

A well of contention

Planned water utility for Yakima County met with some pushback in rural areas

BY PHIL FEROLITO | YAKIMA HERALD-REPUBLIC

Jerry Rank is busier than ever with rural landowners who want domestic wells drilled before Jan. 1, when new county rules imposing permits and fees for new wells take effect.

Rank says he's drilling from one to three wells a week in unincorporated areas of Yakima County and that his calendar is particularly booked in December.

"We're swamped," he said.

Until now, rural domestic wells — those drawing less than 5,000 gallons a

day to serve homes, small businesses and livestock — have been exempt from requiring a water rights permit. And there was no charge for the water used from the wells.

That's all about to change in most of rural Yakima County, where new rules will fundamentally change how development will occur there.

There's only so much water in the Yakima Basin to go around, and Yakima County officials say they want to avoid the quagmire that occurred in Kittitas County several years ago when senior

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SHAWN GUST/Yakima Herald-Rep

Crews from Oasis Drilling set up Oct. 20 to drill a well on a property in the 800 block of Rosa Drive in Zillah.

GOP, Democrats battle for a hard-to-define

BY MARCY GORDON
ASSOCIATED PRESS

WASHINGTON — What is middle class?

President Donald Trump and Republican leaders are promoting their tax-cutting plan as needed relief for the stressed American middle class and a catalyst for job creation.

Democrats say they're the ones looking out for the middle class, by fighting against proposed tax cuts

have differing views on the numbers.

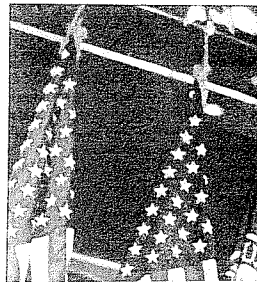
The Tax Policy Center sets its "middle quintile" — third slice of five — of household income, including tax-exempt employee benefits like health insurance, at \$48,300 to \$85,600 a year. But be careful about calling that middle class, it says — there's no formal definition.

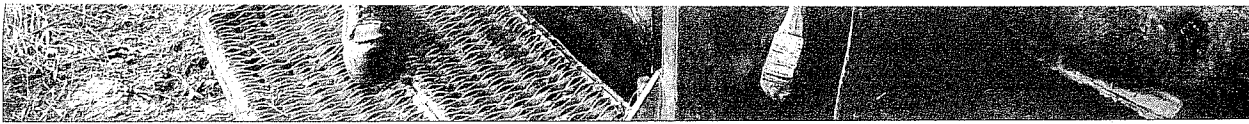
Other experts see the middle-income range at around \$44,000 to \$72,000 (middle quintile), or

it's in about the top 5 percent of incomes, and the two Democrats had pledged not to raise taxes on the middle class.

The median, or midpoint, U.S. household income was \$57,617 last year, according to the Census Bureau.

Trump, in his rallying pitches for the far-reaching tax overhaul that is his main legislative priority, sounds the theme constantly. "We will cut taxes for hard-working, middle-class families," he said





SHAWN GUST/Yakima Herald-Republic

Derrick Rank of Oasis Drilling welds sections of pipe together while preparing to drill a well Oct. 20 on a property in the 800 block of Rosa Drive in Zillah.

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water rights holders sued the county, saying its approval of rural housing was affecting their water supplies. As a result, some property owners couldn't build homes unless they first acquired water rights.

In a similar case, the state Supreme Court ruled Whatcom County failed to protect water resources by allowing new wells to reduce flows in streams for fish and other uses. The court said counties must ensure that water is physically and legally available before issuing building permits in some areas. Because of the ruling, some counties temporarily stopped some rural development, leaving angry and frustrated property owners unable to build.

To ensure rural development can continue, Yakima County plans to establish a water utility. It will acquire senior water rights and require a permit, plus charge service and usage fees on all new rural domestic wells in unincorporated areas of the county. The county would retain control of those water rights.

Revenue from the county's utility would be used to buy more senior water rights in the future to be used for rural development.

Commissioners expect to approve an ordinance establishing the utility sometime next month.

But not everyone is happy with the proposed utility, or agrees with the Supreme Court ruling.

"All of this talk about water is a bunch of bull," said Rank, owner of Oasis Drilling. "This is all about control and grab, and people in this state are getting tired of it."

The Yakima Association of Realtors is concerned and has its legal experts reviewing the proposed utility, said president-elect Alice Villasenor.

"We will wait to hear back from these experts before the association takes a formal stance," she said. "The changes are substantial enough and could have a direct impact to our clients."

Yakima County Commissioner Ron Anderson, former owner of Dedicated Realty, said he hasn't received any complaints about the proposed utility from the

Cost breakdown

How much will a domestic well cost under Yakima County's water utility plan?

- \$1,150 one-time fee for permit, connection and meter installation
- \$35 quarterly fee
- \$177 annual fee based on the typical household consumption of 460 gallons a day. Residents who use more than that amount would pay more.

Revenue from the utility would be used to purchase more senior water rights in the future to be used for rural development long-term. The county would retain control of those water rights.

real estate community but added people in general need to become educated about why the utility is needed.

"If we don't do what we're proposing, nobody is going to have water and we're going to be in a bad position down the road," he said. "We had to decide what we're going to do to be proactive. This will be the best outcome we can get to protect property rights and development long-term."

The water utility

Yakima County has received a \$500,000 state grant to buy the initial round of water rights to kick-start the utility. Meanwhile, the state Department of Ecology has also loaned the county a senior water right of about 100 acre feet — enough for about 1,000 homes — until the county closes on a water rights purchase from a private holder. The county expects to close the deal by the end of the year, county Commissioner Mike Leita said.

Water rights in Yakima County can cost anywhere from \$3,500 to \$5,000 per acre foot, said water rights consultant Dan Haller with Aspect Consulting, which has offices throughout the region, including Portland, Seattle and Yakima.

An acre-foot is enough to cover an acre with one foot of water or supply water for up to 10 homes.

Landowner Matthew Bower, who recently had a well drilled on his property north of Zillah, said people choose rural property to escape the tighter government regulations of city life and the utility undermines that. He won't be impacted because his well went in before the utility is in place.

"The water in our aquifer, we

need to steward it very well, but at the same time the county is saying pay," he said. "They're not giving more water — it's another fee, another tax."

Leita, who has worked on the water issue for nearly a decade, said there's only so much water available and nearly every drop must be accounted for.

"When you go into the ground, you take water from somewhere else, someone else," he said. "We've reached a point where we're saturated. All the water has been allocated."

Avoiding a shutdown

Yakima County isn't alone. Other counties across the state have faced, or will face, similar challenges.

Yakima is somewhat ahead of the curve in that it saw what happened in Kittitas County several years ago and began planning its water utility as a result.

In 2009, senior water rights holders in Kittitas County sued the county, saying they had been impacted by a proliferation of rural domestic wells exempt from water right permits.

As a result, a moratorium on new rural construction was enacted in Kittitas County.

The halt of anticipated construction dampened revenue streams and the overall economy in the county, said Jeremy Bach, president of the Washington State Groundwater Association.

"It caused a serious amount of damage in Kittitas County," he said. "I couldn't even quantify the dollar amount in development money alone held up, and that decreased the tax base. It halted everything in Kittitas County."

That's a scenario Yakima

Water rights

There are two basic water rights: Senior, those established before May 10, 1905, and junior, those established after that date.

Senior water rights take priority, and can lead to the shutoff of junior water rights during times of drought.

■ More information about water banks and water right markets can be found online at <http://bit.ly/2zfE3an>

County commissioners say they want to avoid.

"The water system will work to keep development moving forward without threat of a lawsuit," Leita said. "No. 1, we will not be shut down. No. 2, we will not restrict use or access."

The Kittitas County shutdown ushered in private water banks, in which senior water rights holders began to sell water right at a retail, rather than wholesale price to landowners wanting to build, Bach said.

Kittitas County now has a mix of private- and county-operated water banks. The location of a proposed well determines which type of bank will be used, he said.

Under Kittitas County's water bank, landowners have two options, one for those who will use their domestic wells to water their yards for \$3,995 a year, and one only seeking household use for \$3,080 a year. Both options also charge an annual \$180 metering fee.

A third option allows residents to haul water from somewhere else in the event a well cannot be drilled and costs \$1,880 a year. The water brought in requires a mitigation certificate accounting for where the water was drawn.

Yakima County's water utility is cheaper than most municipalities.

"Overall, I think this is the best way to go," Anderson said. "The reality is, things have changed at the state has made a mandate to counties. We have to do what we have to do here."

● Phil Ferolito can be reached at 509-577-7749 or pherolito@yakimaherald.com. Follow him on Twitter at [philiferolito@twitter.com](https://twitter.com/philiferolito).