



## Metropolitan Water Pollution Abatement Advisory Committee

King Street Center, 201 South Jackson Street, MS KSC-NR-0512  
Seattle, WA 98104 206-263-6070

### MEMBERS:

*Alderwood Water and  
Wastewater District*

*City of Algona*

*City of Auburn*

*City of Bellevue*

*City of Black Diamond*

*City of Bothell*

*City of Brier*

*City of Carnation*

*Cedar River Water and Sewer District*

*Coal Creek Utility District*

*Cross Valley Water District*

*Highlands Sewer District*

*City of Issaquah*

*City of Kent*

*City of Kirkland*

*City of Lake Forest Park*

*Lakehaven Utility District*

*City of Mercer Island*

*Midway Sewer District*

*Northeast Sammamish Sewer District*

*Northshore Utility District*

*Olympic View Water and Sewer District*

*City of Pacific*

*City of Redmond*

*City of Renton*

*Ronald Wastewater District*

*Sammamish Plateau Water and  
Sewer District*

*City of Seattle*

*Skyway Water and Sewer District*

*Soos Creek Water and Sewer District*

*Southwest Suburban Sewer District*

*City of Tukwila*

*Val Vue Sewer District*

*Vashon Sewer District*

*Woodinville Water District*

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September 8, 2005

Don Theiler  
Division Director  
Wastewater Treatment Division  
201 South Jackson Street, KSC-NR-0501  
Seattle, WA 98104

### **RE: BRIGHTWATER RECLAIMED WATER PROJECT**

Dear Mr. Theiler:

Over the past few weeks MWPAAC has been briefed on the issue of Brightwater reclaimed water through its Engineering and Planning Subcommittee (E&P) and at full MWPAAC at its regular meeting of September 7, 2005. MWPAAC appreciates inclusion in these discussions and is very interested in continuing to discuss the Wastewater Treatment Division's intentions for reclaimed/reuse water.

During these presentations, King County has proposed what is called the "Backbone" system for use with Brightwater as part of a three-phase operation. MWPAAC has made comments both during the E&P Subcommittee meeting and at the full MWPAAC meeting. MWPAAC also had significant discussion on this matter as part of its Members' Meeting following the regular report from the County.

By a unanimous vote of all MWPAAC Members present at the September 7<sup>th</sup> meeting, MWPAAC has determined that we can not support the proposed "Backbone" system associated with Brightwater until all questions raised by MWPAAC have been fully addressed including the following questions regarding utility investment:

### **Application of Standard Utility Investment Review Procedures**

#### **DEMAND**

1. Is the demand for Reclaimed Water (RW) identified by King County net new demand with the RW replacing the need for other new supplies? If so, on what schedule? What is the source of documentation for such new demands?

2. How much of the demand identified by King County is by existing customers, with the RW substituting for existing supplies? What is the source of documentation for such existing demands?
3. Is any of the demand “new demand” that was (or is to be) elicited by offering RW at prices below existing water supply prices? If so, how much?
4. Is any of the demand based on assumed declining supplies from current water supply sources, due to global warming or other forces? If so, how much, and on what schedule?
5. Would existing local water agencies retain an obligation to serve any customers who switch to RW, and later decide to switch back to potable water service?
6. Does the County proposal address the “stranded cost” of the local water agencies whose customers would be recruited to use RW?
7. Would existing local water agencies have an obligation to serve any customers in their service area who initially use RW, and later decide to switch to potable water service?
8. Would the County have any obligation to continue to serve RW customers in the future?
9. Would obligations of purveyors, the County, and customers to provide and accept service be dependent on, or independent of future pricing by the County?
10. Does the demand identified by King County assume market choices by customers? If so, at what price?
11. How formal and how customer-confirmed is the projected demand for RW identified by the County?
12. How would RW investment costs be recovered if the level of demand projected by the County did not materialize?
13. How much of the documented demand identified by the County is from customers currently supplied from Sammamish River water?

### **SUPPLY COORDINATION**

1. Have the County’s RW capacity development and its timing been coordinated with the regional Water Outlook projections of water supply and demand?
2. If there is combined excess supply of potable water and RW, whose investment would be stranded? To what extent are the rights of current water suppliers spelled out in the County’s proposal?
3. In the County’s proposal, would it be a retailer or a wholesaler?

4. If the County proposes to be a wholesaler, should it charge full cost? If not, how much should it charge, and why? And if not, what group would the County propose to have subsidized its wholesale competition with other sources of supply available to local water agencies?
5. Would the County offer its wholesale RW supply for local water agencies to select or not, at their discretion? Or would the County expect some binding obligation for the local agencies to purchase whatever RW supplies it developed?
6. If the County proposes to be a retailer, would it be required to compete with local water agencies, based on full cost accounting and pricing? If not, why not? And if not, what group would the County propose to have subsidized its retail competition with existing water agencies, and why? And what group would the County propose to absorb the stranded cost burden of any local water agencies whose customers switched to County RW supply?

### **RESOURCE EVALUATION**

1. Has the County attempted to identify and estimate all incremental costs and cost savings associated with RW development in this specific region and market? How precise does the County consider the current estimates (i.e., +/- X%)?
2. Has the County separately evaluated the cost effectiveness of separable RW supply systems, such as those for the Sammamish and for the remainder of its service area?
3. Are both environmental costs and environmental benefits fully defined, estimated, and included in the evaluation for each geographically separate RW system? In particular, how has the County included the impacts of endocrine disrupters and other pharmaceuticals, and how do any estimates that have been used relate to ongoing work the County is doing on the same subject?
4. Are the County's incremental costs for organizational and administrative responsibilities as a wholesaler or retailer of RW included in evaluations? Has the County examined these responsibilities and developed a thorough proposal?
5. Are the costs of a parallel distribution network included in the cost effectiveness evaluations the County has done?
6. Has the County performed sensitivity analysis of the cost effectiveness of its proposed RW program with respect to key variables and sources of uncertainty?
7. Has the County developed an incremental investment plan that minimizes the potential for wasteful investments before key market information emerges? Does the County have any proposal for "checkpoints" at which further financial commitments will be considered, with defined go/no-go conditions?

Don Theiler  
September 13, 2005  
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Based upon the level of questions MWPAAC still has outstanding we cannot support the currently proposed reclaimed water improvement targeted for the Brightwater system without a more formal analysis being performed. Further, it is our understanding that the County will not be able to complete this analysis in a timeframe that meets the current proposed timetable for the Brightwater improvements. That leads to the question of what impacts will result in delaying aspects of the Brightwater project in order to allow for the thorough analysis to be completed to ensure that we as rate payers do not expend capital dollars on improvements that cannot support a return in investment. Another important aspect of MWPAAC's review and concern deals with the ultimate costs of reclaimed water and its impact on the sewer rate. MWPAAC does not support the use of the sewer rate to ultimately fund and cover any costs beyond initial feasibility analysis for reclaimed water. We would like these issues explored further at our next regularly scheduled meeting of the E&P Subcommittee.

Again, thank you for including MWPAAC in these discussions, and we are more than ready to assist the County further as the reclaimed water program is developed.

Sincerely,

A handwritten signature in black ink, appearing to be 'D. Christensen', with a stylized, looping flourish at the end.

David M. Christensen  
Chair

cc: Ron Sims, King County Executive  
Larry Phillips, Chair, King County Council  
Steve Hammond, Chair, Regional Water Quality Committee  
King County Councilmembers  
ATTN: Scott White, Chief of Staff  
Shelly Sutton, Policy Staff Director  
Anne Noris, Clerk of the Council  
Regional Water Quality Committee Members  
Pam Bissonnette, Director, Department of Natural Resources and Parks (DNRP)