



Spokane County

PUBLIC WORKS

March 18, 2025

Mayor Lisa A. Brown
City of Spokane
808 W. Spokane Falls Boulevard
Spokane, WA 99201

RE: Northpointe Sewer Connection

Dear Mayor Brown:

We appreciate the significant mutual efforts of our respective wastewater operations and design teams. As always, we seek to continue our productive collaboration to manage our intertwined wastewater systems. This aim is aided by the formalization or codification of the long-standing understanding of the City and County regarding the Spokane County Regional Water Reclamation Facility (SCRWRF) in our proposed interlocal agreement (ILA).

Once our interlocal agreement is in place to clarify a method to resolve any further utility tax issue, the current approach to collection of utility taxes is acceptable as was confirmed by the SAO. In no way does the ILA fundamentally or permanently change the delegation of taxing authority to either body. The ordinance revision we've discussed previously reflects another alternative solution. The City and County have numerous ILAs in existence, running as long as 50 years in several cases. Each ILA merely reflects the agreement between two local entities on certain terms and conditions.

If long-term ILAs were not lawful, the City would be handicapped from entering any interlocal agreement that could possibly affect the administration of future councils. The City would be limited to short-term agreements, beholden to the election cycle, and restricted from agreements that have any longer range implication whatsoever. This is not the case, and such presumption should not preclude the City and County from negotiating a sensible arrangement. Interlocal agreements routinely include provisions for modification, limitation, expansion, or non-renewal. Similar provision within the ILA will enable and necessarily require future city councils to exercise such authority to revisit updates if warranted to better reflect then-contemporary realities.

Recognizing that operations of our wastewater systems have been intertwined for decades, it nonetheless remains critical to clearly define what is and is not to the benefit of sewerage customers residing outside City limits. The County fully rejects the concept of a utility tax on the SCRWRF to be paid by ratepayers that are not City residents, and we have consistently expressed our position to that effect. Sewer customers outside the City do not have voting authority within the City.

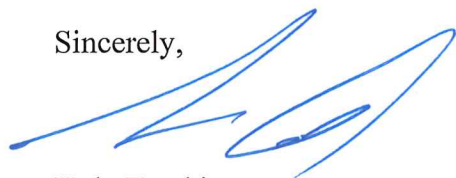
The imposition for the City's benefit of a tax on the County's facility represents a significant step away from mutually beneficial wastewater arrangements. We acknowledge the City's Northpointe Lift Station is increasingly infeasible to maintain and the suggested acceptance of Northpointe flows to County's systems is a marked improvement in service for the immediate area. Due to the joint siting of the SCRWRF and the commingling of our respective wastewater systems, there needs to be clarity that the County's facility will not be irrationally subjected to tax obligations, for the City's exclusive benefit, simply by accepting certain flows from the City that the City would otherwise be responsible to manage. It is in the interest and benefit of our respective sewerage ratepayers to pay rates and taxes assessed by the jurisdictions in which they are directly served.

Please note that the 2017 letter from Kevin Cooke, agreeing generally with the concept of Northpointe sewerage diversion, predates the City's subsequent exploration of charging utility taxes on the SCRWRF and reflects a radical shift in the relationship. Staff have for years worked collaboratively to implement creative solutions to improve regional wastewater treatment. Particularly so in the early 2000s, when City and County worked together on the siting and development of the County's facility. This \$250MM project was at great expense to Spokane County customers in order to reduce the volumes at the City's own RPRWF and to support expansion of treatment for the growing Spokane Valley area. Since then, the County facility has operated in harmony with the City's plant for nearly 15 years. For the City to contemplate it will assert a utility tax now on the County and its ratepayers, which lack voting authority in the City, shows a direct, profound change from our prior successful history of collaboration.

The City and County agree that this matter should be concluded with a lasting resolution so that our public entities can continue great work for our citizens and be a national model in wastewater treatment. Once we are on the same page with the resolution, final connection of Northpointe sewer flows may proceed.

We implore the City to clearly understand the County's concerns re: SCRWRF utility taxation, and encourage the City to sign our proposed interlocal agreement or propose other acceptable language. Acknowledging this was and is a jointly sited facility, in view of encouraging equitable sharing we are open to discuss alternative means to satisfy the County that continued provision of services to its respective sewerage customers will not result in City taxation outside City's sewer service area.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kyle Twohig', with a stylized flourish at the end.

Kyle Twohig
Senior Public Works Director
Spokane County

CC:

Louis Graf, Wastewater Operations, Spokane County
Marlene Feist, Public Works Director, City of Spokane
Raylene Gennett, Wastewater Director, City of Spokane
Spokane City Council Members, City of Spokane