

Community Activities

One of the most important missions of a public utility district is to provide education. One of the best ways we at Shoreline Water District are able to do that is through participation in local community events. This summer gave us all sorts of opportunities to do just that:

Events we attended included the NW SolarFest at Shoreline Community College; the Ridgecrest Neighborhood Association Ice Cream Social; the North City Jazz Walk (where we were pleased to host one of the jazz musicians in our brand new Meeting Room); and related Celebrate Shoreline festivities.

Towards the end of summer, we were honored to host our very first Savvy Gardener class, "Fall Fireworks in the Garden," featuring a fun and informative presentation by Susie Egan, owner of Cottage Lake Gardens. To learn more about these free classes, check out the schedule on www.savingwater.org/savvygardener

Last but not least, we were especially pleased to see the District's own "Fix a Leak Week Challenge" highlighted in both the September issue of the Department of Health's Water Tap newsletter, and the "Association of State Drinking Water Administrators" newsletter.

Help Local Families in Need

Shoreline Water District recently partnered with the Center for Human Services (CHS) to become a year-round drop off location for donating food and clothing to local families in need. How can you help? Bring an assortment of the following to our office the next time you're in the area... we'll make sure they get delivered to CHS:

- Non-perishable foods: peanut butter, dry pasta, powdered milk, canned fruits, vegetables and soups
- Childrens' clothing items—size 6 and under
- Diapers

Upcoming Events

Annual Christmas Tree Lighting 2013
Saturday December 7, 2013

Shoreline Water District is once again looking forward to sponsoring the grand Christmas Tree Lighting Event -- a special moment when hundreds of colorful lights in the shape of a giant Christmas tree light up the night on top of our community's 3.7 million gallon reservoir. Festivities will include live music, holiday carols, cookies and candy for the kids, hot coffee for the adults, and the appearance of Santa Claus. We look forward to celebrating with you all!

SHORELINE Water District
Excellence in Water Quality for Over 80 Years

SHORELINE WAVES

Issue 4: October • November • December 2013
A newsletter for water-related issues and info
Serving the communities of Shoreline and Lake Forest Park since 1931

From Our Board...

by Larry Schoonmaker, President

Like all small businesses, operating a water utility requires a myriad of tasks—from the management of day to day operations, and strategic planning for both immediate needs and long term goals, to addressing the financial impacts of every decision we make along the way. Throughout each step, our staff is always looking for ways to coordinate with other local utilities to increase efficiency. Earlier this year, we teamed up with the staff at Ronald Wastewater District on a study that took a closer look at a more coordinated approach to the management of our area's Sewer and Water Utilities. Our goal? To identify what was best for the ratepayer in terms of cost, efficiency, service, and emergency response. The preliminary study report already looks promising, and we hope to begin meeting with representatives from other local utilities later this month to see if they share a similar interest in our findings. Curious? We encourage you to read the article on the inside of this newsletter!



Managing our Area's
Sewer and Water Utilities

What's best for
Our ratepayers?

Michael Derrick, Ronald Wastewater District
Diane Pottinger, PE, Shoreline Water District

Is a 12.7% rate reduction possible?
Read the article inside...



PO Box 55367
Newly returned to: 1519 NE 177th Street
Shoreline, Washington 98155
206.362.8100

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Shoreline Waves Newsletter ~ a publication by Shoreline Water District



What's Best for Our Ratepayers?

Study Investigates Alternative for Managing Local Sewer and Water Utilities

Lately there's been a lot of talk about changing the way our area's utilities are operated (namely water and sewer)—with a focus on shifting the ownership away from special purpose districts to City of Shoreline-owned utilities.

Are these the only two methods for managing local sewer and water utilities? Which method offers the most benefits? Is there an approach that's best for ratepayers?

In the Spring of 2013, Shoreline Water District and Ronald Wastewater District teamed up to investigate those very questions. Below is a summary of what we found:

Four Ways to Operate a Public Utility
Before initiating the study, we had to identify its scope. Utilities can either be operated privately (investor-owned, such as Washington Water Service Co.), or publicly. Public utilities typically fall under four basic operational approaches. We chose to focus our study on Approach #4, as this appeared to present the greatest potential for benefits and cost-savings to our ratepayers:

- **Approach #1:** Special Purpose Districts, such as Shoreline Water District and Ronald Wastewater District
- **Approach #2:** Public Utility Districts, which have more taxing authority and county-wide powers than Special Purpose Districts
- **Approach #3:** City-Owned Utilities, which also have more taxing authority, and can be managed in-house by City staff, or contracted out (like Shoreline's surface water utility) under the additional oversight of City staff
- **Approach #4:** A blend of public utilities which allows multiple existing utilities to voluntarily share resources, equipment, and staff for improved economy of scale, and resulting efficiency / lower rates

Should ratepayers wish to explore the pros and cons of either a Privatized Utility or a Public Utility District, we would be happy to expand the scope of our study.

Four Basic Ratepayer Needs
Once we determined the study scope, we focused on what matters most to the ratepayer, to see if there was a better way to accomplish what we identified as their four basic needs:

1. **Cost:** is there a more cost effective way to manage our area's sewer and water utilities?
2. **Efficiency:** are there efficiencies to be gained by using a combined and/or shared approach?

3. **Service:** is it possible to provide even better service?
4. **Emergency Response:** would another approach improve our emergency response?

Nine Area Utility Providers
We then contacted all nine area utility providers to collect and analyze operations, maintenance, general and administrative expenses. Using these figures, we calculated the operating costs and potential savings resulting from a combined/ shared service utility. The results were as follows:

- **Cost:** makes good financial sense for the public utilities; has the potential to save ratepayers as much as 12.7% in the cost of sewer and water service.
- **Efficiency:** shared staff, assets and equipment has the potential to increase efficiency.
- **Service:** shared staff, assets and equipment can lead to a higher level of service.
- **Emergency Response:** expanded assets and trained staff in place can provide more immediate response

Two Studies with Differing Conclusions
In 2012, the City of Shoreline studied the potential for owning a portion of the water system that serves <60% of the population located primarily on the west side of I-5. Their study focused only on a water utility, and only addressed a portion of Shoreline's water connections.

The result of their study indicated that purchasing SPU's portion west of I-5 would provide maximum efficiency, economies of scale, and "one stop shopping." (Study by EES + CH2M Hill at a cost of \$142,241.)

By contrast, our study addressed **both** water and sewer utilities, for **all** of our area's residents, including Shoreline, Lake Forest Park, Woodway, Edmonds, and unincorporated Snohomish County. (Study by FCS Group + CHS Engineers at a cost of \$88,415.)

The result of our study thus far seems to indicate that there are far **greater** efficiencies to be gained by pursuing a Blended / Shared Service Utility concept.

Summary
If a Blended/Shared Service Utility appears to be better for our ratepayers, if it seems to make sense financially and politically, what are the next steps? View the entire study summary and submit your thoughts at: www.ronaldwastewater.org

New Public/Private Partnership and New Pressure Zone in the Ridgecrest Neighborhood: a win for all

During the update of the 2011 Water System Plan, Shoreline Water District identified eight projects necessary to improve fire flows and water pressures in the Ridgecrest neighborhood.

Given the extent of the work, the District's Board of Commissioners voted to enter into our **first-ever Public/Private Partnership Agreement**, with the goal of reducing overall costs to our ratepayers, and completing the projects in eighteen months rather than over the next ten years. (**Resolution 2012.05.31**)

The Partnership with the landowner of the old Bingo Hall located at the intersection of NE 165th Street and 5th Avenue NE enabled the District to make two water system extensions and create a new Pressure Zone* under a shared cost arrangement, several years ahead of schedule (all associated site improvements were paid by the partner under **Resolution 2012.05.32.**)

Design of the water system improvements was done by Duncanson Company during the summer and fall of 2012, with construction by B & B Utilities and Excavation completed in early 2013.

Shoreline Water District staff worked hard to ensure the project went smoothly— distributing information door hangers, meeting with residents, and installing valves at night to minimize disruption. Construction along 160th and 155th Street was completed prior to the City's road overlay program on 155th Street in July 2013.

The last part of the partnership includes considering an alternative project—providing individual pressure reducing valves at each home on the west side of the Ridgecrest neighborhood, rather than installing these valves in the roadway—because this will provide better pressure control throughout all areas of the Ridgecrest neighborhood.

Public/Private Partnerships Benefit All Ratepayers
Forging a partnership between the District and the landowner was a win-win for everyone: fire flows in the Ridgecrest neighborhood were increased ahead of schedule, and the cost to our ratepayers was significantly reduced.

If you have any questions about this or other projects within Shoreline Water District, please contact Diane Pottinger, PE, District Manager at 206.362.8100.



615 Pressure Zone Expansion West

What is a Pressure Zone?
Water pressure is critical to a water distribution system. Low water pressure may result in an inability to deliver water to customers, while excessive high water pressure may cause premature failure of system facilities including pipelines, pumps and valves. By installing a new pressure zone in the Ridgecrest area, all area residents will enjoy higher water pressures.