

# WASWD Present and Future

Our ongoing mission is to advance the work of sewer and water districts through education, advocacy, and collaboration

Special Purpose Sewer and/or Water Districts serve roughly 20% of our state, operating in 34 of Washington's 39 Counties. WASWD represents every district in its advocacy work—regardless of size or geographic location.

Our longstanding commitment to Special Purpose Districts continues to provide a wealth of benefits in the form of education, collaboration, and advocacy. Our strength lies in the combined expertise and involvement of our members—enabling Special Purpose Districts to remain at the forefront of the industry, while ensuring effective operations, appropriate representation in regulatory and legislative issues, and enhanced access to funding opportunities.

## Positioning for a Sustainable Future

WASWD is continually identifying ways to make our organization more beneficial and sustainable for our members in the long term, as evidenced by the following efforts taken in 2022:

- WASWD has consistently received positive reports on audits conducted by outside auditors every few years. In 2022, we established an **internal Audit Committee** comprised of 7 members to conduct a financial review required by WASWD policy to ensure both external and internal financial accountability and transparency. The Committee reviewed 2020-2021 financial statements, as well as standard procedures and controls in three areas: salaries and wages, vendor payments, and dues receipts. They found no areas of material concern.
- We added a new full-time **Operations Assistant** to enhance support in the areas of member programs, services, committees, educational activities, and the implementation of the new AMS and website.
- Our Board approved the **2022-2024 Strategic Plan**, incorporating new and renewed strategies to respond to current challenges and opportunities, and to increase WASWD's value to its members. Specific goals included facilitating a sustainable and high caliber future workforce and district governance, increasing availability and access to our Scholarship Fund, and expanding our Retrospective Rating Program.
- We proudly launched a **new website and Association Management System (AMS)** that offers members easier access to a broader range of resources, along with enhanced automation for event registrations.



## WASWD Members

<b>Special Purpose Districts</b> .....	<b>107</b>
– Water and Sewer.....	25
– Water only .....	56
– Sewer only .....	26
<b>Associate Members</b> .....	<b>102</b>
– Engineering .....	20
– Legal.....	12
– Suppliers/Contractors .....	20
– Utility Providers .....	16
– Other .....	34
<b>Retro Program Members</b> .....	<b>52</b>



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**Executive Director**  
Judi Gladstone

### Current Board Members

Tom Agnew  
Bob Fulton  
Curt Brees  
Chuck Clarke  
Denny Kiggins  
Dan Lorentzen  
Gary Barton  
Sam Amira  
Jeff Clarke  
Rebecca Cayen  
Cynthia Lamothe  
Craig Christensen  
Suzi O'Byrne  
Shane Young  
Eli Zehner

### Staff

Twila Fluaitte  
Tamara Eyler  
Jared Fankhauser

Photo of Washington State Legislature  
courtesy of The Office of Gov. Jay Inslee

# 2022 Annual Report

Navigating in the third year of the pandemic brought new challenges and opportunities. The constant theme: renewing connections while simultaneously capitalizing on new ways of doing business through technology. While increasing our in-person connections meant relearning how to flex a muscle that hadn't been used in two years, leveraging technology presented opportunities to maintain even higher participation by WASWD members from all parts of the state. WASWD capitalized on this expanded collaboration to identify new ways of providing value to members, strengthen existing programs, and enhance our mission of lifting up the entire water and sewer district community.

## Key Highlights from 2022

### Education

2022 celebrated the launch of our new, robust website and Association Management System (AMS), offering members ready access to a variety of helpful information. In addition to regularly scheduled presentations at the Emergency Preparedness, Technology, and Small Districts committee meetings, and educational events at our two conferences, we offered two co-sponsored information-packed webinars, and ongoing access to the Municipal Research Service Center (MRSC) for free legal and financial advice.

### Advocacy

WASWD's involvement at the state and federal level resulted in nearly \$14 million in arrearages funding for direct distribution by utilities to customers; measures to hold the Ecology accountable for decreasing the backlog of Wastewater Treatment Plant Discharge Permits; safer permitting parameters for groundwater drinking water sources in the vicinity of Underground Injection Control Wells; and initial research, discussions, and strategy around the issues of increasing city utility taxes.

### Collaboration

After three years of pandemic restrictions, collaboration reached a new level in 2022 for in-person and hybrid meetings and events. District Administrative Managers met for the first time and shared individual methods for handling the ripple effects of the pandemic, among other topics. Its overwhelming success prompted our Board to establish a new Administrators Committee for ongoing collaboration.





## 2022 Legislative and Regulatory Accomplishments

**WASWD remains actively involved at the State and Federal level on policies that benefit Special Purpose Districts and their customers**

### State Legislative Influence

WASWD member interests were successfully voiced at the state legislature to inform, safeguard, and enhance the operation and governance of Special Purpose Water and Sewer Districts:

**Arrearages:** Many hours were committed to secure funding to alleviate arrearages accrued by customers during the pandemic. In collaboration with utility allies, funds were approved by the legislature for utilities to distribute to customers before the end of 2022. About \$500,000 of those funds benefited customers in member districts.

### Wastewater Treatment Plant Discharge

**Permits:** With an Ecology backlog of these permits at an all time high, Ecology pursued a bill to eliminate the cap on permit fees for public facilities, which had wide support by legislators. WASWD worked closely with Ecology to ensure the bill included accountability to the legislature for decreasing the backlog, and established an advisory group to ensure Districts had a voice in how new fees would be set.

### National Special Districts Coalition

**(NSDC):** WASWD joined the NSDC in a roundtable discussion at the federal level with Representative DelBene to explain the role of Special Purpose Districts, and ways Congress can help support affordable drinking water and sanitary sewer services for her constituents.

**City Utility Taxes:** WASWD began discussions to address the growing number of cities imposing utility taxes to offset funding shortfalls for municipal services. While utility taxes impinge on Districts' capacity to fund needed infrastructure improvements, any effort to reduce that impact must be done strategically given the importance of balancing relationships with cities. Research and discussions on this issue are continuing into 2023.

### Federal Regulatory Influence

#### Underground Injection Control (UIC)

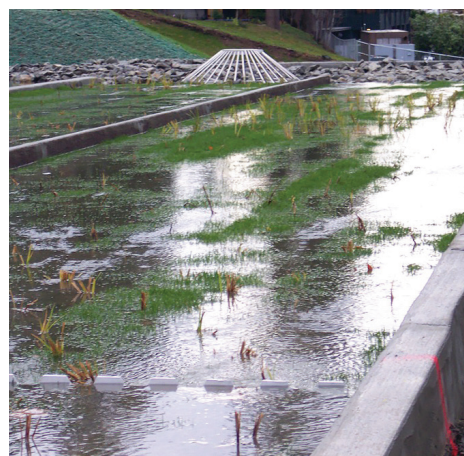
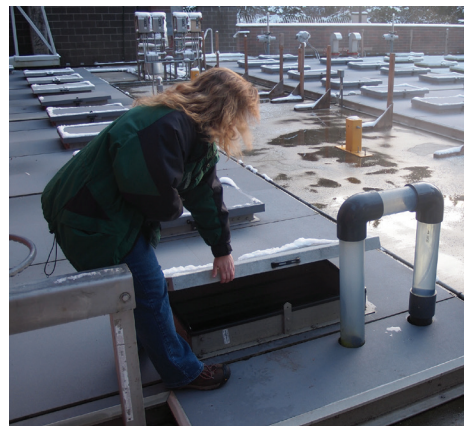
**Wells:** Following settlement of the appeal of the NW stormwater permit for inadequate protection of groundwater sources from risks posed by deep UIC wells, WASWD embarked on a process with the Department of Ecology to address the weaknesses of the permit in protecting groundwater drinking water sources. By involving both WASWD's regulatory liaison and the state Department of Health, we were able to identify safer permitting parameters in the vicinity of groundwater drinking water sources, and elevate how they are considered in the stormwater permitting arena.

### Legal Action

**Prevailing Wages:** The legal challenge continued into 2022. Not able to directly appeal a ruling in favor of the state, WASWD facilitated Districts' financial participation in supporting the appeal by the company that received the notice of violation.



*Outstanding Legislator Award given to Marco Liias*



## Retrospective Rating Program Accomplishments

**WASWD's "Retro" program continues to give members an excellent opportunity to get cash back on state L&I premiums**

Qualified members minimize industrial insurance losses with an annual refund when total claims costs for pool members are less than the L&I premiums paid. Highlights of 2022 included:

- Saw the largest-ever refund at \$1.12 million
- Added two new members (total 52)
- Several Districts reported returns that surpassed the cost of their annual dues.
- The Retro Committee began consideration of improvements that will enhance the strength of the program and add new types of members.

## Educational Opportunities

**WASWD's comprehensive member benefits include a range of information and support**

- WASWD collaborated with the Washington **Public Utility District Association** on an Environmental Justice Webinar that informed members about the 2021 Healthy Environment for All (HEAL) Act and its impacts on water and sewer districts.
- Associate Member Water Sewer Risk Management Pool provided a **Cybersecurity Webinar** detailing the risks and proactive measures to help Districts secure technology operations.
- The **Municipal Research Service Center (MRSC)** responded to 105 legal and financial questions from 43 districts—ranging from prevailing wage requirements on a public works project, to district responsibility for customer pipelines in the ROW.
- In-person **Commissioners Workshop**, and **Spring and Fall Conferences** provided ample education and networking opportunities and received exceptional feedback.

## Collaboration & Networking

**As a member organization, personal connections are our mainstay—whether in-person or online**

- **Monthly Section Meetings:** in person and hybrid
- **Two Conferences:** both Spring and Fall conferences had sold-out exhibitor booths
- **Monthly Small Districts Roundtables:** online discussions of issues that impact small districts
- **Quarterly District Manager Meetings:** managers across the state learned from one another using focused online breakout rooms.
- **Two Semi-Annual Online Attorney Meetings:** attorneys dedicated their time to exchanging information on current legal issues while saving valuable time by avoiding the need to travel.
- **New District Administrative Managers meeting:** over 20 district staff shared valuable information about how they approach key operational issues, including COLA in the face of inflation, employees working remotely, ADUs, and more. The success of this first meeting prompted WASWD's Board to establish a new Administrators Committee, which begins meeting regularly in 2023 to provide support and networking opportunities for this important sector of District staff.

## Financial Accomplishments

**WASWD consistently maintains a proactive, conservative approach to finances and expenses.**

- Our Internal Audit Committee found no areas of material concern (as detailed on the back page).
- Our new location's significantly lower lease helped offset the cost of a new staff member.
- Sponsors of our annual conferences and *In The News*, along with advertising in the Pipeline and the WASWD directory, provided roughly \$45,000 in financial support, helping keep member dues lower while allowing Associate Members to raise awareness of their services.
- Our new 2022 Strategic Plan included recommendations for exploring additional sources of revenue in 2023.