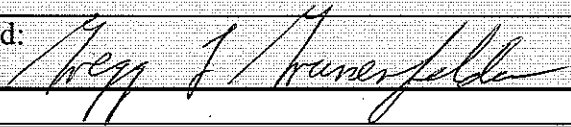


Division of Drinking Water Policy/Procedure

Title:	Satellite Management Agency Implementation Policy	Number: B.05
References:	RCW 70.119A.060, RCW 70.116.134	
Contact:	Peter Beaton, Headquarters	
Effective Date:	February 27, 1998	
Supersedes:	N/A	
Approved:	 Director, Division of Drinking Water	

Drinking Water policies are written descriptions of the approach taken by the Program to implement a statute, regulation, court order, or agency order, and may include the Program's current practice, procedure, or method of action based on that approach. Any generally applicable directives or criteria that provide the basis for imposing penalties or sanctions, or for granting or denying Program approvals, must either be in statute or established in a rule.

Satellite Management Agency Program Umbrella Implementation Policy

Purpose Statement/Background:

This policy provides clarification on the following seven issues that have developed with the implementation of the Satellite Management Agency (SMA) Program.

Page #	Section
2	1. Conditions on plans and projects for newly created public water systems
4	2. Process to revoke, suspend, or modify an SMA approval
5	3. Clarification on required level of SMA service for new and existing systems
6	4. SMA single and multi-county review process
17	5. Directing water applicants in claimed future service areas
18	6. Process for a break in contract for a system required to have SMA services
18	7. Use of list of approved SMAs when directing applicants for SMA services

Section 1: Conditional approvals for newly created public water systems not owned or operated by an approved satellite management agency

Purpose Statement/Background:

This section provides clarification on what type of conditions the department is to place on plans and projects for newly created public water systems and how DOH will administer these conditions on an ongoing basis. This document will also be used in coordinating training with local governments on their use of conditional approvals for new systems.

RCW 70.119A.060 states,

No new public water system may be approved or created unless:

(a) It is owned or operated by a satellite system management agency established under RCW 70.116.134 and the satellite system management agency complies with financial viability requirements of the department;

or

(b) a satellite management system is not available and it is determined that the new system has sufficient management and financial resources to provide safe and reliable service.

The approval of any new system that is not owned by a satellite system management agency shall be conditioned upon future management or ownership by a satellite system management agency, if such management or ownership can be made with reasonable economy and efficiency, or upon periodic review of the system's operational history to determine its ability to meet the department's financial viability and other operating requirements. The department and local health jurisdictions shall enforce this requirement under authority provided under this chapter, chapter 70.116, or 70.05 RCW, or other authority governing the approval of new water systems by the department or a local jurisdiction.

Procedure:

1. On the effective date of this policy, the department shall place one of two conditions on all approvals for Water System Plans (WSPs), Project Reports, Construction Documents and Group B Manuals associated with the creation of a new system. The first condition (a), in the paragraph below, is for systems that are created under the ownership or management and operation of an Approved

SMA. The second condition (b) is for systems that are created without an approved SMA's ownership or management and operation.

a) Condition on Approvals for Systems Owned or Managed and Operated by an approved SMA

The (WSP, Project Report, Construction Document, or Group B Manual) is hereby approved....This system is required to be owned or operated and managed by an approved SMA. In the future, if an approved SMA is not available to offer ownership or management and operation, this approval is conditioned upon the periodic review of the system's operational history to determine its ability to meet the department's financial viability and other operating requirements. If, upon periodic review, the department determines that this system is in violation of its financial viability or other operating requirements, and an approved SMA is available, the department shall direct this system to an approved SMA for ownership or management and operation, if such ownership or management and operation can be made with reasonable economy and efficiency.

(b) Condition on Approvals for Systems Not Owned or Managed and Operated by an approved SMA

The (WSP, Project Report, Construction Document, or Group B Manual) is hereby approved....This approval is conditioned upon the periodic review of the system's operational history to determine its ability to meet the department's financial viability and other operating requirements. If, upon periodic review, the department determines that this system is in violation of its financial viability or other operating requirements, the department shall direct this system to an approved SMA for ownership or management and operation, if an approved SMA is available and if such ownership or management and operation can be made with reasonable economy and efficiency.

2. A system will be considered in violation of the department's financial viability or other operating requirements when it fails to comply with a Departmental Order directing compliance with financial viability or other operating requirements.
3. If a system is in violation of a Departmental Order directing compliance with financial viability or other operating requirements and is directed to obtain SMA service, the system shall be placed on the compliance target list for appropriate action.

Section 2: Process to revoke, suspend, or modify an SMA approval

Purpose Statement/Background:

This section provides clarification on the process a Drinking Water staff planner should follow to deny an SMA application or to revoke, suspend or modify an SMA's existing approval.

Chapter 246-295 WAC sets forth the qualifications, standards, and requirements for the approval or denial of an application for SMA approval and for the revocation, suspension, or modification of SMA approval. This document sets forth the procedure by which planners will coordinate changing an SMA's approval status.

Procedure:

If the planner determines, after receiving input from other staff, that an SMA application should be denied or an existing SMA approval should be revoked, suspended, or modified, the following process should be followed:

1. Planner brings the matter to the attention of the SMA Program Manager.
2. Planner drafts notice of intent to revoke suspend or modify the approval that contains:
 - a) Identity of the party against whom the action is being taken;
 - b) Description and history of violation and factual basis for the proposed action (i.e., denying, revoking, suspending or modifying);
 - c) Provisions of WAC 246-295-100(2)(a-i) regarding SMA compliance that apply;
 - d) Proposed action;
 - e) Statement that the applicant or approved SMA has an opportunity to appeal DOH's decision either in a Brief Adjudicative Proceeding (BAP) for a denial of an SMA application or a Full Adjudicative Proceeding (FAP) for revocation, suspension, or modification of an existing SMA approval. (Request for Adjudicative Proceeding Forms are attached for BAP and FAP).
 - f) Information regarding date action takes effect; and
 - g) A statement that the Notice of Intent is an "initiating document" under chapter 246-10 WAC.
3. Planner sends the Notice of Intent to the AAG for review and comment. AAG's comments incorporated, notice is sent to the assistant secretary for signature [or the director, if so delegated], and is mailed to SMA applicant or SMA with appropriate application for adjudicative proceeding. SMA Program Manager and all impacted counties are copied.
4. If applicant or SMA elects to have a BAP or FAP and responds in a timely

manner, planner is to await outcome of proceeding and implement decision accordingly.

5. If no appeal is pursued, planner is to implement the action on the effective date in the notice and coordinate with AAG.
6. Upon the effective date of the revocation, suspension, or modification of an existing SMA approval, HQ updates the list of approved SMAs to reflect changes and distributes the updated list. Planner informs the systems required to have SMA ownership or management and operation that they need to obtain service from another approved SMA. Planner also informs the county(ies) of the action.

Section 3: Clarification on required level of SMA service for new and existing systems

Purpose Statement/Background:

This section provides clarification on an Approved Satellite Management Agency's (SMA) responsibility when providing different types of service for systems they do not own.

An SMA can provide one of two types of service contracts, *management and operation* or *contract service for systems*.

Management and Operation Service

The first category of service an SMA can offer is for Management and Operation of the system. Management and Operation entails that the SMA has been identified as the party responsible to assure that all of the necessary functions for the system to comply with applicable regulations regarding the management and operation of the system are going to be completed.

Contract Service Contracts

All other contracts where the SMA has not been hired to perform all of the necessary functions for the system to comply with applicable regulations can be categorized as contract service contracts.

Policy/Procedure

1. In accordance with WAC 246-295-080, DOH staff shall receive two copies of all new and renewed contracts from SMAs that perform system management and operation, as required in RCW 70.119A.060. For those systems that are required to be operated and managed by an SMA, DOH staff shall ensure that the contact identifies the SMA

as the responsible party for performing all required functions to comply with applicable regulations, as required in WAC 246-295-080. If the SMA is not identified, Staff is to write a letter to the system owner stating that the contract will have to be amended to specify that the SMA is the responsible party.

2. The planning section will be working with the data section to explore developing the capability to report the type of SMA service (management and *operation* versus *contract service*) a system is receiving.
3. When offering both types of SMA service (*management and operation* versus *contract service*), an SMA can opt to delegate selected functions to other parties but this delegation authority does not remove the responsibility of the SMA to assure that they are being completed. Ultimately, if there is a compliance issue, the SMA's approval and the certified operator's certification are in jeopardy.
4. During the periodic review of an approved SMA's plan pursuant to WAC 246-295-090, DOH staff shall ensure that all systems operated and managed by that SMA are not classified in a red operating permit category. If a system under the management and operation of an approved SMA has a red operating permit at the time of review, a special provision pursuant to WAC 246-295-110 may be utilized for determining if an SMA can be approved. When an SMA is performing contract service, the color (status) of the system's operating permit is the responsibility of the system owner.

Section 4: SMA single and multi-county review process

Purpose Statement/Background:

This section identifies the steps the regional office planners follow when they receive an application from a party interested in becoming an approved Satellite Management Agency (SMA) for an individual county, for multiple counties or multiple counties in more than one DOH region.

Chapter 246-295 WAC identifies the required content for SMA plans. There are four separate review processes below, each dealing with different scenarios of SMA review and approval. The following procedures identify required actions, timeframes, and responsible parties for all aspects of SMA plan review and approval. The procedures are taken from WAC 246-295, the Satellite Management Planning Handbook, and standard operating procedures for other elements of the planning program, principally the undocumented umbrella water system plan review process. The attached SMA required content checklists are to be used to educate applicants on required submittals and when conducting reviews of submitted plans.

Note: One key point in the review of SMA applications/plans is that DOH's review is to determine the existence of financial information contained in the checklists and will not include a review of justification for the financial information on the checklist (i.e., we determine if an SMA has identified their general facility charge (buy-in fee) in the plan (e.g., \$3,500), but we will not critique how the SMA derived their buy-in fee).

Procedures:

1. First Time- Single or Multi-County SMA Application Review Process (In Same DOH Region)
 - a) After applicant sends in a notice of intent to regional planners to become an approved SMA on a department supplied form.
 - b) Planner holds pre-submittal conference with SMA applicant (engineer presence optional). Staff uses the applicable SMA content checklist (Ownership or Management and Operation) to guide the discussion on expected content of SMA plan. Applicant is notified at the SMA conference that DOH's review of the submitted plan generally take up to 90 days for each new county approval. The applicant is notified that their SMA plan must be reviewed by the county to determine if the plan is consistent with adopted plans and policies. The planner can decide to have the applicant be responsible for coordinating the county review or can opt to be responsible for coordinating the county review. If the planner elects to be responsible for coordinating the review they are to forward a copy of SMA plan to county(ies) and inform them that they have 60 days to forward their comments (county comments must be based solely on adopted plans and policies) to DOH. If no comments are received by planner within 60 days, county(ies) forfeit opportunity for input. Planner to cc the regional engineer on all review and approval correspondence.
 - c) Applicant submits application and SMA plan including the information on attached checklists (at the level of detail agreed upon in pre-submittal conference).
 - d) Planner to send fee letter to SMA applicant informing them that he or she received the plan and that the review will take 90 days to complete.
 - e) Planner to coordinate and notify other regional office staff and also give them 60 day timeline for comments. Planner is responsible to negotiate comments to be included in region review letter. If consensus cannot be reached, issue is brought to their respective supervisors for resolution.
 - f) At the end of 60 days or after comments from county and regional office staff have been received by planner (whichever is sooner), the planner is to combine all review comments received into one document. If the planner has an issue with any of the

comments, the planner is to attempt to reach agreement with the author of the comment to either include or delete comment. If such agreement cannot be reached, the issue is to be forwarded to both parties' respective supervisors for conclusion.

- g) Planner sends applicant the comment letter, with a due date, or approval letter if there are no comments, or a denial letter. In the case of a denial letter, Planner discusses with SMA program manager and supervisor and drafts the letter with explanations of applicant's appeal rights. A denial letter must be structured as an initiating document and must include a Request of Adjudicative Proceeding form. A copy of the letter should be sent to the county and all other involved parties.
- h) If an applicant adequately responds to the items in the comment letter; planner sends applicant an SMA approval letter (SMA program manager CC:) for the county (or partial county if specified).

2. Review Process for Requests for Additional County Approval for an Existing Approved SMA (in Same DOH Region)

- a) After applicant sends in notice of intent to serve in additional selected county(ies).
- b) Planner holds pre-submittal conference with SMA applicant (engineer presence optional). Staff uses the applicable SMA content checklist (Ownership or Management and Operation) to guide the discussion on expected content of SMA plan. Applicant is notified at the SMA conference that DOH's review of the submitted plan generally take up to 90 days for each new county approval. The applicant is notified that their SMA plan must be reviewed by the county to determine if the plan is consistent with adopted plans and policies. The planner can decide to have the applicant be responsible for coordinating the county review or can opt to be responsible for coordinating the county review. If the planner elects to be responsible for coordinating the review they are to forward a copy of SMA plan to county(ies) and inform them that they have 60 days to forward their comments (county comments must be based solely on adopted plans and policies) to DOH. If no comments are received by planner within 60 days, county(ies) forfeit opportunity for input. Planner to cc the regional engineer on all review and approval correspondence.
- c) Applicant asked to provide a statement that the information in the respective SMA required content checklists items below also applies to the additional selected counties. If the information is not current or does not apply, the applicant must update the items in their submittal.

From the SMA Required Content

Checklist for Ownership

- i) Item 1
- ii) Item 3
- iii) Item 4
- iv) Item 5 a,c
- v) Item 6 a,c

From the SMA Required Content

Checklist for Management and Operations

- i) Item 1
- ii) Item 3
- iii) Item 4 a,b,c

- d) All applicants asked to provide updated information for the following items from their respective SMA Checklists:

From the SMA Required Content

Checklist for Ownership

- i) Item 2
- ii) Item 5 b
- iii) Item 6 b,d
- iv) Item 7
- v) Item 8

From the SMA Required Content

Checklist for Management and Operations

- i) Item 2
- ii) Item 4 d
- iii) Item 5
- iv) Item 6

- e) Applicant submits their SMA application and plan including the information on attached checklists (at the level of detail agreed upon in pre-submittal conference).
- f) Planner to send fee letter to SMA applicant informing them that he or she received the plan and that the review will take 90 days to complete.
- g) Planner to coordinate with other regional office staff and also give them 60 day timeline for comments. COMMENTS CAN ONLY BE MADE ON NEWLY SUBMITTED INFORMATION. Planner is responsible to negotiate comments to be included in region review letter. If consensus cannot be reached, issue is brought to their respective supervisor's for resolution.
- h) At the end of 60 days or after comments from county and regional office staff have been received by planner (whichever is sooner), the planner combines all review comments received into one document. If the planner has an issue with any of the comments, the planner is to attempt to reach agreement with the author of comment to either include or delete comment. If such agreement cannot be reached, the issue is to be forwarded to both parties' respective supervisors for conclusion.
- i) Planner sends the applicant a comment letter, with a due date, or approval letter if there are no comments, or a denial letter. In the case of a denial letter, Planner discusses with SMA program manager and supervisor and drafts the letter with explanations of applicant's appeal rights. A denial letter must be structured as an

initiating document and must include a Request of Adjudicative Proceeding form. A copy of the letter should be sent to the county and all other involved parties.

- j) If staff sends a comment letter and the applicant responds in an acceptable manner, planner sends applicant an SMA approval letter (SMA program manager and county CC:) for the county (or partial county if specified).

3. First Time- Multi-County SMA Application Review Process (In Multi-DOH Regions)

- a) Applicant sends a notice of intent to serve in selected counties.
- b) Lead regional office identified via negotiation (e.g., first contacted, major systems located, etc.)
- c) Lead regional office planner holds pre-submittal conference with SMA applicant (engineer presence optional). Staff uses the applicable SMA content checklist (Ownership or Management and Operation) to guide the discussion on expected content of SMA plan. Applicant is notified at the SMA conference that DOH's review of the submitted plan generally take up to 90 days for each new county approval. The applicant is notified that their SMA plan must be reviewed by the county to determine if the plan is consistent with adopted plans and policies. The planner can decide to have the applicant be responsible for coordinating the county review or can opt to be responsible for coordinating the county review. If the planner elects to be responsible for coordinating the review they are to forward a copy of SMA plan to county(ies) and inform them that they have 60 days to forward their comments (county comments must be based solely on adopted plans and policies) to DOH. If no comments are received by planner within 60 days, county(ies) forfeit opportunity for input. Planner to cc the regional engineer on all review and approval correspondence.
- d) Applicant submits an SMA application and a plan that shall include information on attached checklist (at the level of detail agreed upon in pre-submittal conference).
- e) Lead planner to send letter back to SMA applicant informing them that he or she received the application and plan and that the review will take 90 days to complete.
- f) Lead planner is to coordinate with his or her regional office staff and also give them 60 day timeline for comments. Lead planner is to forward SMA plan to non-lead planner with a 60 day timeline for comments.
- g) Non-lead planner is to coordinate with their regional office staff and will be the recipient for all comments to be forwarded to lead planner. Non-lead planner responsible to negotiate comments to be included in non lead region review letter. If

consensus cannot be reached, issue is brought to their respective supervisors for resolution.

- h) At the end of 60 days or after comments from county, lead and non-lead regional office staff have been received (whichever is sooner), lead planner is to combine all review comments received into one document. If the lead planner has an issue with any of the comments, the lead planner is to attempt to reach agreement with the author of comment (County or non-lead planner) to either include or delete comment. If such agreement cannot be reached, the issue is to be forwarded to both parties' respective supervisors for conclusion.
- i) Lead planner sends the applicant a comment letter, with a due date, or approval letter if there are no comments, or a denial letter. In the case of a denial letter, lead planner discusses with SMA program manager and supervisor and drafts the letter with explanations of applicant's appeal rights. A denial letter must be structured as an initiating document and must include a Request of Adjudicative Proceeding form. A copy of the letter should be sent to the county and all other involved parties.
- j) If an applicant adequately responds to the items in the comment letter; lead planner sends applicant an SMA approval letter (SMA program manager and county CC:) for the county (or partial county if specified).

4. Review Process for Requests for Additional County Approval for an Existing Approved SMA (in Multi-DOH Regions)

- a) Applicant is directed to the lead planner for additional approvals.
- b) Applicant is asked to send in Notice of Intent to serve the additional selected county(ies).
- c) Applicant is asked to provide statement that the existing information is current from their initial SMA Plan (from SMA Plan Checklists). If the information is not current, the applicant must update information.

From the SMA Required Content
Checklist for Ownership

- i) Item 1
- ii) Item 3
- iii) Item 4
- iv) Item 5 a,c
- v) Item 6 a,c

From the SMA Required Content
Checklist for Management and Operations

- i) Item 1
- ii) Item 3
- iii) Item 4 a,b,c

Applicant asked to provide updated information for the following items in their respective SMA Checklist:

From the SMA Required Content
Checklist for Ownership

- i) Item 2
- ii) Item 5 b
- iii) Item 6 b,d
- iv) Item 7
- v) Item 8

From the SMA Required Content
Checklist for Management and Operations

- i) Item 2
- ii) Item 4 d
- iii) Item 5
- iv) Item 6

- d) Lead regional office planner holds pre-submittal conference with SMA applicant (engineer presence optional). Staff uses the applicable SMA content checklist (Ownership or Management and Operation) to guide the discussion on expected content of SMA plan. Applicant is notified at the SMA conference that DOH's review of the submitted plan generally take up to 90 days for each new county approval. The applicant is notified that their SMA plan must be reviewed by the county to determine if the plan is consistent with adopted plans and policies. The planner can decide to have the applicant be responsible for coordinating the county review or can opt to be responsible for coordinating the county review. If the planner elects to be responsible for coordinating the review they are to forward a copy of SMA plan to county(ies) and inform them that they have 60 days to forward their comments (county comments must be based solely on adopted plans and policies) to DOH. If no comments are received by planner within 60 days, county(ies) forfeit opportunity for input. Lead planner to cc the regional engineer on all approval correspondence.
- e) Applicant submits an SMA application with an updated plan that shall include information on attached SMA content checklist (at the level of detail agreed upon in pre-submittal conference).
- f) Lead planner to send letter back to SMA applicant informing them that he or she received the application and plan and that the review will take 90 days to complete.
- g) Lead planner is to coordinate with their regional office staff and also give them 60 day timeline for comments. COMMENTS CAN ONLY BE MADE ON NEWLY SUBMITTED INFORMATION. Lead Planner is to forward SMA plan to non-lead planner with a 60 day timeline for comments.
- h) Non-lead planner is to coordinate with their regional office staff and will be the recipient for all comments to be forwarded to Lead planner. Non-lead planner responsible to negotiate comments to be included in region review letter. If consensus cannot be reached, issue is brought to the DOH management team member for resolution.

- i) At the end of 60 days or after comments from county and regional office staff have been accepted (whichever is sooner), lead planner is to combine all review comments received into one document. If the lead planner has an issue with any of the comments, the lead planner is to attempt to reach agreement with the author of comment to either include or delete comment. If such agreement cannot be reached, the issue is to be forwarded to both parties respective supervisors for conclusion.
- j) Lead planner sends the applicant a comment letter, with a due date, or approval letter if there are no comments, or a denial letter. In the case of a denial letter, lead planner discusses with SMA program manager and supervisor and drafts the letter with explanations of applicant's appeal rights. A denial letter must be structured as an initiating document and must include a Request of Adjudicative Proceeding form. A copy of the letter should be sent to the county and all other involved parties.
- k) If an applicant adequately responds to the items in the comment letter; lead planner sends applicant an SMA approval letter (SMA program manager and county CC:) for the county (or partial county if specified).

SMA Required Content Checklist for Ownership

This checklist should be provided to prospective SMAs and used when reviewing SMA submittals.

(X) Indicates

Item Included

☐	(1) SMA Ownership:
☐	(a) A statement of intent to own public water systems;
☐	(b) (i) Current organizational structure of the SMA,
☐	(ii) legal authority,
☐	(iii) mailing address,
☐	(iv) responsible party, and
☐	(v) contact person;
☐	(c) PWS number and number of connections/ERUs for each system the SMA owns or operates;
☐	(d) Documentation showing at least one staff person has at least three years of water utility ownership and or management experience.
☐	(2) SMA service area information including:
☐	(a) A map of the SMA service area;
☐	(b) A general written description of the SMA service area; and
☐	(c) Future service area agreements of systems owned by SMA if applicable.
☐	(3) Service area policies/conditions of service where applicable, including at a minimum:
☐	(a) Annexation policies consistent with local comprehensive plans;
☐	(b) Ownership versus management and operation decision criteria;
☐	(c) Policies related to new and existing public water systems, including the method of determining financial feasibility of adding new or existing systems to SMA;
☐	(d) Ordinances, resolutions and agreements related to the provision of drinking water;
☐	(e) Service request process overview flowchart including time frames for service; and
☐	(f) A list of available services
☐	(4) System design standards for new and existing systems;
☐	(5) Financial viability, including at a minimum:
☐	(a) A written description of available revenue sources; (water rates, anticipated system improvement financing, use of improvement districts, hookup charges, buy-in (facility charge) fees, etc.)
☐	(b) A budget; (Past three years, next six years, itemized at level of budgets in Financial Viability Manual) and
☐	(c) General financial policies (Discussion on how the SMA will finance purchasing systems and how improvements on those systems will be achieved).
☐	(6) Operation and Maintenance program, including,
☐	(a) Documentation that at least one staff person is certified at a water distribution manager 2 level or above;
☐	(b) Operation and maintenance program (i.e., routine and preventative maintenance common throughout all water systems owned by the SMA) including an emergency response plan;
☐	(c) A copy of model contract for operation and maintenance services, if applicable; and
☐	(d) Two copies of all applicable operations contracts in effect.
☐	(7) Documentation from affected counties that the SMA plan is consistent with their plans and policies;

()	(8) (a) Documentation that all Group A systems owned by the applicant on the date of request have obtained their operating permit and are not classified in the red operating permit category pursuant to chapter 246-294 WAC;
()	(b) If Group B systems are also owned by the potential SMA, provide documentation that such systems are in compliance with chapter 246-291 WAC;
()	(c) A special provision pursuant to WAC 246-295-110 may be utilized by DOH in the determination of compliance.
()	(9) Current water system plan or water system plan development schedule, if required.

SMA Required Content Checklist for Management and Operation

This checklist should be provided to prospective SMAs and used when reviewing SMA submittals.

(X) Indicates

Item Included in SMA Plan

()	(1) SMA Ownership:
()	(a) A statement of intent to Operate and Manage public water systems;
()	(b) (i) Current organizational structure of the SMA,
()	(ii) legal authority,
()	(iii) mailing address,
()	(iv) responsible party, and
()	(v) contact person;
()	(c) PWS number and number of connections for each system the SMA owns or operates
()	(d) Documentation showing at least one staff person has at least three years of water utility ownership and or management experience.
()	(2) SMA service area information including:
()	(a) A map of the SMA service area; and
()	(b) A general written description of the SMA service area.
()	(3) Conditions of Service, including at a minimum:
()	(a) Operation decision criteria;
()	(b) Service request process overview flowchart including timeframes for service; and
()	(c) A list of available services
()	(4) Operation and Maintenance program, including,
()	(a) Documentation that at least one staff person is certified at a water distribution manager 2 level or above;
()	(b) Operation and maintenance program (i.e., routine and preventative maintenance common throughout all water systems operated by the SMA) including an emergency response plan.
()	(c) A copy of model contract for operation and maintenance services; and
()	(d) Two copies of all applicable operations contracts in effect.
()	(5) (a) Documentation that all Group A systems owned by the applicant on the date of request have obtained their operating permit and are not classified in the red operating permit category pursuant to chapter 246-294 WAC.
()	(b) If Group B systems are also owned by the potential SMA, provide documentation that such systems are in compliance with chapter 246-291 WAC.
()	(c) A special provision pursuant to WAC 246-295-110 may be utilized in the determination of compliance.

Section 5: Directing water applicants in claimed future service areas

Purpose Statement/Background:

This section provides clarification of the Department's position on how water applicants should be directed for service in both Coordinated Water System Planning (CWSP) Critical Water Supply Service Areas (CWSSA) and non-CWSP areas.

Directing applicants in a claimed CWSP CWSSA service area

When there is a request for water service, local government, responsible for directing applicants for water service, shall follow the Utility Service Review Procedure (USRP) identified in the CWSP regional supplement. Systems in the CWSP that have claimed a future service area to be serviced by remote systems will, however, have to update their SMA policies to reflect the WAC content of 246-295-050 and 060 in their next WSP.

Directing applicants in a claimed NON-CWSP service area

Systems in Non-CWSSAs, that have claimed a future service area to be served with remote systems, must become an approved SMA before they can create a new system in their future service area.

If a system does not choose to submit the required content of the SMA plan or cannot receive SMA approval, the applicant shall proceed with the standard process of creating a new system (request service from all approved SMAs offering service in that area).

After a system has completed the required contents of an SMA plan, the system can determine whether or not to place their name on the list of approved SMAs.

Background RCW References

RCW 70.116.060

(3) (b) No other purveyor shall establish a public water system within the area (Critical Water Supply Service Area) covered by the plan, unless the local legislative authority determines that existing purveyors are unable to provide the service in a timely and reasonable manner...

RCW 70.116.134

(2) Each county shall identify potential satellite system management agencies to the secretary for areas where: (a) No purveyor has been designated a future service area pursuant to this chapter (PWSCA), or (b) an existing purveyor is unable or unwilling to provide service.

RCW 70.119A.060

(2) No new public water system may be approved or created unless: (a) It is owned or operated by a satellite system management agency

Section 6: Process for a break in contract for a system required to have SMA services

Purpose Statement/Background:

RCW 70.119A.060 states,

No new public water system may be approved or created unless: (a) It is owned or operated by a satellite system management agency established under RCW 70.116.134 and the satellite system management agency complies with financial viability requirements of the department...

When a new system is created and operated by an approved SMA, that system must obtain SMA services for perpetuity. If a system owner or SMA elects to break the contract, the system must obtain another SMA to conduct the services identified in the initial SMA contract. If no SMA is willing or able to provide service, the condition placed on the approval document, as described in Section 1 of this policy, apply.

Section 7: Use of list of approved SMAs when directing applicants for SMA services

Purpose Statement/Background:

The department interpretation of the italicized statement in RCW 70.116.134(3) below, is that a county will present the entire current list of approved SMAs (most recently dated) to applicants required to have SMA services.

The secretary shall approve satellite system management agencies meeting the established criteria and shall maintain and make available to counties a list of approved agencies. Prior to the construction of a new public water system, the individual(s) proposing the new system or requesting service shall first be directed by the local agency responsible for issuing the construction of building permit *to one or more qualified satellite system management agencies designated for the service area where the new system is proposed* for the purpose of exploring the possibility of a satellite agency either owning or operating the proposed new water system.

Procedure:

When DOH sends revised/updated List of Approved SMAs, the cover letter will state that the county will provide new water service applicants with the entire current (most recently dated) list of approved SMAs or the names of all the SMAs approved to serve in that area where the new system is proposed. The list will indicate if DOH has started a formal process to revoke, suspend or modify an SMA approval.