

From: Peter Brooks <PBrooks@ci.lacey.wa.us>
Sent: Wednesday, July 29, 2020 3:52 PM
To: Todd Krause <todd@nwwatersystems.com>
Cc: Tom Stiles <TStiles@ci.lacey.wa.us>; 'Allyssa Hale' <allyssajhale@gmail.com>; Kevin Odegard <kevin@nwwatersystems.com>; Stephanie Yount <stephanie@nwwatersystems.com>
Subject: RE: Silver Hawk Water System Connection to the City of Lacey

Mr. Krause,

The City of Lacey is not interested in expanding our water service area to include the Silver Hawk development. Water service is not prohibited outside an UGMA. Case in point, Silver Hawk has a water system and it is outside the Lacey UGMA. The central reason why Lacey is not interested is we have a fiduciary responsibility to our current customers within our water service area. Lacey has been planning and acquiring resources, especially water rights, to serve its water service area. Even if Silver Hawk deeded over their water rights to Lacey so as to address the issue of Lacey becoming water right insufficient, expanding the Lacey water service area to include Silver Hawk would mean that Lacey assumes the expense of treating the Silver Hawk high manganese water. That is not in the best interest of our current customers. Lacey is also not interested in providing a wholesale water agreement since our water system planning did not contemplate that additional demand, and providing water via a wholesale agreement would leave Lacey short of water during the summer peak demand period.

I empathize with Silver Hawk's situation. But, the obvious and most expeditious solution for Silver Hawk is to install a water treatment system to address the high manganese concentrations.

Peter C. Brooks, P.E.
Water Resources Manager
City of Lacey, Washington
(360) 438-2675

(This message may be subject to public disclosure.)

From: Todd Krause <todd@nwwatersystems.com>
Sent: Wednesday, July 29, 2020 3:09 PM
To: Peter Brooks <PBrooks@ci.lacey.wa.us>
Cc: Tom Stiles <TStiles@ci.lacey.wa.us>; Allyssa Hale <allyssajhale@gmail.com>; Kevin Odegard <kevin@nwwatersystems.com>; Stephanie Yount <stephanie@nwwatersystems.com>
Subject: Silver Hawk Water System Connection to the City of Lacey

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Dear Peter,

The Silver Hawk water system has developed higher levels of manganese. As part of our analysis of alternatives we are researching whether it is possible to connect Silver Hawk to the

City of Lacey. My understanding from Tom Stiles is that connection would require annexation into the urban growth area, which would be a long and arduous process, if possible at all.

If you could confirm that this is the case, we would very much appreciate it. Would this be a requirement for both consolidation as well as for a wholesale purchase of water?

Thank you very much for your assistance.

Todd Krause, PE

Northwest Water Systems, Inc.

509-934-5250