and financial resources to assist the County as requested in addressing the issues related to watershed planning, endangered species act, salmon recovery, and other water related issues.

Definition of Terms used in this MOU

- I. "Public water system" means any system, excluding a system serving only one single-family residence and a system with four or fewer connections all of which serve residences on the same farm, providing piped water for human consumption, including any:
Collection, treatment, storage, or distribution facilities under control of the purveyor and used primarily in connection with such system; and collection or pretreatment storage facilities not under control of the purveyor primarily used in connection with such system (WAC 246-295-010). Public water systems can be owned by public entities or private, non-public entities.
- "Satellite management agency (SMA)" means an individual, purveyor, or entity that is approved by the secretary of the Department of Health to own or operate more than one public water system on a regional or countywide basis, without the necessity for a physical connection between such systems. (WAC 246-295-010)
- "Public sewer system" means a sewerage system owned or operated by a city, town, municipal corporation, county, or other approved ownership consisting of a collection system

and necessary trunks, pumping facilities and a means of final treatment and disposal; and approved by or under permit from the Department of Ecology, the Department of Health and/or a local health officer. (WAC 246-272-01001)

"Domestic wastewater facility" means all structures, equipment, or processes required to collect, carry away, treat, reclaim or dispose of domestic wastewater together with such industrial waste as may be present. In the case of subsurface sewage treatment and disposal, the term is restricted to mean those facilities treating and disposing of domestic wastewater only from:

- (a) A septic tank system with subsurface sewage treatment and disposal and an ultimate design capacity exceeding fourteen thousand five hundred gallons per day at any common point; or
- (b) A mechanical treatment system or lagoon followed by subsurface disposal with an ultimate design capacity exceeding three thousand five hundred gallons per day at any common point. (WAC 173-240-020)

"Subsurface sewage treatment and disposal" means the physical, chemical, or bacteriological treatment and disposal of domestic wastewater within the soil profile by placement beneath the soil surface in trenches, beds, seepage pits, mounds, or fills. (WAC 173-240-020)

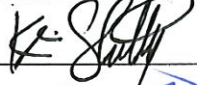
"Community sewer system" means any system that serves more than one property owner.


- J. There are no third parties intended to be benefited by this agreement and therefore, no one has any right to enforce its terms except the parties to this agreement.


This Memorandum of Understanding may be amended by the agreement of the two parties and shall remain in full force and in effect for a period of five years. The agreement shall automatically renew for addition five year periods until terminated by either party after giving 180 days written notice to the other party.

Each party shall be responsible for compliance with RCW 39.34.040.

Commissioners of Mason County:







Commissioners of Public Utility District No. 1 of Mason County:

