

WEST SOUND UTILITY DISTRICT

Board of Commissioners
Regular Board Meeting

May 17, 2023
1:00 PM

Please direct your smart device or computer to www.wsud.us/meetings for information on virtual attendance.

AGENDA

PUBLIC COMMENTS

CONSENT AGENDA

1. Approval of the Regular Board Meeting Minutes of May 3, 2023
2. Approval of Vouchers WSUD #31375 through #31414 in the amount of \$104,618.88
3. Approval of Vouchers SKWRF #17458 through #17474 in the amount of \$64,092.83
4. May Payroll in the Amount of \$208,994.39

BOARD DISCUSSION/ACTION ITEM

1. Second Reading, Resolution 1078-23, Retrospective Rating Agreement
2. Resolution 1081-23, Amending Title 3 of the Administrative Code
3. Resolution 1082-23, Amending Title 9 of the Administrative Code
4. Resolution 1083-23, Change in Position, WSUD Employee

STAFF REPORTS

1. Plant Manager
2. Operations Manager
3. Finance Manager
4. General Manager

COMMISSIONERS' REPORTS

EXECUTIVE SESSION

Executive Sessions may be scheduled or announced for discussions per RCW 42.30.110.

FUTURE MEETINGS

- | | |
|---------|--------------------------------------|
| June 7 | Regular Board Meeting |
| June 21 | Regular Board Meeting |
| June 21 | Sewer Advisory Committee (Venue TBD) |

Executive Sessions may be scheduled as needed for personnel, legal and other similar matters.

The Board may add and take action on other items not listed on the agenda

WEST SOUND UTILITY DISTRICT
Minutes of Meeting of the Board of Commissioners
2924 SE Lund Avenue, Port Orchard, WA 98366
Wednesday, May 3, 2023, at 1:00 p.m.

Chairperson: Susan Way (Virtual)
Vice Chairperson: James J. Hart
Commissioner: Jerry Lundberg

Attending: Randy Screws, General Manager
John Tapia, Operation Manager
Marty Grabill, Plant Manager
Joy Ramsdell, Finance Manager
Amber Brooks, Accounting/Office Assistant

The meeting was called to order by Commissioner Hart at 1:00 p.m.

PUBLIC COMMENTS

CONSENT AGENDA

1. Approval of the Regular Board Meeting Minutes of April 19, 2023
2. Approval of Vouchers WSUD #31350 through #31374 in the amount of \$49,298.64
3. Approval of Vouchers SKWRF #17435 through #17457 in the amount of \$24,704.73

Commissioner Hart moved to approve the items in the Consent Agenda. The motion was seconded by Commissioner Lundberg; the motion was approved 3-0.

BOARD DISCUSSION/ACTION ITEM

Discussion, Fish Barriers Project, Highway 160/SE Mile Hill Drive

Commissioners agree with Randy Screws and his decision with this project.

Discussion, Accessory Dwelling Units

Commissioners said that they agree with this and what is fair.

Discussion, Fire Line/Fire Suppression

There will be more information to come.

Resolution 1078-23, First Reading, Retrospective Rating Agreement

Passed 3-0

Resolution 1079-23, SKWRF Load Bank Replacement

Passed 3-0

STAFF REPORTS

PLANT MANAGER'S REPORT

Plant Manager Marty Grabill reported:

- Testing and monitoring as required by the NPDES Permits. Currently 2 months behind on nutrient sample reporting requirements due to outside laboratory issues.
- Primary skimmers are on order, delivery date updated to end of May. To be installed by SKWRF staff.
- Generator load bank replacement is hopefully in progress.
- MBR Blower replacement order placed.
- Currently looking at different preventative maintenance software for the treatment plant. Our current provider was bought out and has increased the annual renewal after this year.
- Working on NPDES Permit renewal.

PSE Conservation Grant Agreement (2021-2023)

- Continuous work with PSE on Conservation Grant Agreement.
- Currently working on grant funding potential for the RDT.

Rotary Drum Thickener-ESCO (2022)

- Trane is on-site today for some electrical work.
- The thickener delivery date was last week.
- Job Shack will be on site May 8th.
- Mobilization is set to begin on May 12th.
- Closeout is set for July 1st, with full completion by the end of August.

Nutrient General Permit (2022)

- Currently attempting to get testing approved in-house. There are a couple of steps left in the process on our end before submitting to Ecology.
- Grant funding is active.
- Continual optimization trials with the process, some good, most are bad with long recovery times.

OPERATION MANAGER'S REPORT

Operations Manager John Tapia reported:

CIP - South Park Main Replacement

- Locate and survey completed for the site.
- WSE is working on the recommended easement.

Powell Booster Station Engineering

- 100% of the plans are completed.

Fircrest/Mile Hill Main Replacement

- 2" galvanized to be replaced.
- Possible development going in.

Olney Sewer Replacement

- An engineering contract has been signed with WSE.
- Project design has started with the location being complete.
- Going through project options with WSE.

Crew

- St. Vincent DePaul project: City contacted about the permit. Reached out to Caseco for time update. Not enough workers lately.
- Commercial Water meter replacements continue.
- Residential water meter replacements continue.
- Vac-con ordered should be here at the end of June.
- The TV van will be done May 15th.
- Dale has finished his CDL school.
- Working on having all sewer rounds on tablets.
- New pumps are installed in Villa Carmel. Second startup done today.
- WSDOT Franchise permit is moving forward.
- Spring cleaning at sites and facility continues.
- Leak detection is scheduled for July.
- Sending out for tank cleaning to Inland and Liquivision.

Water Production: Through April

- 2022- 161,349,000 gal.
- 2023- 151,990,000 gal.
- 1.27 million per day average
- Difference- 9,359,000 gallons less.

Rain Gauge:

- 2022- 24.15"
- 2023- 18.07"
- Difference- 6.08" LESS than last year

FINANCE MANAGER'S REPORT

Finance Manager Joy Ramsdell reported:

- Consumption for April was 34 million gallons, a 2% increase compared to April 2022. Sewer revenue was \$438K, 8% up. Water revenue \$332K, 12% up, no addition on connection.
- Processed 23 final bills. There were 1,924 accounts paid online and 1,652 accounts on autopay.
- Terminated the outsourcing contract for escrow utility estimation, which we had used their service since 2014. Customer Service developed a new procedure and forms and prepared carefully. Starting May, this task was brought back in house. It will improve efficiency and save over \$5,000 a year.
- Financial staff update annual risk pool asset with department's help.
- Need to Complete WASWD survey for next year membership fee.
- The plants annual report draft is done and Randy's reviewing. Continue working on the districts.

GENERAL MANAGER'S REPORT

General Manager Randy Screws reported:

RETRO:

In 2022, the Retro Committee decided it would be beneficial for the Retro program and WASWD to try to grow the program by expanding the membership to other types of organizations. In addition, the Third-Party Administrator identified some changes to the program to improve performance of the group.

Over the course of the year, several provisions of the Retro Agreement were modified. These include adding flexibility for the timing of refunds, light duty and kept on salary requirements, performance-based refunds, membership requirements for receiving refunds, criteria for continuing or disqualification from the program, committee composition, and allowable new members. The WASWD Board approved the revised Agreement and Rules at a special meeting on April 14, 2023.

Report:

- Staff are continuing to assess and procure a carport-type area for vehicles to protect the district vehicles currently in the open.
- Staff continue working on the re-establishment of a franchise agreement with WSDOT for water utilities.
- The Well 22 project RFP has been posted.
- Preparing for the PWB application process for the water utility. Training session will occur next week.
- The surplus 2010 Ford Escape is being purchased by Belfair Water District at the full and fair value of \$5,000.

- Continuing to work on viability of gravity sewer from the Annapolis lift station to eliminate the overflow connection to the City’s sewer system.
- Staff are working with our contracted engineering firm for the Water System Plan to stay in constant contact with DOH to move the plan along as quickly as possible. This is requested so the district can apply for Public Works Board (PWB) loans as identified as part of the water utility 20-year capital plan. PWBV applications are due by July 7, 2023.
- No Executive Session is requested.

COMMISSIONERS’ REPORTS

Nothing to report.

EXECUTIVE SESSION

None requested.

ADJOURN

Commissioner Hart moved to adjourn the meeting at 2:48 p.m. Motion was seconded by Commissioner Lundberg; the motion was approved 3-0.

Susan Way
Chairperson

James Jay Hart
Vice-Chairperson

Jerry Lundberg
Secretary

**WEST SOUND UTILITY DISTRICT
RESOLUTION 1078-23**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
APPROVING A REVISED
RETROSPECTIVE RATING AGREEMENT
WITH THE WASHINGTON ASSOCIATION OF
SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualified for the retrospective rating plan and is a member of the WASWD retrospective rating group; and

WHEREAS, an agreement setting forth the respective duties and rights with regard to the retrospective rating plan was entered into by WASWD and WSUD on June 16, 2014, Resolution 503-14; and

WHEREAS, WSUD on January 8, 2018, Resolution 694-17 adopted a revised agreement whereby WASWD updated the retrospective rating agreements by aligning retrospective rating group rules with the new agreements; and

WHEREAS, WASWD selected a new Third Party Administrator (Archbright) which provided for an expansion of employer services and the District determined to continue with the Retrospective Rating Program by Resolution 877-20 on May 4, 2020; and

WHEREAS, The WASWD Board had determined by a vote of its members on April 14, 2023 that it would be beneficial to participants to expand membership to other types of organizations and to amend the program agreement and rules to improve performance of the group (Exhibit "A"); and

WHEREAS, the District desires to continue with the Retrospective Rating Program participation which requires a new agreement between WSUD and WASWD;
NOW THEREFORE,

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

Section 1. The District’s continued participation in the Retrospective Rating Program is approved. The Board further authorizes the General Manager to sign the amended Retrospective Rating Program Agreement (Exhibit “B”) with WASWD.

Section 2. The Board hereby approves repeal of prior Resolutions (Exhibit “C”) addressing the Retrospective Rating Program identified as Resolution 503-14 dated June 16, 2014, Resolution 694-17 dated January 8, 2018, and Resolution 877-20 dated May 4, 2020.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Board meeting scheduled May 17, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary



RETROSPECTIVE RATING PLAN AGREEMENT DRAFT REVISIONS MARCH 2023

THIS AGREEMENT is made by and between the WASHINGTON STATE ASSOCIATION OF SEWER & WATER DISTRICTS, a Washington nonprofit corporation (“WASWD”) and _____, a Washington _____ (“Member”).

RECITALS

- A. WASWD is a retrospective rating group sponsoring entity under Chapter 51.18 RCW and has entered into a retrospective rating group agreement with the Department of Labor and Industries (“Department”).
- ~~B. WASWD General Members and Associate Members that provide sewer and/or water services, as defined by the WASWD Bylaws, are eligible members of WASWD’s retrospective rating group (“group”). The Member is an eligible member of the group.~~
- C.B. The Member is an employer that qualifies for the retrospective rating plan under Chapter 51.18 RCW and its implementing regulations, ~~and~~ has been approved by the Department to be a participant in the plan, and has been approved for membership by the WASWD Board.
- D.C. WASWD enrolls in a plan each year to enhance the safety of all members, and to maximize refunds while minimizing potential liability to WASWD group members. The coverage period for each plan year is July 1 through June 30 (“coverage period”).
- E.D. The Member desires to participate in WASWD’s group. WASWD and the Member desire to enter into this Agreement to state their respective duties and rights with regard to the retrospective rating plan.

AGREEMENT

The parties agree as follows:

- 1. Plan administration.
 - 1.1 WASWD shall provide for administration of the retrospective rating plan (“plan”) through either a Third Party Administrator (TPA) or WASWD employees, at the discretion of WASWD.
 - 1.2 The Member shall cooperate with the Department of Labor & Industries, TPA staff members or their representatives, and any others authorized by the Committee to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.
 - ~~1.3 The Member agrees to report all industrial injuries/illnesses to TPA within 24 hours of knowledge or notification.~~
 - ~~1.4 The Member will allow TPA staff members or their representatives to perform safety and health inspections for review of the safety procedures~~

~~and practices, frequency and severity of illnesses and accidents, etc., of member, and to follow all reasonable recommendations that result from those safety and health inspections.~~

2. Payment for plan administration. For plan administration during a coverage period, the Member shall pay five percent (5%) of its Department composite premium for the four quarters immediately preceding the coverage period. Within the first 2 months of a coverage period, WASWD shall send to the Member an invoice for the administration payment, which shall be due within 60 days of the date of the invoice.

3. Group refunds and additional assessments.

3.1 Approximately 10 months after a coverage period, and twice annually thereafter, the Department will evaluate the group's losses for the coverage period, and will notify WASWD of a group refund or additional assessment for the coverage period. The Member is encouraged to track its own positive loss ratio reports, which are prepared by the Department. WASWD may protest or appeal the evaluation decision within ~~30~~ 60 days of the date of the notice. ~~Within 3 business days of receiving the Department notice, WASWD shall give a copy of the notice to the Member and shall request the Retrospective Rating Committee to convene a meeting for the purpose of making a recommendation on whether or not to file a protest or appeal.~~ The Committee shall hold ~~the a~~ a meeting at least 7 business days before the deadline for filing a protest or appeal, and submit its recommendation, together with analysis and documentation, to WASWD at least 5 business days before the deadline for filing a protest or appeal. The WASWD Executive Director shall determine whether to file a protest or appeal based on the best interests of WASWD.

3.2 If a protest or appeal of an evaluation decision is filed, the Member shall be responsible for its prorated share of the costs of the protest or appeal, including attorneys' fees and interest, based upon the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.

3.3 The Member and WASWD agree that the timing and total amount of refund issued by the Department will be distributed at
~~distribution of all or any part of the refunds will be within the discretion of the WASWD Retro Committee., and such~~

~~dDistributions will be based on the following criteriadone as follows:~~

~~— Premium returns will be distributed only to members who, at the time of the distribution, are in good standing with WASWD, and who have complied with all terms of this Agreement.~~

~~— All distributions will be made to the member under the Department's account number, and the member must~~

~~maintain a relationship with WASWD under such account number during the term of this Agreement including all Adjustment Periods.~~

~~If a member leaves active participation in the Retro program, in order to maintain rights to future refunds they will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund member may have earned. In the event of an assessment during the three year adjustment period following departure from the Retro program, the member shall be responsible for some portion of the assessment, as determined by the committee.~~

~~Member authorizes the WASWD Retro Committee to withhold from any premium refund distribution to the member, and to pay to WASWD any and all amounts due and payable from member to WASWD including any assessments for failure to comply with the rules contained in this agreement.~~

~~3.3.3.1 The timing and amount of program distributions will be based on the WASWD Retro Committee's evaluation of potential future retrospective adjustments for the Plan Year and the objective to return as much as possible of the retrospective premium return. Refunds not returned in a given year will be held in the Retro bank account to be distributed as early as is practical.~~

~~3.3.1 The timing and amount of distributions to each Member will be determined in accordance with a formula established by the Committee based on the following:~~

~~3.3.1.1 Each Member's percentage of the Plan's total Standard Premium for the Plan Year,~~

~~3.3.1.2 Each Member's individual loss record for the Plan Year, and~~

~~3.3.1.3 Each Member's compliance with programs designed to maximize the Plan's returns, and~~

~~3.3.1.4 Compliance with the terms of this Agreement.~~

3.3.1.5 The Committee will determine the relative weight given each of these factors.

3.4 Distributions will be done as follows:

3.4.1 Premium returns will be distributed Distributions are made only to members who, at the time of the distribution, are in good standing with WASWD, and who have complied with all terms of this Agreement.

3.4.2 All distributions will be made to the member under the Department's account number, including subaccounts, and the member must maintain a relationship with WASWD under such account number during the term of this Agreement including all Adjustment Periods.

~~If a member leaves active participation in the Retro program, In order to maintain rights to future refunds if a member leaves active participation in the Retro program they will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund member may have earned. In the event of an assessment during the member's participation in a plan year, the member shall be responsible for their portion of the assessment, pursuant to the terms of this Agreement.~~

3.4.3 Member authorizes the WASWD Retro Committee to withhold from any premium refund distribution to the member, and to pay to WASWD any and all amounts due and payable from member to WASWD including any assessments for failure to comply with the rules contained in this agreement.

3.5 Whenever there is enough return to do so, all participants will receive an amount equal to the service fee they paid to participate.

3.6 WASWD reserves the right to withhold from the Member refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.

3.7 WASWD reserves the right to withhold from the Member refund or net refund any debt owed by the Member to the Department that the Department has withheld from the group refund.

3.8 WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.

~~3.4 The refund for the Member for a coverage period shall be the group refund for that year, multiplied by the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.~~

~~3.53.9~~ The additional assessment for the Member for a coverage period shall be the group additional assessment for that year, multiplied by the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.

~~3.6~~ Where WASWD receives refunds and additional assessments for multiple coverage periods, it shall add together the refunds and additional assessments for those coverage periods. If the sum of the refunds and additional assessments results in a net refund to the Member, WASWD shall pay the net refund to the Member. If the sum of the refunds and additional assessments results in a net additional assessment owing by the Member, the Member shall pay the net additional assessment to WASWD.

~~3.73.10~~ WASWD shall ~~pay a~~ distribute refunds as soon as is practical. ~~or net refund to the Member within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last.~~ WASWD shall send an invoice for an additional assessment or net additional assessment, together with the costs of the protest or appeal if any, to the Member within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last. The Member shall pay the invoice within 45 days of receipt. Delinquent invoices shall accrue interest at the rate of 12 percent per year.

~~3.83.3~~ WASWD reserves the right to withhold from the Member refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.

~~3.93.3~~ WASWD reserves the right to withhold from the Member refund or net refund any debt owed by the Member to the Department that the Department has withheld from the group refund.

~~3.103.3~~ WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.

4 Selection of additional members. The Member acknowledges that the Retrospective Rating Committee may admit to the group ~~a WASWD General Member or Associate Member that provides sewer and/or water services, as defined by the WASWD Bylaws ("Member")~~, members of any kind which satisfies the requirements of Chapter 51.18 RCW and Chapter 296-17B WAC, and their amendments, and any rules adopted by the Retrospective Rating Committee. WASWD reserves the right to enter into an agreement with such qualified Member that is materially and substantially similar to this Agreement.

5 Other Responsibilities of Member:

5.1 Member agrees to be bound by all rules and regulations governing Group Retrospective Rating Plans in the State of Washington, and by all Committee decisions and actions.

5.2 Member agrees to develop and maintain the following programs to facilitate the return of injured employees to the workplace:

- 5.2.1 To develop and maintain a formal transitional light duty return to work program as required by the Committee in order to facilitate the early and timely return of injured employees to the workplace. Member agrees to provide light duty for at least 150 days from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, unless the Worker is able to return to job of injury sooner. Member understands and acknowledges that transitional light duty programs are a primary means and the expected responsibility of Member to assist with managing its workers' compensation claims effectively.
- 5.2.2 To adopt and maintain a formal KOS Program in order to create a back-up procedure to Member's transitional light duty programs.
- 5.2.3 In the event Member fails or decides not to engage in transitional light duty programs to facilitate returning an injured employee to work, Member agrees to maintain the individual on full wages and benefits for up to one hundred and fifty (150) days through a KOS Program. The 150-day KOS period will begin from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, upon verification by the TPA staff that Member has failed or decided not to return the individual to work under its light duty programs.
- 5.2.4 Failure to implement or utilize transitional light duty programs, and/or a KOS Program, will be considered material noncompliance by the member and may result in additional assessments against member, reduced individual premium return distributions, and/or required returns of previously distributed premium refunds, invoiced fees if the individual return is non-existent or insufficient and/or denying participation in subsequent plan years, as determined by WASWD Retro Committee.
- 5.3 The Member will allow TPA staff members or their representatives to perform safety and health inspections for review of the safety procedures and practices, frequency and severity of illnesses and accidents, etc., of member, and to follow all ~~reasonable~~ recommendations that result from those safety and health inspections.
- 5.4 ~~To~~ The member will cooperate fully with the Department, TPA staff members or their representatives, and any others authorized by the Committee to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.

~~5.5 To abide by WASWD Retro Committee decisions for claim management~~ The member agrees that decisions regarding all aspects of claims management including but not limited to claim allowance, claim rejections, and the nature and scope of benefits ~~to be paid~~, decisions to protest or appeal any Department action, and any decisions made regarding the status and resolution of any claim shall be made by TPA with input from the member, the WASWD Retro Committee, and WASWD, if those entities so desire. The member also agrees to cooperate fully with the TPA in any proceedings before the Department, the Board of Industrial Insurance Appeals, or any reviewing court in the event there is an appeal, filed by any aggrieved party in any matter in which the member is a party or a potential party. ~~Accordingly, Employer Member agrees that TPA secured by WASWD has the full authority for the management and administration of a claim to the extent allowed by law, and member agrees to abide by any and all decisions made regarding the status and resolution of a claim, including but not limited to, decisions made to appeal such orders entered by the Department, as determined by TPA. Member also agrees to cooperate fully with TPA in any decisions made to appeal or otherwise participate in any appeal filed from any order entered by the Department by any party, including Employer Member and TPA.~~

~~4.5.6~~

~~5.6 Member withdrawal from Plan.~~

~~5.16.1~~ The Member may withdraw from the plan only at the end of a coverage period (July 1 through June 30). If the Member desires to withdraw from the plan at the end of a coverage period, it shall ~~personally deliver or send to WASWD, by certified mail, return receipt requested,~~ notify WASWD in writing by May 31st of the coverage period, a notification of withdrawal from the plan. WASWD shall file a notification of the withdrawal with the Department by June ~~30th~~ 15 of the coverage period.

~~5.26.2~~ If a member leaves active participation in the Retro program, ~~in order to maintain rights to future refunds if a member leaves active participation in the Retro program they will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund member may have earned. In the event of an assessment during the member's participation in a plan year, the member shall be responsible for their portion of the assessment, pursuant to the terms of this Agreement.~~ ~~After withdrawal from the plan, the Member shall continue to receive and be liable for Department adjustments (refunds or additional assessments) for the coverage periods during which the Member was a member of the group and a participant in the plan.~~

6.7 Statute and rule compliance. The Member and WASWD agree to be subject to and comply with Chapter 51.18 RCW and its implementing regulations, Chapter 296-17B WAC, and their amendments.

7.8 Release and waiver of liability. The Member releases WASWD, its officers, board of directors, employees and consultants, from any liability whatsoever arising from any claim, damage or loss asserted by the Member due to the Member's participation in the plan.

8.9 Retrospective Rating Committee. The Member acknowledges that to carry out the plan consistent with this Agreement, WASWD has established a Retrospective Rating Committee as follows:

8.19.1 Membership. The Committee consists of 9 members elected by the Members of the group; provided, that if there are less than 9 members of the group, the Committee will consist of an odd number of members that is equal to or less than the number of Members in the group. Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position. A member is a commissioner, Director or employee of a Member participating in WASWD's retrospective rating plan. Each Member can have only one member on the Committee.

8.29.2 Committee meetings. The meetings of the Committee are open to all ~~General Members and Associate~~ Members of WASWD, as defined in the WASWD Bylaws.

8.39.3 Terms of members. The terms of the members are 2 years, with the initial terms of 4 members being 1 year and 5 members being 2 years.

8.49.4 Quorum. If there are 9 Committee members, a quorum is 5 Committee members. If there are less than 9 Committee members, a quorum is a majority of the Committee members. A Committee member must appear in person or ~~by telephone~~ remotely at a meeting, and cannot be replaced by a representative or delegate.

9.5 Committee rules. Consistent with this Paragraph, the Committee is authorized to adopt its own rules of procedure, a copy of which must be filed with WASWD staff within 14 business days of adoption. The rules may include criteria and requirements for admission of new members to the group, readmission of former members to the group, and removal of members of the group. A copy of the current rules is attached to this Agreement. If the Committee amends the rules, WASWD staff will send a copy of the amended rules to the Members. The member acknowledges and agrees to the Retrospective Rating Program Group Rules, herein incorporated by reference.

~~8.5~~

9.10 Effective date and termination.

~~9.1~~10.1 This Agreement shall be effective on ~~October~~July 1, 2023~~2~~ and shall be effective until terminated by either party as stated in this paragraph.

~~9.2~~10.2 If the Member elects to terminate its membership in WASWD, this Agreement shall terminate at the end of the coverage period; ~~provided that if WASWD continues as a sponsoring entity after the termination, the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for 4 years after the termination date.~~

~~9.3~~10.3 Either party may terminate this Agreement by notice of termination personally delivered or sent to the other ~~by certified mail, return receipt requested~~in writing, by May 31st of a coverage period, to be effective at the end of the coverage period; ~~provided, that if WASWD continues as a sponsoring entity after the termination, the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for 4 years after the termination date.~~

~~9.4~~10.4 If the Member withdraws from the plan at the end of a coverage period, this Agreement shall be terminated; ~~provided, that the terms and conditions of paragraphs 3, 5.2, 7, 10 and 13 of this Agreement shall survive and remain in effect for 4 years after the termination date.~~

~~10.11~~ Attorney's fees. In the event of any conflict, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, mediation fees and actual attorneys' fees incurred or expended, whether incurred or expended in arbitration or trial or on appeal.

~~11.12~~ Entire agreement. This Agreement contains all terms, conditions and provisions agreed upon by the parties, and shall not be modified except by written amendment of the parties.

~~12.13~~ Venue and jurisdiction. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

~~13.14~~ Successors in interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors in interest and assigns of the parties.

WASHINGTON ASSOCIATION OF
SEWER & WATER DISTRICTS

By _____
Its President

By _____
Its _____

Dated: _____

Dated: _____

By _____
Its Secretary

Dated: _____

Washington Association of Sewer and Water Districts
Retrospective Rating Group Rules
DRAFT REVISIONS MARCH 2023

- 1) Retrospective Rating Committee—Establishment, Election, and Terms.
 - a) The Committee shall consist of 9 members, elected by members of the Retrospective Rating Group (Retrospective Members).
 - ~~a)b) Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position.~~
 - ~~b) Of the 9 seats up to 3 but no less than one shall be held by a non-general member if one is available and interest in participation. Up to three spots~~
 - c) A member may be a Commissioner, Director or employee of a Retrospective Member.
 - d) There shall be only 1 member from a Retrospective Member.
 - e) The term of a member shall be 2 years, commencing on October 1.
 - f) The terms of the members shall be in 2 groups of 4 and 5, respectively.
 - g) There shall be no term limits for the members.
 - h) If a member is unable to serve for any reason, or notifies the Committee that the member no longer desires to serve on the Committee, the remaining members shall fill the vacancy by appointing a new member (that is, a Retrospective Member cannot replace the member, temporarily or permanently). The appointee shall serve for the unexpired term of the replaced member.
 - i) In August of each year, WASWD staff shall notify all Retrospective Members of all member positions that are up for election that year by mail or email. In August, any Retrospective Member may nominate 1 candidate from itself and 1 candidate from another Retrospective Member for any member position up for election; provided, that if a Commissioner, Director or employee of a Retrospective Member holds a member position that is not being elected that year, such Retrospective Member cannot nominate a candidate from itself. By the end of August, WASWD staff shall send to all Retrospective Members ballots for each member position up for election by mail or email. On or before September 15, each Retrospective Member may vote for only one candidate for each member position up for election.
 - j) The candidate receiving the most votes for a member position shall be elected as the new member.

- 2) Retrospective Rating Committee—Rules, Meetings, Procedures and Specific Duties.
 - a) The WASWD Board of Directors has authorized the Committee to adopt its own Rules, consistent with the terms of the agreement between WASWD and the Retrospective Districts, currently called “Retrospective Rating Plan Agreement.” The Committee must file any amendments to the Rules with the WASWD staff within 14 business days of adoption.

- b) The Committee shall meet at least once a calendar year, and at such other times as determined by the Committee.
 - c) A quorum for the conduct of business shall be 5 members. If there are less than 9 Committee members, a quorum is a majority of the Committee members.
 - d) A member may participate in a meeting ~~by telephone~~ remotely.
 - e) A member cannot be replaced at any meeting by a representative or delegate of the member.
 - f) The members may take action by unanimous consent of all members, as evidenced by any method or form that clearly describes the action taken and shows the consent of all members, including but not limited to email communications and ballots.
 - g) Committee meetings shall be open to all WASWD members ~~General Members and Associate Members of WASWD,~~ as defined by the WASWD Bylaws.
 - h) ~~If the WASWD Board of Directors proposes to retain a Third Party Administrator to administer the retrospective rating plan, the~~ The Committee shall give a recommendation on the Third Party Administrator to the WASWD Board of Directors to retain a Third Party Administrator to administer the retrospective rating plan.
- 3) Retrospective Rating Group—Eligibility and Acceptance.
- a) Membership in the Retrospective Rating Group shall be determined by the Committee.
 - b) ~~WASWD General Members and Associate Members that provide sewer and/or water services, as defined by the WASWD Bylaws~~ General members, Non-District Utility members and Retro-only WASWD members ~~of all types,~~ may apply for membership in the Retrospective Rating Program by submitting an application to the Committee in a form approved by the Committee, with a copy to the WASWD Executive Director.
 - c) The Applicant must meet or satisfy at least the following requirements in order to be considered for membership, in addition to any others identified by the Third Party Administrator and the Committee:
 - i) The Applicant is in an acceptable risk class as defined by the Department of Labor & Industries.
 - ii) The Applicant has a positive loss ratio (more premium dollars paid than developed losses) for 2 of the last 3 years as reported by the Department of Labor & Industries.
 - iii) The Applicant is in good standing with and current in all obligations of the Department of Labor & Industries.
 - iv) The Applicant has signed the WASWD standard form agreement for inclusion in the WASWD Retrospective Rating Plan.
 - v) The Applicant has completed and signed, if required, all documents required by any applicable Department of Labor and Industries rules, WASWD rules, or Committee rules.
 - vi) The Applicant has paid any fees assessed by WASWD or the Committee.
 - vii) The Applicant has been accepted into the Group Retrospective Rating Plan by the Department of Labor & Industries.

- 4) Retrospective Rating Group--Continuing Eligibility.
- a) To continue as a member of the Retrospective Rating Group, the Retrospective Member must continue to meet or satisfy the following requirements:
- ~~i) Be a WASWD General Member or Associate Member that provides sewer and/or water services, as applicable, as defined by the WASWD Bylaws.~~ Be a WASWD member.
 - ~~ii) Be in an acceptable risk class as defined by the Department of Labor & Industries.~~
 - ~~iii) Possess a positive loss ratio (more premium dollars paid than developed losses) for 2 of the last 3 years as reported by the Department of Labor & Industries.~~ Pass all continuous underwriting requirements of WASWD
 - ~~iv) Retro committee and their TPA that will include factors such as history of claims, safety programs and compliance with the agreement,~~

v)iii) Be in good standing with and current in all obligations of the Department of Labor & Industries.

vi)iv) Have paid any fees assessed by WASWD or the Retrospective Rating Committee.

5) Notice of and Disqualification from Retrospective Rating Group.

- a) If any Retrospective Member fails to achieve an annual positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that a second consecutive year without a positive developed loss ratio may result in removal of the Retrospective Member from the Retrospective Rating Group and Plan.
- b) If the Retrospective Member has a second consecutive year without a positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that the Member has had a second consecutive year without a positive developed loss ratio, that the Member may be removed from the Retrospective Rating Group and Plan by the Committee, and that the Committee will consider removal at a meeting, the date, time, and location of which is stated in the notice.
 - i) The date of the Committee meeting must be at least 15 calendar days after the date of the notice.
- c) The Retrospective Member may submit written comments and information to the Committee before or at the meeting, and shall have an opportunity to address the Committee at the meeting.
- d) The Committee's vote on the Retrospective Member's removal from the Retrospective Rating Group and Plan must include a brief explanation of the reason(s) for the decision and must be approved by a majority of all members of the Committee holding office at the time of the vote.
- e) The WASWD staff, after consultation with the Chair of the Committee, shall give notice of the decision to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member.
- f) The Committee's decision shall be WASWD's final decision on the removal of the Retrospective Member from the Retrospective Rating Group and Plan.

EXHIBIT 1

Committee Member	Organization	Term Expiration Date
Jessica Williams	Silverdale Water District	September 30, 2023
Robert Fulton	Valley Water District	September 30, 2023
Sam Amira	King County Water District 90	September 30, 2023
J.R. Erickson	Mukilteo Water & Wastewater District	September 30, 2023
Mike West	Valley View Sewer District	September 30, 2023
Curt Brees	Silver Lake Water & Sewer District	September 30, 2024
Kelly Boswell	Olympic View Water & Sewer District	September 30, 2024
Larry Jones	Firgrove Mutual Inc.	September 30, 2024
Robert Russell	Coal Creek Utility District	September 30, 2024
Mike West	Valley View Sewer District	September 30, 2021
Jessica Williams	Silverdale Water District	September 30, 2021
Robert Fulton	Valley Water District	September 30, 2021
Sam Amira	King County Water District 90	September 30, 2021
Tom McGrath	Mukilteo Water & Wastewater District	September 30, 2021
Marci Oda	Soos Creek Water & Sewer District	September 30, 2022
Matt Everett	Highline Water District	September 30, 2022
Larry Jones	Firgrove Mutual Inc.	September 30, 2022
	Coal Creek Utility District	September 30, 2022
		Robert Russell



RETROSPECTIVE RATING PLAN AGREEMENT UPDATED APRIL 2023

THIS AGREEMENT is made by and between the WASHINGTON ASSOCIATION OF SEWER & WATER DISTRICTS, a Washington nonprofit corporation (“WASWD”) and _____, a Washington _____ (“Member”).

RECITALS

- A. WASWD is a retrospective rating group sponsoring entity under Chapter 51.18 RCW and has entered into a retrospective rating group agreement with the Department of Labor and Industries (“Department”).
- B. The Member is an employer that qualifies for the retrospective rating plan under Chapter 51.18 RCW and its implementing regulations, has been approved by the Department to be a participant in the plan, and has been approved for membership by the WASWD Board.
- C. WASWD enrolls in a plan each year to enhance the safety of all members and to maximize refunds while minimizing potential liability to WASWD group members. The coverage period for each plan year is July 1 through June 30 (“coverage period”).
- D. The Member desires to participate in WASWD’s group. WASWD and the Member desire to enter into this Agreement to state their respective duties and rights with regard to the retrospective rating plan.

AGREEMENT

The parties agree as follows:

- 1. Plan administration.
 - 1.1 WASWD shall provide for administration of the retrospective rating plan (“plan”) through either a Third Party Administrator (TPA) or WASWD employees, at the discretion of WASWD.
 - 1.2 The Member shall cooperate with the Department of Labor & Industries, TPA staff members or their representatives, and any others authorized by the WASWD Retro Committee (Committee) to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.
- 2. Payment for plan administration. For plan administration during a coverage period, the Member shall pay five percent (5%) of its Department composite premium for the four quarters immediately preceding the coverage period. Within the first 2 months of a coverage period, WASWD shall send to the Member an invoice for the administration payment, which shall be due within 60 days of the date of the invoice.

3. Group refunds and additional assessments.

3.1 Approximately 10 months after a coverage period, and twice annually thereafter, the Department will evaluate the group's losses for the coverage period, and will notify WASWD of a group refund or additional assessment for the coverage period. The Member is encouraged to track its own positive loss ratio reports, which are prepared by the Department. WASWD may protest or appeal the evaluation decision within 60 days of the date of the notice. The Committee shall hold a meeting at least 7 business days before the deadline for filing a protest or appeal, and submit its recommendation, together with analysis and documentation, to WASWD at least 5 business days before the deadline for filing a protest or appeal. The WASWD Executive Director shall determine whether to file a protest or appeal based on the best interests of WASWD.

3.2 If a protest or appeal of an evaluation decision is filed, the Member shall be responsible for its prorated share of the costs of the protest or appeal, including attorneys' fees and interest, based upon the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.

3.3 The Member and WASWD agree that the total amount of refund issued by the Department will be distributed at the discretion of the WASWD Retro Committee consistent with the following guidance:

3.3.1 The timing and amount of program distributions will be based on the WASWD Retro Committee's evaluation of potential future retrospective adjustments for the Plan Year and the objective to return as much as possible of the retrospective premium return. Refunds not returned in a given year will be held in the Retro bank account to be distributed as early as is practical.

3.3.2 The timing and amount of distributions to each Member will be determined in accordance with a formula established by the Committee based on the following:

3.3.2.1 Each Member's percentage of the Plan's total Standard Premium for the Plan Year, and

3.3.2.2 Each Member's individual loss record for the Plan Year, and

3.3.2.3 Each Member's compliance with programs designed to maximize the Plan's returns, and

3.3.2.4 Compliance with the terms of this Agreement, and

3.3.2.5 The Committee will determine the relative weight given each of these factors.

3.4 Distributions will be made as follows:

- 3.4.1 Distributions are made only to members who, at the time of the distribution, are in good standing with WASWD, and who have complied with all terms of this Agreement.
 - 3.4.2 All distributions will be made to the Member under the Department's account number, including subaccounts, and the Member must maintain a relationship with WASWD under such account number during the term of this Agreement including all Adjustment Periods.
 - 3.4.3 Member authorizes the WASWD Retro Committee to withhold from any premium refund distribution to the Member, and to pay to WASWD any and all amounts due and payable from Member to WASWD including any assessments for failure to comply with the rules contained in this Agreement.
 - 3.5 Whenever there is enough return to do so, all participants will receive an amount equal to the service fee they paid to participate.
 - 3.6 WASWD reserves the right to withhold from the Member refund or net refund any plan administration fee and any costs of a protest or appeal that are due and owing.
 - 3.7 WASWD reserves the right to withhold from the Member refund or net refund any debt owed by the Member to the Department that the Department has withheld from the group refund.
 - 3.8 WASWD reserves the right to pay the additional assessment to the Department in installments as authorized by statute and regulation.
 - 3.9 The additional assessment for the Member for a coverage period shall be the group additional assessment for that year, multiplied by the Member's percentage of the total premiums paid by all Members participating in the plan during the coverage period.
 - 3.10 WASWD shall distribute refunds as soon as is practical. WASWD shall send an invoice for an additional assessment or net additional assessment, together with the costs of the protest or appeal if any, to the Member within 60 days of receipt of the group notice, or within 30 days of the final decision on a WASWD appeal of the notice, whichever occurs last. The Member shall pay the invoice within 45 days of receipt. Delinquent invoices shall accrue interest at the rate of 12 percent per year.
4. Selection of additional Members. The Member acknowledges that the Retrospective Rating Committee may admit to the group WASWD members of any kind which satisfies the requirements of Chapter 51.18 RCW and Chapter 296-17B WAC, and their amendments, and any rules adopted by the Retrospective Rating Committee. WASWD reserves the right to enter into an agreement with such qualified Member that is materially and substantially similar to this Agreement.
 5. Other Responsibilities of Member.

- 5.1 Member agrees to be bound by all rules and regulations governing Group Retrospective Rating Plans in the State of Washington, and by all Committee decisions and actions.
- 5.2 Member agrees to develop and maintain the following programs to facilitate the return of injured employees to the workplace:
 - 5.2.1 To develop and maintain a formal transitional light duty return to work program as required by the Committee in order to facilitate the early and timely return of injured employees to the workplace. Member agrees to provide light duty for at least 150 days from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, unless the worker is able to return to job of injury sooner. Member understands and acknowledges that transitional light duty programs are a primary means and the expected responsibility of Member to assist with managing its workers' compensation claims effectively.
 - 5.2.2 To adopt a Kept on Salary (KOS) back-up procedure to Member's transitional light duty programs.
 - 5.2.3 In the event Member fails or decides not to engage in transitional light duty programs to facilitate returning an injured employee to work, Member agrees to maintain the individual on full wages and benefits for up to one hundred and fifty (150) days through a KOS Program. The 150-day KOS period will begin from the day the injured worker is provided restrictions or modified duties by the injured worker's health care provider, upon verification by the TPA staff that Member has failed or decided not to return the individual to work under its light duty programs.
 - 5.2.4 Failure to implement or utilize transitional light duty programs, and/or a KOS Program, will be considered material noncompliance by the Member and may result in additional assessments against Member, reduced individual premium return distributions, and/or required returns of previously distributed premium refunds, invoiced fees if the individual return is non-existent or insufficient and/or denying participation in subsequent plan years, as determined by the WASWD Retro Committee.
- 5.3 The Member will allow TPA staff members or their representatives to perform safety and health inspections for review of the safety procedures and practices, frequency and severity of illnesses and accidents, etc., of Member, and to follow all recommendations that result from those safety and health inspections.
- 5.4 The Member will cooperate fully with the Department, TPA staff members or their representatives, and any others authorized by the Committee to assist the group in claims review, claims management, claims appeal and adjudication, and any other reasonable request that will reduce claims costs.
- 5.5 The Member agrees that decisions regarding all aspects of claims management including but not limited to claim allowance, claim rejections, and the nature and scope of benefits paid, decisions to protest or appeal any Department action, and any decisions made regarding the status and

resolution of any claim shall be made by TPA with input from the Member, the WASWD Retro Committee, and WASWD, if those entities so desire. The Member also agrees to cooperate fully with the TPA in any proceedings before the Department, the Board of Industrial Insurance Appeals, or any reviewing court in the event there is an appeal, filed by any aggrieved party in any matter in which the Member is a party or a potential party.

6. Member withdrawal from Plan.

6.1 The Member may withdraw from the plan only at the end of a coverage period (July 1 through June 30). If the Member desires to withdraw from the plan at the end of a coverage period, it shall notify WASWD in writing by May 31st of the coverage period of its intent to withdraw from the plan. WASWD shall file a notification of the withdrawal with the Department by June 30th of the coverage period.

6.2 If a Member leaves active participation in the Retro program, in order to maintain rights to future refunds the Member will have to pay 10% of the premium for the past four quarters for each of the three years of remaining refund potential. This service fee will be invoiced and must be paid upon exiting the program. Refusal to pay will result in forfeit of any future refund Member may have earned. In the event of an assessment during the Member's participation in a plan year, the Member shall be responsible for their portion of the assessment, pursuant to the terms of this Agreement.

7. Statute and rule compliance. The Member and WASWD agree to be subject to and comply with Chapter 51.18 RCW and its implementing regulations, Chapter 296-17B WAC, and their amendments.

8. Release and waiver of liability. The Member releases WASWD, its officers, board of directors, employees and consultants, from any liability whatsoever arising from any claim, damage or loss asserted by the Member due to the Member's participation in the plan.

9. Retrospective Rating Committee. The Member acknowledges that to carry out the plan consistent with this Agreement, WASWD has established a Retrospective Rating Committee as follows:

9.1 Membership. The Committee consists of 9 Members elected by the Members of the group; provided that if there are less than 9 Members of the group, the Committee will consist of an odd number of Members that is equal to or less than the number of Members in the group. Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position. A member is a commissioner, Director or employee of a Member participating in WASWD's retrospective rating plan. Each Member can have only one member on the Committee.

- 9.2 Committee meetings. The meetings of the Committee are open to all members of WASWD, as defined in the WASWD Bylaws.
 - 9.3 Terms of Members. The terms of the members are 2 years, with the initial terms of 4 members being 1 year and 5 members being 2 years.
 - 9.4 Quorum. If there are 9 Committee members, a quorum is 5 Committee members. If there are less than 9 Committee members, a quorum is a majority of the Committee members. A Committee member must appear in person or remotely at a meeting, and cannot be replaced by a representative or delegate.
 - 9.5 Committee rules. Consistent with this Paragraph, the Committee is authorized to adopt its own rules of procedure, a copy of which must be filed with WASWD staff within 14 business days of adoption. The rules may include criteria and requirements for admission of new members to the group, readmission of former members to the group, and removal of members of the group. A copy of the current rules is attached to this Agreement. If the Committee amends the rules, WASWD staff will send a copy of the amended rules to the Members. The Member acknowledges and agrees to the Retrospective Rating Program Group Rules, herein incorporated by reference.
10. Effective date and termination.
 - 10.1 This Agreement shall be effective on July 1, 2023 and shall be effective until terminated by either party as stated in this paragraph.
 - 10.2 If the Member elects to terminate its membership in WASWD, this Agreement shall terminate at the end of the coverage period.
 - 10.3 Either party may terminate this Agreement by notice of termination personally delivered or sent to the other in writing, by May 31st of a coverage period, to be effective at the end of the coverage period.
 - 10.4 If the Member withdraws from the plan at the end of a coverage period, this Agreement shall be terminated.
 11. Attorney's fees. In the event of any conflict, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, mediation fees and actual attorneys' fees incurred or expended, whether incurred or expended in arbitration or trial or on appeal.
 12. Entire agreement. This Agreement contains all terms, conditions and provisions agreed upon by the parties, and shall not be modified except by written amendment of the parties.

- 13. Venue and jurisdiction. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

- 14. Successors in interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective successors in interest and assigns of the parties.

WASHINGTON ASSOCIATION OF
SEWER & WATER DISTRICTS

By _____
Its President

By _____
Its _____

Dated: _____

Dated: _____

By _____
Its Secretary

Dated: _____

**Washington Association of Sewer and Water Districts
Retrospective Rating Group Rules
Updated April 2023**

- 1) Retrospective Rating Committee—Establishment, Election, and Terms.
 - a) The Committee shall consist of 9 members, elected by members of the Retrospective Rating Group (Retrospective Members).
 - b) Of the 9 seats, up to 3 can be held by non-general members, but at least one of those 3 seats shall be held by a non-district utility member. If there are no candidates for the one non-district utility member position, the Committee may appoint any other type of member to fill that position.
 - c) A member may be a Commissioner, Director or employee of a Retrospective Member.
 - d) There shall be only 1 member from a Retrospective Member.
 - e) The term of a member shall be 2 years, commencing on October 1.
 - f) The terms of the members shall be in 2 groups of 4 and 5, respectively.
 - g) There shall be no term limits for the members.
 - h) If a member is unable to serve for any reason, or notifies the Committee that the member no longer desires to serve on the Committee, the remaining members shall fill the vacancy by appointing a new member (that is, a Retrospective Member cannot replace the member, temporarily or permanently). The appointee shall serve for the unexpired term of the replaced member.
 - i) In August of each year, WASWD staff shall notify all Retrospective Members of all member positions that are up for election that year by mail or email. In August, any Retrospective Member may nominate 1 candidate from itself and 1 candidate from another Retrospective Member for any member position up for election; provided, that if a Commissioner, Director or employee of a Retrospective Member holds a member position that is not being elected that year, such Retrospective Member cannot nominate a candidate from itself. By the end of August, WASWD staff shall send to all Retrospective Members ballots for each member position up for election by mail or email. On or before September 15, each Retrospective Member may vote for only one candidate for each member position up for election.
 - j) The candidate receiving the most votes for a member position shall be elected as the new member.

- 2) Retrospective Rating Committee—Rules, Meetings, Procedures and Specific Duties.
 - a) The WASWD Board of Directors has authorized the Committee to adopt its own Rules, consistent with the terms of the agreement between WASWD and the Retrospective Districts, currently called “Retrospective Rating Plan Agreement.” The Committee must file any amendments to the Rules with the WASWD staff within 14 business days of adoption.
 - b) The Committee shall meet at least once a calendar year, and at such other times as determined by the Committee.
 - c) A quorum for the conduct of business shall be 5 members. If there are less than 9

- Committee members, a quorum is a majority of the Committee members.
- d) A member may participate in a meeting remotely.
 - e) A member cannot be replaced at any meeting by a representative or delegate of the member.
 - f) The members may take action by unanimous consent of all members, as evidenced by any method or form that clearly describes the action taken and shows the consent of all members, including but not limited to email communications and ballots.
 - g) Committee meetings shall be open to all WASWD members as defined by the WASWD Bylaws.
 - h) The Committee shall give a recommendation on the Third Party Administrator to the WASWD Board of Directors to retain a Third Party Administrator to administer the retrospective rating plan.
- 3) Retrospective Rating Group—Eligibility and Acceptance.
- a) Membership in the Retrospective Rating Group shall be determined by the Committee.
 - b) General members, Non-District Utility members and Retro-only WASWD members may apply for membership in the Retrospective Rating Program by submitting an application to the Committee in a form approved by the Committee, with a copy to the WASWD Executive Director.
 - c) The Applicant must meet or satisfy at least the following requirements in order to be considered for membership, in addition to any others identified by the Third Party Administrator and the Committee:
 - i) The Applicant is in an acceptable risk class as defined by the Department of Labor & Industries.
 - ii) The Applicant has a positive loss ratio (more premium dollars paid than developed losses) for 2 of the last 3 years as reported by the Department of Labor & Industries.
 - iii) The Applicant is in good standing with and current in all obligations of the Department of Labor & Industries.
 - iv) The Applicant has signed the WASWD standard form agreement for inclusion in the WASWD Retrospective Rating Plan.
 - v) The Applicant has completed and signed, if required, all documents required by any applicable Department of Labor and Industries rules, WASWD rules, or Committee rules.
 - vi) The Applicant has paid any fees assessed by WASWD or the Committee.
 - vii) The Applicant has been accepted into the Group Retrospective Rating Plan by the Department of Labor & Industries.
- 4) Retrospective Rating Group--Continuing Eligibility.
- a) To continue as a member of the Retrospective Rating Group, the Retrospective Member must continue to meet or satisfy the following requirements:
 - i) Be a WASWD member. Be in an acceptable risk class as defined by the Department of Labor & Industries.
 - ii) Pass all continuous underwriting requirements of WASWD Retro committee and their TPA that will include factors such as history of claims,

safety programs and compliance with the agreement, Be in good standing with and current in all obligations of the Department of Labor & Industries.

iii) Have paid any fees assessed by WASWD or the Retrospective Rating Committee.

5) Notice of and Disqualification from Retrospective Rating Group.

- a) If any Retrospective Member fails to achieve an annual positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that a second consecutive year without a positive developed loss ratio may result in removal of the Retrospective Member from the Retrospective Rating Group and Plan.
- b) If the Retrospective Member has a second consecutive year without a positive developed loss ratio, the WASWD staff, after notice to and consultation with the Chair of the Committee, shall give notice to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member by mail or email, stating that the Member has had a second consecutive year without a positive developed loss ratio, that the Member may be removed from the Retrospective Rating Group and Plan by the Committee, and that the Committee will consider removal at a meeting, the date, time, and location of which is stated in the notice.
 - i) The date of the Committee meeting must be at least 15 calendar days after the date of the notice.
- c) The Retrospective Member may submit written comments and information to the Committee before or at the meeting, and shall have an opportunity to address the Committee at the meeting.
- d) The Committee's vote on the Retrospective Member's removal from the Retrospective Rating Group and Plan must include a brief explanation of the reason(s) for the decision and must be approved by a majority of all members of the Committee holding office at the time of the vote.
- e) The WASWD staff, after consultation with the Chair of the Committee, shall give notice of the decision to the Commissioners or Directors, as applicable, and general manager (or chief executive officer) of the Retrospective Member.
- f) The Committee's decision shall be WASWD's final decision on the removal of the Retrospective Member from the Retrospective Rating Group and Plan.

EXHIBIT 1

Committee Member	Organization	Term Expiration Date
Jessica Williams	Silverdale Water District	September 30, 2023
Robert Fulton	Valley Water District	September 30, 2023
Sam Amira	King County Water District 90	September 30, 2023
J.R. Erickson	Mukilteo Water & Wastewater District	September 30, 2023
Mike West	Valley View Sewer District	September 30, 2023
Curt Brees	Silver Lake Water & Sewer District	September 30, 2024
Kelly Boswell	Olympic View Water & Sewer District	September 30, 2024
Larry Jones	Firgrove Mutual Inc.	September 30, 2024
Robert Russell	Coal Creek Utility District	September 30, 2024

**WEST SOUND UTILITY DISTRICT
RESOLUTION 503-14**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A RETROSPECTIVE RATING AGREEMENT WITH
THE WASHINGTON ASSOCIATION OF SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, WASWD has entered into a retrospective rating group agreement with the Washington State Department of Labor and Industries; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualifies for the retrospective rating plan; and

WHEREAS, the District desires to participate as a member of the WASWD retrospective rating group;

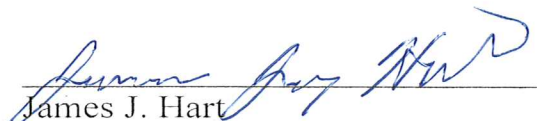
WHEREAS, an agreement has been prepared which set forth the respective duties and rights with regard to the retrospective rating plan; NOW THEREFORE,

**THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY
DISTRICT HEREBY RESOLVES:**

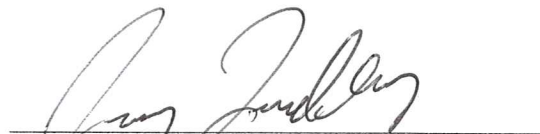
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; and further, the District's General Manager is hereby authorized to sign the Agreement.

**APPROVED and ADOPTED by the Board of Commissioners of West
Sound Utility District** at a regular scheduled meeting on June 16, 2014.

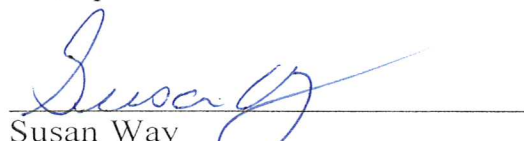
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



James J. Hart
Chairperson



Jerry Lundberg
Vice Chairperson



Susan Way
Secretary

**WEST SOUND UTILITY DISTRICT
RESOLUTION 694-17**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A REVISED RETROSPECTIVE RATING AGREEMENT
WITH THE WASHINGTON ASSOCIATION OF SEWER AND WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualified for the retrospective rating plan and is a member of the WASWD retrospective rating group; and

WHEREAS, an agreement setting forth the respective duties and rights with regard to the retrospective rating plan was entered into by WASWD and WSUD on June 16, 2014; and


WHEREAS, WASWD recently completed a process to update the retrospective rating agreements by aligning retrospective rating group rules with the new agreements; **NOW THEREFORE**,

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

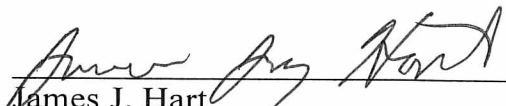
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; and further, the District General Manager is hereby authorized to sign the Agreement.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on January 8, 2018.

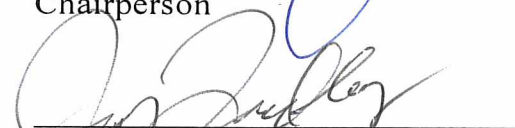
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



Susan Way
Chairperson



James J. Hart
Vice Chairperson



Jerry Lundberg
Secretary

**WEST SOUND UTILITY DISTRICT
RESOLUTION 887-20**

**A RESOLUTION OF THE WEST SOUND UTILITY DISTRICT BOARD OF
COMMISSIONERS APPROVING A REVISED RETROSPECTIVE RATING
AGREEMENT WITH THE WASHINGTON ASSOCIATION OF SEWER AND
WATER DISTRICTS**

WHEREAS, the Washington Association of Sewer and Water District (WASWD) is a retrospective rating group sponsoring entity; and

WHEREAS, West Sound Utility District (WSUD) is an employer that qualified for the retrospective rating plan and is a member of the WASWD retrospective rating group; and

WHEREAS, an agreement setting forth the respective duties and rights with regard to the retrospective rating plan was entered into by WASWD and WSUD on June 16, 2014, Resolution 503-14; and

WHEREAS, WSUD on January 8, 2018, Resolution 694-17 adopted a revised agreement whereby WASWD updated the retrospective rating agreements by aligning retrospective rating group rules with the new agreements; and

WHEREAS, WASWD has selected a new Third Party Administrator (Archbright) which provides for an expansion of employer services; and

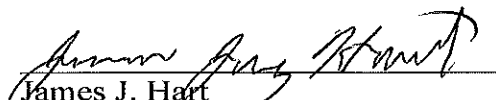
WHEREAS, WSUD has an interest in continuing with the Retrospective Rating Program which requires a new agreement between WSUD and WASWD effective July 1, 2020; **NOW THEREFORE**,


**THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT
HEREBY RESOLVES:**

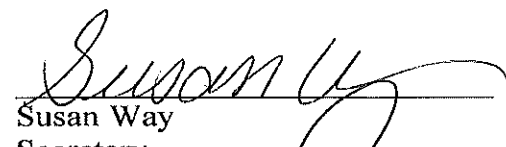
Section 1. The Retrospective Rating Agreement (Exhibit "A") with WASWD is hereby approved; the Board further authorizes the General Manager to sign the Agreement.

**APPROVED and ADOPTED by the Board of Commissioners of West Sound
Utility District** at a regular scheduled meeting on May 4, 2020.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington


James J. Hart
Chairperson


Jerry Lundberg
Vice Chairperson


Susan Way
Secretary



**WEST SOUND UTILITY DISTRICT
RESOLUTION 1081-23**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
ADOPTING POLICY REVISIONS
PERTAINING TO TITLE 3 GENERAL, SECTION 3.1,
DEFINITION OF TERMS OF THE ADMINSTRATIVE CODE**

WHEREAS, West Sound Utility District Board of Commissioners has historically approved District policy through the adoption of resolutions and has a central and uniform location for identifying the District’s current policies; and

WHEREAS, on June 22, 2015 the Board of Commissioners adopted Resolution 550-15 establishing a uniform Administrative Code Book; and

WHEREAS, an update and clarification of is needed within *Title 3, Section 3.1, Definition of Terms* of the Administrative Code Book; and

WHEREAS, the District’s Board of Commissioners desires such changes to the policy to provide clarification and necessary updates; **NOW, THEREFORE**

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

Section 1. The Board of Commissioners hereby adopt the changes to *Title 3, Section 3.1, Definition of Terms* (Exhibit A) of the Administrative Code Book effective the date of this resolution.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled Board meeting on May 17, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary

TITLE 3 GENERAL

3.1 Definition of Terms

Unless a specific definition is set forth in this Code, all words and phrases shall be construed and understood according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a peculiar and appropriate meaning in the law shall be construed and understood according to such peculiar and appropriate meaning. Any test contained within this document that uses gender-specific language shall be assumed to encompass and apply to all genders.

The following words or phrases shall have the following meanings unless the context specifically indicates otherwise:

3.1.1 Accessory Dwelling Unit (ADU)

An ADU is defined as an accessory dwelling that is either attached to the primary single-family dwelling unit (AADU) or is a detached accessory dwelling unit (DADU) that is located on the same residential parcel as the primary residence. An ADU is a habitable living unit single-family dwelling that provides basic requirements for living, sleeping, eating, cooking, and sanitation. An ADU in West Sound Utility District (District) must be lawful, permitted and identified as such through the Land Use Authority (City of Port Orchard or Kitsap County).

~~3.1.13~~ 3.1.2 Administrative Authority

The Board of Commissioners of West Sound Utility District through the General Manager of the District or other authorized representative.

~~3.1.23~~ 3.1.3 Applicant

A property owner who intends to connect to the District's water distribution system or discharge sanitary sewage to the District's sewage collection and conveyance system.

~~3.1.33~~ 3.1.4 Board

The elected or appointed Commissioners of West Sound Utility District, acting collectively as the legislative and policy-setting authority of the District.

~~3.1.43~~ 3.1.5 Bonded Gravity Side Sewer Contractor

A contractor who holds a bond that specifically benefits the District and is licensed to construct, install, repair, reconstruct, excavate, or connect any gravity side sewer to the public sewer of the District. The Bonded Gravity Side Sewer Contractor must comply with all provisions of this Code.

~~3.1.53~~ 3.1.6 Bonded Pressure Side Sewer Contractor

A contractor who holds a bond that specifically benefits the District and is licensed to construct, install, repair, reconstruct, excavate, or connect any pressure side sewer to the public sewer of the District. The Bonded Pressure Side Sewer Contractor must comply with all provisions of this Code.

3.1.63.1.7 Building Drain

The lowest horizontal piping of a drainage system, which receives the drainage from waste and other drainage, pipes inside the walls of the building and conveys it to the side sewer.

3.1.73.1.8 Building Sewer

Also called a side sewer (see definition under side sewer)

3.1.83.1.9 Building Occupant

A person who resides on property that is connected to the District's water distribution system and/or discharges sanitary sewage to the District's sewage collection and conveyance system but is NOT the property owner.

3.1.93.1.10 City

The City of Port Orchard or any of its duly authorized personnel

3.1.103.1.11 Connection Charge

The current total monetary charge for general facilities charges, ULID or latecomer fees, as well as an administrative

3.1.113.1.12 Consulting Engineer

A professionally qualified engineer or engineering firm contracted by the District who offers advice, consultancy or technical assistance in any manner.

3.1.123.1.13 County

Kitsap County or any of its duly authorized personnel.

3.1.133.1.14 Cover

The depth of material lying between the top of the sewer or water main and the finished grade immediately above it.

3.1.143.1.15 Cross Connection

Any physical arrangement whereby a public water supply is connected, directly or indirectly with any other water supply system, sewer, drain, conduit, pool, storage reservoir, plumbing fixture, or other device which contains or may contain contaminated water, sewage, or other wastes or liquids of unknown or unsafe quality, which may be capable of imparting contamination to a public water supply as a result of back flow.

3.1.153.1.16 Customer

A person receiving service from the District's water distribution system and/or discharges sanitary sewage to the District's sewage collection and conveyance system. A "Customer" may be a "Property Owner" or may be a "Building Occupant".

3.1.163.1.17 Developer Extension Contract (DEC)

A contract between the District and a developer or property owner to construct water and/or sewer facilities on property owned by the developer, and in roads, easements, or other rights of way described in an approved application (RCW 57.22).

3.1.173.1.18 District

West Sound Utility District.

~~3.1.18~~ 3.1.19 District Management

West Sound Utility District's General Manager, or the District's managerial designee.

~~3.1.19~~ 3.1.20 District Water System

Any water system which is owned or controlled by the District; this term generally refers to the water source, treatment, storage and transmission/distribution facilities.

~~3.1.20~~ 3.1.21 Domestic Sewage

What is commonly known as residential, institutional and commercial sewage and shall exclude industrial wastes.

~~3.1.21~~ 3.1.22 Downspout

Leader or pipe above ground which is installed to conduct water from the roof gutter.

~~3.1.22~~ 3.1.23 Drain

Any conductor of liquids.

~~3.1.23~~ 3.1.24 Dump Station

A facility whose purpose is to receive sewage from trailers, boats or recreational vehicles, shall be considered as a commercial connection.

3.1.25 Dwelling Unit

A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

~~3.1.24~~

~~3.1.25~~ 3.1.26 Engineer

The District's engineer, contract-engineering firm or other engineers employed by the District.

~~3.1.26~~ 3.1.27 Equivalent Residential Unit (ERU) (or Residential Unit)

ERU means a unit of measurement to determine water and sewer general facility charges. For water, the ERU factor shall be determined by meter size; and for sewer, an ERU shall be based on ~~180200~~ gallons per day of domestic wastewater with a strength of 250 mg/l of BOD, and TSS (denoting total suspended solids) and an ammonia concentration of 25 mg/l and oil and grease concentrations of 10 mg/l and oil and grease concentration of ten (10) mg/L.

~~3.1.27~~ 3.1.28 Garbage

Solid wastes from the preparation, cooking, and dispensing of food, and from the handling, storage and sale of produce.

~~3.1.28~~ 3.1.29 General Manager

The chief administrative officer appointed by the Board of Commissioners. The General Manager shall have the power to delegate his/her functions to authorized representatives.

~~3.1.29~~ 3.1.30 Grease Trap/Interceptor

A plumbing device designed to intercept most greases and solids before they enter a wastewater disposal system.

~~3.1.30~~3.1.31 Health District
Kitsap Public Health District.

~~3.1.31~~3.1.32 Health Officer

A Kitsap Public Health Officer responsible for the public health or that officer's authorized representative.

~~3.1.32~~3.1.33 Industrial Wastes

The liquid wastes from industrial manufacturing processes, trade or business, as distinct from domestic sewage.

~~3.1.33~~3.1.34 Inspector

The District's authorized representative assigned to make detailed inspections of a contractor's compliance with the District's specifications and standards.

3.1.35 Land Use Authority

The person, board, commission, agency or other body designated by the state and/or local legislative body having jurisdiction to act upon a land use application.

~~3.1.34~~3.1.36 Latecomer Agreement

An agreement between the District and a developer who has paid for an extension of water and/or sewer facilities on a public right of way or easement and that is capable of providing water service to property that has not been assessed or has not contributed to the cost of the distribution line. The Latecomer Agreement shall provide for the reimbursement to the developer or the developer's assigns of a pro rata share of the costs of the facilities constructed (RCW 57.22).

~~3.1.35~~3.1.37 Maintain or Maintenance

A preemptive action that preserves and sustains the design operating/flow parameters and physical integrity of a water or sewer system.

~~3.1.36~~3.1.38 Master Fees and Charges Schedule

The District's current rates and charges set by the Board in accordance with RCW 57.08.005.

~~3.1.37~~3.1.39 Multiple Family Dwelling

A multiple family dwelling designed and/or used to house three or more households living independently of each other and having outside access and including all necessary fixtures for each household unit. Multiple Unit Dwellings shall also include recreational vehicle parks, mobile home parks or courts containing three or more mobile homes or trailer stalls, apartments, condominiums, cabins and cottages. Each dwelling unit shall be deemed a separate Dwelling Residential Unit for purposes of billings of all kinds.

~~3.1.38~~3.1.40 Permit

A District water and/or sewer permit, or the signed authorization issued by a representative of the District for:

1. Any construction or repair of a water service connection or side sewer.

2. Work affecting the public water or public sewer system.

~~3.1.39~~3.1.41 Permit Fee

The current total District monetary charge, including current general facilities, permit processing, and initial inspection fees or charges, plus any applicable ULID or latecomer charges, that property owners must pay to the District before physically connecting their respective water and/or sewer service line to the District's water and/or sewer system.

~~3.1.40~~3.1.42 Permit Holder

The owner and/or contractor who have jointly been granted a permit by the District.

~~3.1.41~~3.1.43 Person or Owner

May be any individual, firm, company, association, society, corporation or group.

~~3.1.42~~3.1.44 Point of Delivery

That point where the District ownership and maintenance responsibility terminates; specifically, the fitting on the customer's side of the water meter.

~~3.1.43~~3.1.45 Pressure Reducing Valve (PRV)

A customer or District owned and maintained valve to protect residential plumbing and District water mains and fittings from possible high pressures and/or pressure spikes in the District's waterlines.

~~3.1.44~~3.1.46 Private Sewer

The sewage disposal system constructed, installed, or maintained where connection with a public sewer may not be required herein.

~~3.1.45~~3.1.47 Private Water Service

The customer owned, operated and maintained water service line(s) that connects to the District's water meter and extends to the customer's building(s), structure(s) or facility(s). Private water systems will exist on the customer's property, and/or in an easement(s) benefiting the customer.

~~3.1.46~~3.1.48 Property Owner

A person who owns property that is connected to the District's water distribution system and/or discharges sanitary sewage to the District's sewage collection and conveyance system.

~~3.1.47~~3.1.49 Public Sewer System

Any sanitary sewers, including but not limited to trunks, laterals, service laterals and force mains and constructed within the public right-of-way or perpetual easement benefiting the District.

~~3.1.48~~3.1.50 Public Water Service

That portion of a water service connection between the District's water a main and the point of delivery. Public water services exist only in a public right-of-way, and/or in an easement(s) benefiting the District.

~~3.1.49~~ 3.1.51 Recreation Park

A plot of land in which ~~three~~ or more sites are occupied or intended for occupancy by recreation vehicles for short-term or seasonal travel, recreational or camping uses. No permanent residence, no matter how small, how simple, or how rustic, is permitted on site designated for recreational uses by the Land Use Authority. ~~Three sites shall be equivalent to one Residential Unit as described and utilized in this code.~~

~~3.1.50~~ 3.1.50 Recreation Vehicle

A vehicular type unit as defined by the Department of Labor and Industries, designed for temporary living quarters for recreational, camping or travel use, which either has its own motor power or is mounted on or drawn by another vehicle.

~~3.1.51~~ 3.1.52 Repair

A reactive action that restores water or sewer system's design operating/flow parameters if interrupted or impaired, or physical integrity if damaged.

~~3.1.52~~ 3.1.53 Sewage or Sanitary Sewage

A combination of water-carried wastes from residences, business buildings, institutions and industrial establishments, which wastes contain polluted matter subject to treatment at the sewage treatment plant and to which storm, surface and groundwater are intentionally admitted.

~~3.1.53~~ 3.1.54 Service Lateral

The District-owned lateral sewer that connects to a Sewer Main or to a District sewer manhole, and extends to the boundary of a public right-of-way, or the boundary of an easement benefiting the District. It connects a customer's side sewer to the Sewer Main.

~~3.1.54~~ 3.1.55 Sewage Treatment Plant or Works

Any arrangement of devices and structures used for treating sewage and may include collecting, pumping, treating and disposing of sewage.

~~3.1.55~~ 3.1.56 Sewer

A pipe or conduit for carrying sewage.

~~3.1.56~~ 3.1.57 Sewer Main

Main sewer conduits that receive and convey sanitary sewage from Lateral Sewers. Sewer mains exist only in a public right of way, and/or in an easement(s) benefiting the District.

~~3.1.57~~ 3.1.58 Side Sewer

The property owner owned, operated, and maintained sewer that connects to the service lateral sewer and extends to the property owner's building(s), structure(s) or Facility(s) that generate sanitary sewage. Side sewers will exist on the property owner's property, and/or in an easement(s) benefiting the property owner.

~~3.1.58~~ 3.1.59 Specifications or District Standards

The most current version of the District's Design and Construction Standards.

~~3.1.59~~ 3.1.60 Substantial Development

Any land development or building program, including by any Public Agency, involving residences or structures for human occupancy within West Sound Utility District boundaries where the person or agency has control over the use of public or private water and/or sewer systems.

~~3.1.60~~ 3.1.61 Uniform Plumbing Code

The version of International Association of Plumbing and Mechanical Officials Code most recently adopted by the State of Washington and/or Kitsap County.

~~3.1.61~~ 3.1.62 Utility Local Improvement District (ULID)

The procedure used to extend water and/or sewer service to a group of properties whereby all property owners share in the cost (RCW 57.16)

~~3.1.62~~ 3.1.63 Water Main

A District-owned or controlled pipe or conduit for supplying potable water. It does not include water service lines. Water mains exist only in a public right-of-way and/or in an easement(s) benefiting the District.

~~3.1.63~~ 3.1.64 Water Service Connection

That portion of the public water line running from a water main or stub line of water main in a street, right of way or easement to the water meter of the customer to be served. A water service connection consists of saddle, direct tap or tee and corporation stop, water service line, curb stop, meter setter, meter, meter box and appurtenances, or any combination thereof as may be required to furnish the requested service. The water service connection from the water main to the property line shall be owned and installed by the District.

~~3.1.64~~ 3.1.65 Water treatment Plant or Works

Any arrangement of devices and structures used for water treatment and may include the collecting, pumping and treating of water.

**WEST SOUND UTILITY DISTRICT
RESOLUTION 1082-23**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT
BOARD OF COMMISSIONERS
ADOPTING POLICY REVISIONS TO TITLE 9,
OF THE ADMINISTRATIVE CODE**

WHEREAS, the West Sound Utility District Board of Commissioners has historically approved District policy through the adoption of resolutions and has a central and uniform location for identifying the District’s current policies; and

WHEREAS, on June 22, 2015, the Board of Commissioners adopted Resolution 550-15 establishing a uniform Administrative Code Book; and

WHEREAS, an update and clarification are needed for various sections of *Title 9 - Water Sewer Rates, Charges, Fees and Account Procedures* of the Administrative Code Book; and

WHEREAS, the District’s Board of Commissioners desires such changes to the policy to provide clarification and necessary updates; **NOW, THEREFORE**

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

Section 1. The Board of Commissioners hereby adopts policy changes to the Administrative Code *Title 9, Water Sewer Rates, Charges, Fees and Account Procedures* of the following sections: *Section 9.1, Water Connection Charges and Fees; Section 9.2, Sewer Connection Charges and Fees; Section 9.4, Water Rates, and Section 9.5, Sewer Rates* as identified as Exhibit “A” attached hereto effective as of June 1, 2023.

Section 2. The Board of Commissioners acknowledges previous written requests for Accessory Dwelling Unit shared services and District issuance of Utility Service letters indicating the permissiveness of shared services. The Board will honor the issued Utility Service letters with the condition that property owners receive a Conditional Use or Building Permit for the proposed Accessory Dwelling Unit by the applicable Land Use Authority on or before January 1, 2024.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a scheduled Board meeting on May 17, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary

TITLE 9 WATER SEWER RATES, CHARGES, FEES AND ACCOUNT PROCEDURE

9.1 Water Connection Charges and Fees

A. **Property on Which Connection Charges Imposed** Owners of real property within or outside the District seeking to connect improvements of such real property to the District's water system, shall pay, as a condition of the District's grant of the right to so connect, connection charges as established so the property owner bears an equitable share of the cost of the District's water system. In addition, the property owner will also be required to pay the cost of making the connection and the cost of a water meter. The General Facility fees shall be paid in full at the time of issuance of the Binding Water Availability Letter.

B. **General Facilities Charge** Owners of real property seeking to connect to the District's water system shall pay a general facilities charge based on meter size.

The General Facility Charge shall generally be adjusted annually to account for inflation. The inflation factor shall be based on the Engineering News Record Construction Cost Index (ENR-CCI), Seattle, WA for June of each year. If the ENR-CCI is less than zero percent (0%), the fees shall not be changed for that year. The effective date of each annual ENR-CCI adjustment shall be January 1st of each year.

The definition and method of calculation for each customer class shall be as follows:

C. **Residential Class** The residential class consists of single family, accessory dwelling and duplex units. The charge for residential class shall be assessed for each residential-~~living~~ dwelling unit.

D. **Multifamily Class** The multifamily class consists of residential buildings with three or more dwelling units, including nursing homes, ~~guest houses, accessory dwelling units~~ and accessory buildings with a kitchen. The charge for multifamily class shall be assessed for each residential ~~living~~ dwelling unit. A separate meter shall be required for each dwelling complex or business building; however, in the case of multifamily units, the District may require one or more service connections and meters for each multifamily unit, and charges shall be in accordance with the District's current meter and general facility charges schedule.

E. **Commercial Class** The commercial class consists of any business, church, or government facility. The charge for commercial class shall be assessed based on the meter size for each building.

F. **Institutional Class** The institutional class consists of public schools. The charge for institutional class shall be assessed based on the meter size for each building.

G. **Irrigation Class**

a. **General Irrigation** The general irrigation class consists of real property that is irrigated and does not satisfy the requirements of ~~5(b) hereof~~ Drought

Tolerant Irrigation.

- b. **Drought Tolerant Irrigation** The drought tolerant irrigation class consists of real property that has Land Use Authority approved landscape plans identifying the real property landscaping as drought tolerant~~conforming to Kitsap County Interim Zoning Ordinance, Chapter 385, Landscape Standards, Section 040, Drought Tolerant Landscaping (passed June 22, 1999)~~, and showing a low water use irrigation system, such as drip irrigation.

The General Facility Charge for irrigation meters shall be paid in addition to the General Facility Charge for residential, industrial, multifamily, and commercial classes.

~~An ERU for the irrigation class shall be based on the maximum safe operating capacity of a displacement meter as defined in AWWA C-700 with a ¾ inch meter at twenty (20) gpm equal to one ERU. (Reference Appendix "A")~~

- H. **Change of Use** Upon any change in use or meter size, the owner of the real property shall notify the District. With any change in use or meter size, the property owner will be required to pay the difference between the general facilities charge for the current meter size and the charge for the proposed meter size.

I. **Water Service Connection Charges**

1. **Full Service Installation Charge** For meters and related appurtenances installed by the District, including road crossings, the following charges shall be levied and collected at the time of service application:

Full service installations will be installed on a time and materials basis. A deposit paid to the District based on estimated cost will be required prior to installation. The District General Manager is authorized to adopt a schedule of the deposit and the hourly and material charges, which shall be posted in the District office.

2. **Pre-Installed Service (Meter Only)** The fees for the installation of a meter only apply when the service connection and all associated valves, fittings, meter setters, etc. have already been installed in accordance with the District's specifications, at the expense of the property owner.

9.2 Sewer Connection Charges and Fees

- A. **Property Subject to Connection Charges** Owners of real property within or outside the District seeking to connect improvements on their real property to the District's sewer system shall pay, as a condition of the District's grant of the right to so connect, connection charges as established and latecomer reimbursement amounts as required by reimbursement contract or District resolution, so the real property owner bears an equitable share of the cost of the District's sewer system. In addition, the property owner may also be required by the District to pay the cost of making any such connection. Owners of real property within or outside the District changing or expanding the use of such real property or modifying the buildings on such real property shall pay connection charges established in this resolution for the change in use at the District rates in effect at the time of the change in use. These fees shall be paid in full at the time of issuance of the sewer connection permit.
- B. **Calculating Sewer General Facilities Charges** The District shall impose a sewer general facility charge (GFC) based on a rate schedule. Guest houses and/or accessory dwelling units (as defined by Kitsap County Zoning Ordinance) or any accessory building with a kitchen when they are located on the same tax lot as a single family residence served by West Sound Utility District will be assessed a GFC based on the charges as set forth in the rate schedule calculated at 0.5 ERU.

The method/formula for determining the basic general facilities charge adjustment shall be: $(\text{basic GFC/ERU}) \times (\text{number of ERUs}) = \text{total GFC}$. The below assignment of equivalent residential units to classes of service shall be used. The ERU assignment shall be applied on a proportionate basis. "Equivalent residential unit (ERU)" means a unit of measurement to determine general facility charges and shall be based on one hundred eighty (180) gallons per day of domestic wastewater with a strength of two hundred fifty (250) mg/l of BOD₅ and TSS (denoting total suspended solids) and an ammonia concentration of twenty-five (25) mg/l and oil and grease concentration of ten (10) mg/l.

The fee for connection to the District sewer system shall be assessed per equivalent residential unit (ERU) as defined above. All commercial, institutional, and industrial users discharging domestic sewage shall pay the general facility charge per ERU for the amount of sewage that would be discharged to the District sewer system at full use of the intended facility or building. The general facility charges per ERU are specified in the following list. This list shall be used in determining the number of ERUs for the building unless the applicant has a minimum of three previous years of water meter records at their present location that would more accurately reflect the waste load generated by the facility. The District engineer may choose to use the data submitted rather than determining the number of ERUs from the list. All ERU calculations used to determine general facility charges shall be carried to the nearest 0.01 ERU.

Single-family residence	1.0 ERU per unit
Multifamily residence	0.75 ERU per unit
Accessory dwelling units	1.00 .5 ERU
Commercial (commercial shall include all classes not otherwise included in this table)	1.0 ERU per 1,000sq.ft or less of interior floor space. For commercial buildings in excess of 1,000 sq. ft. of interior floor space, the District may use actual or projected flow calculations approved by the District engineer.
Restaurant	0.14 ERU per occupant load
Assembly	0.08 ERU per occupant load
Office	0.8 ERU per 1,000 sq./ft. of building
Industrial domestic	0.1 ERU per 1,000 sq./ft. of building
High cubed warehouse	0.03 ERU per 1,000 sq./ft. of building
Mobile home park	1.0 ERU per space
Motel	0.5 ERU per room
High schools, junior high schools and community colleges	1.0 ERU per 24 students
Elementary schools, preschools, day care	1.0 ERU per 24 students
Service station (without car wash)	2.0 ERUs
Car Wash – wand	1.5 ERUs per stall
Car Wash – rollover	7.0 ERUs
Car Wash – tunnel	7.5 ERUs
Assisted Care Facility	0.5 ERU per living unit
Church	1.0 ERU per 150 seats

Commercial shall include all classes not otherwise included on the above table. For commercial establishments in excess of 1,000 square feet of interior floor space, the District may use actual or projected flow calculations approved by the District's engineer, provided, however, the minimum general facilities charge shall not be less than one equivalent residential unit. If projected flow calculations are used, the general facilities charge shall be adjusted after the first year of operation of the establishment to reflect actual flow usage in the event the flows were underestimated.

Industrial waste loads shall pay a general facility charge based on the number of ERUs, since industrial wastes are different in strength and composition. Four parameters in the definition of an ERU shall be weighted as follows in calculating the number: Flow, five-day (5) BOD and TSS shall each be weighted at 0.3 and ammonia shall be weighted at 0.1 times ERUs of the projected flow.

C. Owners of real property seeking to connect to the District's sewer system shall pay a Treatment Capital Charge (TCC), as set forth in the rate schedule.

Properties that have paid the ULID#1 assessment for the secondary treatment facility may receive a credit that will be applied to the TCC for an amount determined by the District, but not to exceed the paid amount of the ULID #1 assessment.

The TCC shall not be waived without the concurrence of both the City of Port Orchard and the District. The Treatment Capital Charges shall be adjusted annually to account for inflation. The inflation factor shall be based on the Engineering News Record Construction Cost Index (ENR-CCI), Seattle, for June of each year. If the ENR-CCI is less than zero percent (0%), the fees shall not be changed for that year. The effective date of each annual ENR-CCI adjustment shall be January 1st of each year.

D. General Facility Charge Owners of real property seeking to connect to the District's sewer system shall pay General Facility Charges (GFCs). Guest houses and/or accessory dwelling units (as defined by [the Land Use Authority Kitsap County Zoning Ordinance](#)) or any other accessory building with a kitchen when they are located on the same tax lot as a single family residence served by West Sound Utility District will be assessed a GFC, ~~based on the charges as set forth in Exhibit "A" calculated at 0.5 ERU.~~

The GFC shall generally be adjusted annually to account for inflation. The inflation factor shall be based on the Engineering News Record Construction Cost Index (ENR-CCI), Seattle, for June ~~of~~ each year. If the ENR-CCI is less than zero percent (0%), the fees shall not be changed for that year. The effective date of each annual ENR-CCI adjustment shall be January 1st of each year.

E. Change of Use Upon any change in use, the owner of the real property shall notify the District. With any change in use, the property owner will be required to pay the difference between the general facilities and treatment capital charges for the current use and the charges for the proposed use.

F. Beach Drive/Watauga Beach Low Pressure Sewer System In 1996, Karcher Creek Sewer District established ULID 96-01 to provide sanitary sewer service to designated properties along Beach Drive and the Watauga Beach community. The sewer force main has limited remaining capacity that is and will be sought by properties within the ULID 96-01 and urban growth area. Properties connecting to the ULID 96-01 force main shall pay all applicable West Sound Utility District fees, in addition to the ULID 96-01 Latecomers Fee, which is established at \$10,780 per Equivalent Residential Unit (ERU). Priority 1 properties, as defined in Karcher Creek Sewer District Resolution 1173-07, are exempt from paying the ULID 96-01 Latecomers Fee.

9.4 Water Rates

The following water rates are applicable:

- A. **Customer Base Charge** A customer base charge based on the meter size shall be assessed monthly for each active meter connected to the District's water system. No water usage fee is calculated in the customer base charge. The base charge for Residential Class includes a unit charge for one (1) Residential dwelling unit.
- B. **Unit Charge** A unit charge for each residential ~~living~~dwelling unit, including an ~~accessory dwelling unit, guest house or~~ accessory building with a kitchen, served shall be assessed monthly for the multifamily class. A unit charge for each dwelling unit that is located on the same parcel as the primary residence which includes an accessory dwelling unit, guest house, or accessory building with a kitchen, served shall be assessed a monthly Unit Charge for the Residential Class on a legacy shared meter.
- C. **Commodity Charge** In addition to the customer base and unit charge, a commodity charge per one hundred (100) cubic feet of water consumed shall be imposed as follows:
1. To apply the following tiered rate structures, all billing-period consumption within the first consumption block shall be charged at the first block rate. All consumption in excess of the first block, but less than the third block, shall be charged at the second block rate. All consumption in excess of the second block shall be charged the third block rate.
 2. The Commodity Charge for residential accounts shall be based on the bi-monthly water consumption. All other accounts shall be based on monthly water consumption.
 3. The Commodity Charges tiered rate structure is listed in the schedule of Water Rates and Charges which is reviewed annually, revised and adopted by Resolution.
- D. **Ready-to-Serve Charge** Each lot for which a binding commitment for water availability has been issued, GFC's have been paid but is not currently taking water will be charged a ready-to-serve rate. Applies only to properties that have been issued a Binding Letter of water availability or have paid GFC's and have not taken on water service. A property shall not remain in a Ready-to-Serve status in excess of two (2) years from the date of GFC payment. At the expiration of the Ready-to-Serve status, the property shall be billed at the current service rate for the equivalent residential unit rate for which the GFC's were paid.
- Any charge, which becomes delinquent must be paid before service is restored to active service.
- E. Monthly water rates shall commence to accrue when the water meter is installed. Customer base services will be pro-rated.

F. **Water Usage Relief Process (leak adjustment)** When a customer requests a billing adjustment for excess usage on the customer's side of the meter between one or more structures, adjustments shall meet all of the following criteria:

1. The customer must request an adjustment by submitting a completed and signed District Leak Adjustment Request form within 60 days of the end of the billing cycle in which the leak was identified; and provide proof to the District's satisfaction that the leak has been repaired;
2. The total usage relief can include excess consumption between two (2) billing cycles and must exceed 150 percent (150%) of the average usage during comparable periods in each of the three (3) preceding years. If this information is unavailable for residential customers, the average will be based upon the average usage during those periods for all residential customers.
3. The customer's leak must be deemed undetectable by the District; no adjustments will be granted for building/structure plumbing leaks
4. The customer must take action to repair the leak within thirty (30) days of when the District employees notify the customer regarding the possibility of a leak or when the customer discovers the leak or such a time period as approved by the General manager, and
5. Only one Leak Adjustment will be considered every five (5) years per owner per account/property.
6. The adjusted bill will be determined by averaging the last three (3) years consumption of the same billing period and this amount will be billed at the normal tiered water rates. The consumption over the calculated average is billed at the lowest cost water tier rate within the block rate for the customer class.

G. **Water Fill Station (Water Truck)** Customers who utilize bulk fill service shall pay at an established rate identified in the Water Rates and Charges. Account establishment is required for monthly invoicing for bulk water obtained. Intermittent (Intermittent is defined as less than five bulk fills per year) bulk fills do not require an account. All transporting trucks are required to have an approved air-gap, which shall be inspected and approved by the District. Resolution 917-20

9.5 Sewer Rates

The following sewer rate charges are applicable:

- A. **Residential** The monthly sewer service rates for ~~single-family~~single-family residential properties.
- B. **Multi-Family** The monthly sewer service rates for multi-family properties, which include triplexes and larger multi-family structures.
- C. **Non-Residential** Non-residential accounts include schools, commercial, industrial, and similar type usage. In addition to a base charge, non-residential customers' charges shall include a rate for each 100 cubic feet of water consumed. The water consumption calculation shall be based on the monthly water consumption.
- D. **Golf Courses** The monthly sewer service rate for golf course property shall be based on restrooms, structures and facilities contributing to the waste loads.
- E. **Public Parks** The monthly sewer service rate for parks property shall be based on restrooms, structures and facilities contributing to the waste loads.
- F. **Commencement of Service** Monthly sewer rates shall commence when the District water meter is installed. In all other circumstances, sewer rates shall commence thirty (30) calendar days after the District sewer permit is issued or upon occupancy of the served structure, whichever is the earliest in time.
- G. **Ready to Serve Charge** Each lot for which a binding commitment for sewer availability has been issued, GFC's have been paid, and does not have a physical connection to sewer will be charged a ~~ready-to-serve~~ready-to-serve rate. A property shall not remain in a Ready-to-Serve status in excess of two (2) years from the date of GFC payment. At the expiration of the Ready-to-Serve status, the property shall be billed at the current service rate for the equivalent residential unit rate for which GFC's were paid.
- H. **Customer Classes for Sewer** For purposes of this resolution, the definition and method of calculation for each customer class shall be as follows:
 1. **Residential Class**
 - a. The residential class shall consist of ~~single-family~~single-family residential ~~dwelling~~ ~~living~~ units. The flat rate charge for residential class shall be assessed for each residential ~~living~~ dwelling unit.
 - b. Guest houses, accessory dwelling units (as defined by the Land Use Authority Kitsap County Zoning Ordinance) or any other accessory buildings with kitchens shall be charged as a second residential dwelling ~~living~~ unit.
 - c. Home businesses shall include Day Care Centers: They (as defined by the Land Use Authority Kitsap County Zoning Ordinance) shall be classified as residential

except when the District determines the water consumption and/or wastewater characteristics are not consistent with the water consumption and/or wastewater characteristics normally associated with a single family residence.

2. **Multifamily Class**

- a. The multifamily class shall consist of residential buildings with three or more residential dwellingliving units; including nursing homes, ~~guest houses,~~ ~~accessory dwelling units~~ and accessory buildings with kitchens. The monthly sewer charge for multifamily class shall be assessed based on each residential dwellingliving unit.

3. **Commercial Class**

- a. The Commercial class consists of any business, church, or governmental facility, other than public schools.
- b. Bed and Breakfasts (as defined by the Land Use Authority~~Kitsap County Zoning Ordinance~~) shall be classified as commercial.

4. **Institutional Class** The customer base charge for the institutional class shall be assessed based on the meter size for each building. There is no unit charge for the institutional class. Public schools are considered Institutional Class.

**WEST SOUND UTILITY DISTRICT
RESOLUTION 1083-23**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
APPROVING A CHANGE OF POSITION
AND PAY GRADE/STEP INCREASE
FOR IAN REEBER**

WHEREAS, Ian Reeber was hired by West Sound Utility District on April 13, 2015, and promoted to serve as a Water/Sewer Operation Utility Specialist II in July of 2019; and

WHEREAS, an evaluation of Mr. Reeber was recently conducted by the Operations Supervisor and Utility Foreman, reviewed and discussed by the General Manager. The evaluation and discussion identified Mr. Reeber has completed the necessary certifications and has taken on more responsibility and has expanded his role with the District; and

WHEREAS, Mr. Reeber is currently eligible for a change of position and the Operations Supervisor and Utility Foreman recommend a Pay Grade/Step increase and change of position commensurate with the service level that Mr. Reeber is providing to the District; and

WHEREAS, the General Manager recommends such Position/Step change increase be confirmed by the Board of Commissioners; **NOW, THEREFORE**,

THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT HEREBY RESOLVES:

Section 1. The Board of Commissioners hereby confirms a position change and step increase for Mr. Reeber from Utility Specialist II to Utility Specialist III effective May 1, 2023. The salary of Mr. Reeber shall be increased from Pay Grade 13, Step 5 (\$6,550.97 per month) to Pay Grade 15, Step 4 (\$6,878.52 per month) effective May 1, 2023.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Board meeting scheduled May 17, 2023.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Susan Way
Chairperson

James J. Hart
Vice Chairperson

Jerry Lundberg
Secretary