

## Deer Creek Water Association P.O. Box 30230 Bellingham, WA 98228

Vaughn Hagen Dave Black Leroy Rohde Darla Norman Paul Jordan

-Vice President -Director -Director -Director

- President

Douglas Wittinger

-Secretary/Treas.

email: dcwa@deercreekwater.org

## **Resolution 21-03**

A Resolution of the Board of Directors of Deer Creek Water Association Adopting a Service Area Policy

Whereas, The Deer Creek Water Association ("DCWA") is a water purveyor in Whatcom County, Washington.

Whereas, DCWA thereby is subject to the Public Water System Coordination Act (Chapter 43.20.260 RCW) as well as the Whatcom County Coordinated Water System Plan ("WCCWSP").

Whereas, the Washington State Department of Health allocates to each Whatcom County water purveyor, including DCWA, an exclusive territory identified as its service area.

Whereas, DCWA has sufficient present system capacity (infrastructure) or available water supply to fully service all properties lying within its exclusive service area.

Whereas, in order to assure compliance with all state and local regulations governing water purveyors, and to orderly and fairly administer the location and extent of DCWA's occupancy of and capacity within its exclusive service area, the Board of DCWA has developed the attached Service Area Policy, consisting of the following:

- Service Area Policy
- Exhibit "A" Service Area Map depicting Retail & Future Service Areas
- Exhibit "B" Map depicting Expansion Corridors

## NOW THEREFORE BE IT RESOLVED:

- 1. The foregoing recitals are ratified, confirmed and adopted herein by this reference.
- 2. The attached Service Area Policy, together with its Exhibit A, is adopted as and for the Service Area Policy of DCWA.
- 3. The documents and instruments referenced in the Service Area Policy, including without limitation Water System Plan, Developer Extension Agreements, applications, easements and Denial of Service Letters, shall be of form and content approved and adopted by the Board of Directors.

ADOPTED by the board of Directors of Deer Creek Watthe and of March, 2022.	ter Association at its regular meeting on
ATTEST:	
I, the undersigned Secretary/Treasurer of the Deer Creek Water Association, a private not-for-profit corporation of Whatcom County, CERTIFY that the preceding document is a true and correct copy of Resolution 21-03 of the DCWA, duly adopted by a majority of the Board of	
Directors at its March 23, 2022 regular meeting	ng.
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Sec	retary/Treasurer

## Service Area Policy (Revised March 23, 2022)

The Deer Creek Water Association ("the Association") is a not-for-profit water supplier providing water service to member properties in Whatcom County. Under Washington law, the Association has a duty to serve and provide water service to new and existing customers within its service area (RCW 43.20.260). The Association's service area is depicted in Exhibit "A" of this Service Area Policy. The Association's service area is located within a Critical Water Supply Service Area. Accordingly, the Association is subject to Washington's Public Water System Coordination Act as well as the Whatcom County Coordinated Water System Plan ("WCCWSP"). The Association has developed this policy and related practices to manage its water system in compliance with the above laws and acts, as well as in compliance with Whatcom County Code ("County Code").

- **A. Duty to Serve.** The Association recognizes that, according to State law, it has a duty to serve and provide potable water service within its retail service area if:
  - 1. Its service can be made available in a timely and reasonable manner;
  - 2. The Association has sufficient water rights to provide the requested service;
  - 3. The Association has sufficient capacity to provide the requested water service in a safe and reliable manner as determined by the State Department of Health; and
  - 4. It is consistent with the requirements of any comprehensive plans or development regulations adopted under chapter 36.70A RCW or any other applicable comprehensive plan, land use plan, or development regulation adopted by a city, town, or county for the service area and, for water service by the water utility of a city or town, with the utility service extension ordinances of the city or town.
  - **B.** Timely & Reasonable Service. The Association follows the WCCWSP to determine whether it can provide retail water service to new customers in a timely and reasonable manner:
    - 1. Timely. Water service is considered timely when:
      - **a.** The Association can provide service within 120 days of receiving all necessary permits to begin installation of required system improvements, if the Association is conducting system installation; or
      - **b.** The Association can provide service within 120 days of the Applicant installing all necessary system improvements, if the Applicant is conducting system installation; or
      - c. As otherwise agreed to between the Applicant and the Association.
    - 2. Reasonable. Water service is considered reasonable if the costs and conditions of service are consistent with the Association's acknowledged standard practice experienced by other applicants requesting or that have requested similar service.
  - **C. New Connections.** For all new connections, the Association shall determine the location of the water main and all related appurtenances.

- 1. **Direct Connection** When the subject property directly abuts an existing Association water main or is allowed by the Association to connect via water meter, it is considered a direct connection.
  - A direct connection to the Association's water system shall be installed by the Applicant within 30 days after the Association receives: (1) a completed application for water service; and (2) all applicable fees and charges according to the Association's rates at the time the application is submitted. The Applicant shall pay all installation costs.
- 2. Non-Direct Connection If a direct connection to an Association water main is not possible due to the location of the Association's nearest water main and the connection requirements of the Association, the Applicant shall construct a water main extension before water service can be provided to the property. The Applicant shall construct the water main extension in accordance with the Association's standards and specifications and Developer Extension Agreement as further detailed in the Association's Water System Plan.
- **D. Water Main Extensions.** It is the Association's policy that the costs for all new water main extensions intended to serve a development, subdivision, multiple lots, or individual property shall be paid by the Applicant. All water main extensions shall be in accordance with the Association's Developer Extension Agreement and the Association's practices.

The Applicant shall pay for all costs associated with the water main extension, including but not limited to surveying, studies, design/engineering, permits, inspection, construction approvals, and the Association's fees and charges. At a minimum, the water main extension shall be extended to the driveway and/or access road serving the property.

The Association retains discretion to require and reimburse the Applicant for certain expenses or costs (e.g., upsizing lines or line extensions) that the Association requires as part of the water main extension which are of benefit to the Association.

- E. Expansion Corridors. The Association has identified certain areas within its Retail Service Area within which the expansion of the Association's water mains would be beneficial to the Association, its members, and the community. The Association has identified these areas as "Expansion Corridors." Expansion Corridors located within public right-of-ways are represented on Exhibit "B" with orange lines. Expansion Corridors located outside of public right-of-ways are approximate locations and are also represented on Exhibit "B" with orange lines. It is within the Association's sole discretion to modify the identified Expansion Corridors.
  - 1. New Connections within Expansion Corridors. For all new connections for properties abutting or located perpendicular to an Expansion Corridor, the Association shall determine the location of the water main and all related appurtenances. The following applies to all new water main extensions located within an Expansion Corridor:
    - **a.** When the subject property directly abuts an Expansion Corridor located in a public right-of-way, the Applicant shall extend the nearest water main to the access road/driveway serving the subject property;
    - **b.** When the subject property does not directly abut an Expansion Corridor located in a public right-of-way, the Applicant shall extend the nearest water main to

- the access road serving the subject property, and then to the driveway serving the subject property;
- c. For water main extensions located within an Expansion Corridor, and subject to the below exceptions, the Applicant shall be responsible for \$15,000.00 of the actual construction costs of the water main extension per property requesting water service. The Association shall be responsible for the remainder of the construction costs. The Applicant shall be responsible for all construction and related costs as they become due. The Association shall reimburse the Applicant when the water main extension is accepted by the Association's Board of Directors. For purposes of this section, construction costs means those moneys paid to an underground utility contractor to purchase and install materials, test, and make operational the water main improvements proposed. Construction costs do not include the cost to install the water service line;
- d. The Association shall determine the size of the water main to be extended;
- e. The Applicant shall be fully responsible for all planning, engineering, surveying, and related costs associated with the water main extension;
- **f.** The Applicant shall provide the Association with an easement using the Association's form for each property receiving or requiring water service;
- **g.** The Applicant shall pay the Association's Membership Fee for each property being connected or requiring water service;
- **h.** All water main extensions shall be in accordance with the Association's Developer Extension Agreement and the Association's practices.

After reviewing the Applicant's construction estimates based on approved plans, the Association will provide its cost-sharing responsibilities. The Association will then itemize those cost-sharing responsibilities in the Association's Developer Extension Agreement with the Applicant. The total construction cost for the water main extension must be approved and accepted by the Association prior to the commencement of the extension. Construction costs shall not exceed the average construction costs experienced by the Association for prior, similarly constructed water main extensions within the Association's retail service area.

If an Applicant owns, represents, or partially owns more than one property along an Expansion Corridor, but only seeks water service for one property and constructs a water main to serve that one property; should any of the other properties of the Applicant connect to said water main within a five (5) year period, the additional connecting properties shall pay the Association \$15,000.00 each, in addition to paying the Association's Membership Fee.

The Membership Fee(s) shall be paid when the Applicant requires the completed Whatcom County Water Availability form.

**2. Ineligible Connections within Expansion Corridors.** The following water main extensions located within Expansion Corridors are ineligible for the Association's participation:

- a. Water main extensions needed to supply fire flow or supply fire sprinklers;
- **b.** Water main extensions within a subdivision which do not have the potential for future extension to unserved properties, within the sole discretion of the Association.
- **F. Infill Areas.** The Association retains discretion to participate in the cost of extending a water main in Infill Areas within its Retail Service Area. Properties which are accessed from a road containing an Association water main may be considered by the Association to be located in an Infill Area if:
  - 1. The subject property is not within an Expansion Corridor;
  - 2. There are a limited number of properties which may require water service located adjacent to the subject property and situated along the same access road;
  - 3. The Association has not yet identified a need for a future Association loop near the location of the subject property;
  - 4. There is limited need for a larger water pipe to serve future properties in the area; and
  - 5. Fire Flow is not required by the Fire Marshal

It is within the Association's sole discretion to determine whether the subject property is located in an Infill Area. It is further within the Association's sole discretion to determine the amount and method of participation in Infill Areas.

- G. Denial of Service Letters. The Association recognizes the cost burden associated with certain water main extensions. As an exception to the general policy that an Applicant shall pay the costs associated with all new water main extensions, the Association will provide an Applicant with a "Denial of Service Letter", allowing an Applicant to develop its own water system pursuant to state and County Code, under the following circumstances:
  - 1. The subject property is an individual property and not a portion of a larger development, either now or in the future; and
  - 2. The subject property is not subdividable; and
  - **3.** The subject property owner provides the Association with an easement on the Association's easement form; and
  - 4. The subject property owner enters into a Special Agreement with the Association. Among other things, the Special Agreement: waives the water main extension requirement; retains the subject property within the DCWA service area; and provides notice that the Association may not have sufficient water capacity in the future should the subject property encounter issues with its source of water; and
  - 5. The subject property is within the legal boundary of another Group "A" or "B" water system and that system has the capacity and shares to serve said property; and

6. The subject property is not located along an Expansion Corridor, or if the subject property is located along an Expansion Corridor, the subject property is more than 330 feet (as measured from the end of the water main that would be extended) along said Expansion Corridor.

As noted above, this exception applies only to individual properties. It does not apply to Applicants of multiple lots or subdividable lots.

It shall be in the Association's sole discretion to determine if the subject property meets the qualifications for a Denial of Service Letter.

The Association recognizes that there may be extenuating circumstances where a Denial of Service Letter is appropriate. Extenuating circumstances may include, but are not limited by, land topography, the type of development (such as an Accessory Dwelling Unit), and the Association's financial position to assist with project construction at the time of application for a Denial of Service Letter. It is within the sole discretion of the Association to provide a Denial of Service Letter in such extenuating circumstances on a case-by-case basis and in accordance with its policies and practices.

- **H. Existing Wells.** In addition to the above Denial of Service Letter provision under Part "G", above, and within its Retail Service Area, the Association will provide an Applicant with a Denial of Service Letter for the identified property under the following circumstances:
  - 1. If the Applicant's property had a well in existence during a time period within which the Association did not have available water shares for new connections; and
  - 2. The well was installed for the sole purpose of serving the subject property as a new legal tax parcel; and
  - 3. The well is for domestic service only and is characterized as such on Washington Department of Ecology applications and well certificates; and
  - **4.** The Association previously issued a Denial of Service Letter for the short plat process that created the subject property; and
  - **5.** The well shall not serve more than one (1) property, except that the well may serve one (1) property and an accessory dwelling unit; and
  - **6.** The subject property is not located along an Expansion Corridor.

It shall be in the Association's sole discretion to determine if each of the foregoing circumstances have been adequately determined.

The Association recognizes that there may be extenuating circumstances where a Denial of Service Letter is appropriate. Extenuating circumstances may include, but are not limited by, land topography, the type of development (such as an Accessory Dwelling Unit), and the Association's financial position to assist with project construction at the time of application for a Denial of Service Letter. It is within the sole discretion of the Association to provide a Denial of Service Letter in such extenuating circumstances on a case-by-case basis and in accordance with its policies and practices.



