July 24, 2015

Dear Stillaguamish River Clean Water District (CWD) Advisory Board members,

Thank you for your time and effort to advise Surface Water Management (SWM) via your annual recommendations letter dated April 27, 2015. We evaluated all of your recommendations as we prepared the proposed SWM 2016 budget. We have responded point by point to these recommendations below to clarify which recommendations we have incorporated into SWM’s 2016 budget and work plan.

Pursuant to Title 25A.30.030, Snohomish County Code, the Stillaguamish River Clean Water District Advisory Board (the Board) offers its recommendations and comments:

Budget Allocations – Surface Water Management (SWM) has requested detailed recommendations regarding funding levels and priorities for the 2016 budget. This entails an appraisal of relative emphases between the various programs and projects funded by Clean Water District fees collected under both RCW 90.72 (shellfish protection) and RCW 36.89 (stormwater control). Much of this appraisal is outlined in the Shellfish Protection Work Plan developed by SWM staff and the CWD Shellfish Committee (see attached).

It is important to note that use limitations stemming from the statutory delineation of these two revenue sources are less than they may appear at first glance. Many projects, such as Lake Ketchum, Drainage and Diking District 7, or NPDES, fall into a gray area where surface water and water quality/shellfish protection problems overlap, and funds have been drawn from both sources to meet project needs. Furthermore, 90.72 program funds are used cooperatively. The 59.1% of revenue assigned to SWM’s water quality/shellfish projects, including any funding to the Snohomish Health District (SHD) has been complemented by projects performed by the Snohomish Conservation District (SCD) (33% of revenue) or the Discretionary Fund (DF) (7.9%). For example, monitoring and analysis funded within the Water Quality/Shellfish program, have led directly to remediation measures through the SCD contract, or to implementation by means of DF projects.

This considered flexibility and project synergy has proven to be an effective approach. With that in mind, the Board offers the following recommendations regarding the 2016 budget:
Recommendation:

Water quality monitoring, analysis, and follow-up provide the basis for corrective actions to reduce pollution in the CWD lakes and streams. The Board recommends full, Work Plan funding of monthly freshwater monitoring, focusing on the lower Stillaguamish River, coastal waterways, and lakes that drain to Port Susan and South Skagit Bay, followed up by bacterial pollution source identification surveys in high priority areas, with technical assistance, cost share incentives, and regulatory enforcement;

Response:

SWMacknowledges the CWD Advisory Board’s request for funding to support monthly freshwater quality monitoring ($21,200); bacterial pollution source identification field surveys ($26,000); and follow-up actions, including technical assistance, cost share incentives, and enforcement ($26,000).

Through multiple efforts by Snohomish County, the Washington State Department of Ecology (Ecology), and other organizations, a large amount of water quality monitoring data has already been collected for the lower Stillaguamish area. In early 2016, SWM will engage in a planning process to determine the most appropriate monitoring approach for the lower Stillaguamish area, given existing information and any overlapping SWM priorities in that area.

SWM will continue to implement the work plan for the Pollution Identification and Correction (PIC) grant in 2016; however, the water quality monitoring element of the PIC grant has been completed, and we are not planning to do any additional PIC grant-funded water quality monitoring next year. SWM will also continue to provide technical assistance to property owners within the CWD through a variety of programs – such as those for water quality investigations and drainage complaint responses – as well as through the Snohomish Conservation District (SCD) contract. In addition, as discussed below, SWM has allocated $100,000 in its proposed 2016 budget to support increased assistance from the Snohomish Health District (SHD). Finally, the Discretionary Fund and the LakeWise grant will continue to provide cost share funding for qualifying CWD projects in 2016.

In future years, the Stillaguamish-Snohomish Local Integrating Organization (LIO) may be interested in applying for federal National Estuary Program (NEP) grant funding for freshwater quality monitoring and follow-up actions. The potential for this will become clearer as the LIO develops Near Term Actions to address pressures and stressors on Puget Sound Vital Signs.

Recommendation:

The Work Plan also proposes $100,000 funding to SHD for a sanitary FTE, to support both the CWD water quality effort and the County’s Savvy Septic loan and grant program launched this year. The Board recommends allocation of $50,000 from the Water Quality/Shellfish Protection funds toward this FTE, provided that SWM allocates funding for the remaining $50,000 from the Snohomish and South County Water Management Areas (WMAs). SHD services are county-wide, and Savvy Septic serves not only the CWD, but the two WMAs as well. The CWD allocation could be assigned its own budget-line project number;
Response:

SWM concurs with the CWD Advisory Board’s recommendation to fund a full-time sanitarian position at the Snohomish Health District (SHD). The proposed SWM 2016 budget allocates $100,000 to this FTE: $25,400 from the RCW 90.72 fund balance; $24,600 from the PIC grant; and $50,000 from the Snohomish and South County Water Management Areas (WMAs).

Recommendation:

* The Board recommends that the annual budget for SCD and the DF be maintained at no less than the 2015 level, and augmented beyond that wherever necessary by liberal use of the respective fund balances;

Response:

Regarding the direct allocation of funds from the 90.72 revenues, the tables below summarize the amount budgeted in 2015 and 2016 for the Snohomish Conservation District (SCD) and the Discretionary Fund (DF). This does not include additional funds budgeted for SCD in 2015 and 2016 to pay for their services in support of specific SWM projects, such as the PIC grant and youth education. The tables below reflect the assumption made by SWM that the budget condition adopted for the 2015 budget would not be continued in the 2016 budget. As indicated in the tables, the level of funding for SCD would be reduced without the budget condition while the funding for the DF would be increased, primarily due to the use of available fund balance. In general, SWM supports the use of fund balances, as available, to augment the 2016 budgets for the SCD and the DF programs.

<table>
<thead>
<tr>
<th>2015 Council Adopted</th>
<th>Total</th>
<th>SCD</th>
<th>DF</th>
</tr>
</thead>
<tbody>
<tr>
<td>WMA - Stillaguamish 90.72</td>
<td>$391,962</td>
<td>$129,348</td>
<td>$30,965 &lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>2015 Budget Condition (additional funds allocated to 90.72)</td>
<td>$75,570</td>
<td>$18,091</td>
<td></td>
</tr>
<tr>
<td>Total 2015</td>
<td>$204,918</td>
<td>$49,056</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Of the $30,965, the Savvy Septic program received $20,000

<table>
<thead>
<tr>
<th>2016 SWM Proposed</th>
<th>Total</th>
<th>SCD</th>
<th>DF</th>
</tr>
</thead>
<tbody>
<tr>
<td>WMA - Stillaguamish 90.72</td>
<td>$401,904</td>
<td>$132,628</td>
<td>$31,750</td>
</tr>
<tr>
<td>90.72 DF Fund Balance</td>
<td></td>
<td></td>
<td>$29,994</td>
</tr>
<tr>
<td>90.72 Fund Balance (staff time only)</td>
<td></td>
<td></td>
<td>$7,682</td>
</tr>
<tr>
<td>90.72 DF for Savvy Septic</td>
<td></td>
<td></td>
<td>$20,000</td>
</tr>
<tr>
<td>Total 2016</td>
<td>$132,628</td>
<td></td>
<td>$89,426</td>
</tr>
</tbody>
</table>
Recommendation:

- The $12,000 in 36.89 funding cut from the 2015 lakes budget jeopardizes the progress of Eurasian water milfoil plant control at Lakes Goodwin and Shoecraft. The 36.89 fund balance at the end of 2014 is larger than projected, and **the Board recommends** the milfoil funding be restored in 2016.

Response:

SWM acknowledges the CWD Advisory Board’s concern about the progress of efforts to control Eurasian water milfoil at Lakes Goodwin and Shoecraft. However, because milfoil control work is not required under the NPDES program, it has a lower priority for funding than other mandated services.

The proposed SWM 2016 budget sets milfoil funding at approximately the same level as it was in 2015. SWM is not aware of a connection between milfoil removal and shellfish protection, so SWM believes that milfoil control can only be funded with 36.89 revenue. If funds are shifted from 36.89 to 90.72, as recommended by the CWD Advisory Board, then funding for milfoil control work within the CWD will be evaluated for further potential spending cuts.

Recommendation:

- **The Board recommends** $10,000 of 36.89 revenue be allocated to support drainage maintenance planning in Drainage and Diking District 12.

Response:

SWM has budgeted money in the River Infrastructure Assessment Project for the analysis of river infrastructure within the Stillaguamish Basin, including $12,000 for work in the CWD. The purpose of the project is to evaluate drainage and diking infrastructure within special districts. If CWD boundaries are expanded to include Drainage and Diking District 12 (DD12), as was assumed in the SWM 2016 budget, then some of the $12,000 earmarked for assessment efforts in the CWD could be used to support DD12 drainage maintenance planning. If the CWD boundaries are not expanded, however, SWM will not be able to support the CWD Advisory Board’s recommendation to allocate 36.89 revenue to such planning, since DD12 would still be located outside of the CWD.

Recommendation:

*Amendment of T25A – County Council has stated its intention to amend SCC Title 25A to codify the respective shares of CWD revenues now allocated to the 90.72 and 36.89 funds in the 2015 budget. To ensure adequate base funding for our 90.72 program, the Board again recommends that SWM support this amendment.*

Response:

On June 16th, SWM recommended to the Snohomish County Council that no changes be made to county code which would alter existing allocations of RCW 36.89 and 90.72 revenues. SWM believes that 36.89 funds are more flexible and can be used for a broader range of surface water projects than 90.72 funds; therefore, the code amendment recommended by the CWD Advisory Board would reduce flexibility in fiscal management and reduce funding for 36.89 projects and programs. This would
undoubtedly result in reduced SWM services to CWD residents that are currently funded by 36.89 funds. In addition, because county code mandates that about 40% of 90.72 funds be directed to the Discretionary Fund and the SCD, only about 60% of the funds that would be moved from 36.89 to 90.72 would be available for general 90.72 purposes.

If the county council adopts the amendment recommended by the CWD Advisory Board, any programs that are not required by regulations would need to be evaluated for reductions in scope and funding. For example, SWM’s drainage and lakes programs are not currently mandated, so these programs might be scaled back if funds are shifted from 36.89 to 90.72. While SWM supports the shellfish protection program, we also have a responsibility to provide a wide range of surface water services within the CWD. Consequently, we do not support the CWD Advisory Board’s recommendation to change the funding allocations established by county code.

Recommendation:

Stillaguamish Shellfish Protection Program – The Board recommends SWM formally request that the Snohomish County Council adopt the Stillaguamish Shellfish Protection Program, finalized in 2011, as required by RCW 90.72.030. This adoption will enable annual reporting to the Washington Department of Health, Office of Environmental Health and Safety, also required by RCW 90.72.

Response:

SWM believes that the Shellfish Protection Program has already been adopted through the annual budget adoption process, which allocates funds for program implementation. However, we will consider this recommendation, particularly if the Stillaguamish Shellfish Protection Plan is revised to amend outdated goals, objectives, and action items, and if appropriate levels of service and performance measures are established.

Recommendation:

Lakes – The Board commends SWM’s lakes personnel for their fine work in the LakeWise program, and particularly in reducing toxic algae on Lake Ketchum. Our lakes are a vital natural resource of the CWD, entwined with the health of fresh and marine waters downstream, impacting the health of humans, pets and wildlife, including shellfish. Five are listed as impaired. The Board is concerned that SWM budget changes could reduce services to CWD lakes, and makes the following recommendations:

▲ Continued efforts, such as the successful alum treatments underway at Lake Ketchum, to control toxic algae and restore impaired lakes;
▲ Continued outreach to property owners in lake watersheds via the LakeWise program to reduce residential bacteria and nutrient pollution;
▲ Volunteer monitoring of lake water quality at all 12 CWD lakes.
Response:

SWM is proud of its efforts to monitor and improve the lakes in the CWD, and to work with lakeside property owners to reduce lake pollution and improve habitat. The proposed SWM 2016 budget allocates funding for the continuation of Lake Ketchum alum treatments, using 36.89 funds and contributions from lakeside property owners. The proposed 2016 budget also continues the LakeWise program, using grant funds, with county funds supporting other services that are critical to the success of the LakeWise program. In addition, the proposed SWM 2016 budget allocates funds for volunteer lake water quality monitoring. As mentioned above, however, the SWM lakes program is not mandated; therefore, if the county council adopts the amendment recommended by the CWD Advisory Board, and shifts funds from 36.89 to 90.72, the lakes program may need to be scaled back to accommodate reduced 36.89 funding.

Recommendation:

Education and Outreach – The Board strongly supports funding for education and outreach, not only in the SCD contract and DF projects, but also as an integral part of the Stillaguamish Shellfish Protection Program. Also, the Board requests an update on SWM’s inter-agency education and outreach through the Snohomish-Camano Eco Net program.

Response:

SWM will continue to provide funding for education and outreach activities related to water quality. The 2016 proposed SWM budget includes $30,000 for the Sound Education program, which is currently managed by the SCD under its contract with SWM. The proposed 2016 budget also includes funding for ongoing landowner education and outreach – in the form of technical assistance – in the CWD and beyond. This technical assistance is currently provided by a SWM Watershed Steward and is available to landowners of streamside and riverfront properties, lake watersheds, wetlands, and Native Growth Protection Areas. Such assistance focuses on land management practices that protect water quality and reduce stormwater runoff and erosion.

We would like to note that SWM involvement in the Snohomish-Camano ECO Net program is limited. SWM staff have attended quarterly ECO Net meetings and participated in projects that align with our NPDES projects, but SWM does not lead or staff the group. In past years, the Puget Sound Partnership (PSP) has funded a part-time coordinator as well as a $10,000 project grant for each of the twelve ECO Nets, including Snohomish-Camano. Each round of funding has been tied to very specific goals in the PSP Action Agenda. This fiscal year (July 1, 2015 – June 30, 2016), PSP is only funding the part-time coordinators. For the Snohomish-Camano ECO Net, the coordinator is currently Andy Noone of Sound Salmon Solutions. Mr. Noone would likely be the most appropriate person to ask to give a presentation on the local ECO Net program to the CWD Advisory Board.

Recommendation:

Partnerships – The Board is encouraged by the inter-agency cooperation that has undertaken the clean-up of the horse manure pile near Happy Valley Road. We urge SWM to continue to facilitate the effort until all the waste has been removed and the site is no longer a source of bacterial pollution. We also urge SWM to fund the development of interlocal agreements with
the cities of Stanwood and Arlington for cooperative water resource management in the CWD. These ILAs should address reporting of wastewater overflow events to SWM and representation on the CWD Advisory Board.

Response:
SWM has likewise been encouraged by the interagency cooperation evident in the clean-up of the large horse manure pile near Happy Valley Road. We intend to continue facilitating waste removal at the site until it is no longer a source of bacterial pollution. We look forward to partnering with other agencies on similar types of efforts in the future, when appropriate.

SWM acknowledges the CWD Advisory Board’s request to develop interlocal agreements with the cities of Stanwood and Arlington for cooperative resource management in the CWD. SWM will contact the cities to discuss this possibility.

Thank you again for your thoughtful recommendations to SWM. We hope this response helps to inform your annual recommendations letter to the Snohomish County Council in October. We look forward to continuing to work with the CWD Advisory Board to help refine and further improve programs funded by CWD revenues.

Sincerely,

Gregg Farris
Gregg Farris, P.E., Surface Water Management Interim Co-Director
Snohomish County Public Works, Surface Water Management
3000 Rockefeller Ave., M/S 607
Everett, WA 98201

cc: Steve Thomsen, P.E. Snohomish County Public Works Director
Karen R. Kerwin, P.E., Surface Water Management Interim Co-Director