

Membership in the Association is governed by the Bylaws of the Association and generally Membership is limited to one per property within the service area of the water system. Membership is generally open to those within the service area provided that adequate water is available and the issuance of new memberships will not negatively impact the supply of water to existing members.

An Association does not have capital stock. Membership in the Association is represented by membership certificates which represent the right to use and enjoy the benefits of the Association's water supply system upon the payment of necessary assessments, if any, and reasonable charges based upon such use.

An Association is governed by a board of directors elected by the membership at the annual meeting of the membership from among the members. The directors meet as needed to conduct the business of the Association, subject to restrictions of law, the Articles of Incorporation, and adopted by-laws.

A variety of funding options are available for Associations and discussed later in the study.

Conclusion: If Samish Water District and PUD No. 1 of Whatcom County are not prepared to take a lead role in the development of a South Lake Samish Water System, the formation of a new "Water Association" is recommended due to the flexibility, simplicity, and relatively low cost. A Water Association will work well to facilitate the next development steps required and provide an organizational structure that can engage in formal negotiations and agreements on behalf of its members. As the plans for a water system develop, there may be some time in the future that forming a new Water District or being taken over a Municipal entity becomes feasible.

Summary

Developing a new public water system under an existing organization is desirable provided there is adequate support by its governing body and the community. However, there are some aspects of operating as a Public Entity, such as a Water District or PUD, that can prove to be more cumbersome and restrictive, specifically with regards to complying with the open public meetings act, financial management through the county treasurer, and financial accounting audits required by the state auditor. In general, a public entity is also subject to pay state prevailing wage rates for construction and capital improvements. On the other hand, Public Entities are typically eligible to receive funding from more sources, and have the authority to levy assessments, and issue bonds to pay for capital improvements.

The use of Private Non-Profit Association for governing a community water system is more flexible, accountable only to its members, and is not subject the open public meetings requirements. Financial management can be done internally and audits conducted as prescribed by the Bylaw and the Board of Directors. Funding resources may be more limited compared to those of a Public Entity.

CONCLUSIONS

Effective communication of the study results to the south Lake Samish Community and the general public will be important to the future success of developing a south Lake Samish Water System. If sufficient support is generated, consolidation becomes feasible, and the appropriate source development can be implemented.

Based on preliminary information gathered for this study it was concluded that:

- Wheeling water from Skagit PUD at Bow Hill Road to Alger, and then to the South Lake Samish Area is not feasible based on the short term (25 years) analysis, however long term Skagit PUD is the most feasible option;
- Sourcing water from Skagit PUD Alger Water System is not available utilizing the existing well and associated water rights;
- Lake Samish is a feasible source for a South Lake Samish Water System in the short term provided that a sufficient number of property owners participate.

The key objective of this feasibility study was to provide planning level information to: evaluate regional source and treatment options; identify associated water utility ownership and governance options; develop an initial service area; identify existing and new facilities and pipelines needed for various options; and discuss water right needs including steps to secure and consolidate them.

Action Plan

Based on the information available and analysis completed during this feasibility study the following action list was established for the further development of a South Lake Samish Water System.

1. Verify Skagit PUD Source - It is essential to have a written commitment from Skagit PUD in order for Samish Water District, PUD No. 1 of Whatcom County, and the community to properly evaluate the source options and subsequent Governance options being considered.
2. Landowner Commitment – Following confirmation one way or the other of Skagit PUD source availability and based upon the findings of this study, it is critical to determine the current level of commitment from residents in the proposed service areas to determine the feasibility moving forward with a community system. This can be done in the form of a survey similar to the one completed in 2010.
3. Establish Governance Structure– Upon completion of the survey, a governance structure is needed to represent the south Lake Samish Community. Initially this can be done with representatives from each Zone in the proposed service area. However, if Samish Water District and PUD No. 1 of Whatcom County are not willing or able to take the lead role, the community will need to establish a more formal structure such as a Non-profit Water Association.
4. Samish Water District Service or Denial – The proposed new service area is within the Samish Water District service area. Samish Water District has the right and associated duty to serve in the proposed service area and therefore, in order to move forward the south Lake Samish community must secure from Samish Water District a commitment to serve or a denial of service in order to move forward with other water system options.

5. If a Non-Profit Water Association is formed, Articles of Incorporation will need to be filed with the Washington Secretary of State Corporations Division. Bylaws will also need to be developed for governance of the Association. A critical part of this process is to establish how membership will be handled during each milestone in the development of the Association including election of a board of directors to formally represent the community.
6. Once the process for membership and leadership are established, it will be necessary to secure a commitment from existing and prospective members. This is typically done in the form of an initial membership fee followed by additional contributions at various stages of system development through completion. Incentives are typically provided for early membership.
7. When the minimum number of membership commitments are secured, the following outline represents the planning effort necessary to develop a new regional Group A water system.
 - a. Memorandum of understanding with Ecology for the process of Water Rights consolidation and eventual submittal of an application for water rights.
 - b. Prepare a Hydraulic Analysis, Recommended Improvements, and Cost Estimates.
 - c. Prepare a Comprehensive Water System Plan (Business Plan) – This is required for a new Group A public water system in accordance with the WADOH's Water System Design Manual and WSDOH Water System Planning Handbook. Important components of the water system plan include:
 - i. Agreements and Governance
 - ii. Service Area and Consistency with Local Planning and WRIA
 - iii. System Demand
 - iv. System Design including Capital Improvements
 - v. Management and Operations
 - vi. Policy and Design Standards
 - vii. Financial Planning including Rates
 - d. Preliminary System Design Engineering,
 - e. Apply for and Secure Funding
 - f. Design Engineering and Construction Documents
 - g. Permits – SEPA/Environmental, Section 106/Historical & Cultural, Construction
 - h. Project Construction
 - i. Project Completion and System Startup

References

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Lake Samish Comprehensive Water Plan prepared by URS/Hill, Ingman, Chase & Co., March 14, 1975

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Revised Code of Washington (RCW) Title 54 “Public Utility Districts”

Revised Code of Washington (RCW) Title 57 “Water-Sewer Districts”

Washington Administrative Code Chapters 249-290ff “Group A public water systems”

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