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From: <u>Heather McDowell</u>

Sent: Wednesday, November 18, 2020 6:41:29 PM

To: City Council

Subject: [EXTERNAL] Assumption of Ronald Wastewater

Sensitivity: Normal Attachments:

Shoreline Letter to City Council 11-18-2020.pdf

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Please find the attached letter for your review regarding the Ronald Wastewater situation.

Thank you for your consideration.

Heather McDowell

## Heather McDowell 333 NW 205<sup>th</sup> Street Shoreline, WA 98177

November 18, 2020

Shoreline City Council 17500 Midvale Ave. N. Shoreline, WA 98133

Re: Assumption of Ronald Wastewater

Dear Mayor Hall and Fellow Councilmembers:

I am a resident and homeowner in the City of Shoreline. I am also a customer and ratepayer of Ronald Wastewater District. I have worked for municipal government for almost 20 years both in California and in Washington state. Given this experience, I have clear expectations that municipal services and municipal public servants will operate in a fiscally responsible manner with the tax dollars they are entrusted and operate the municipal government in the best possible manner in accordance with ethical practices.

I have been following the recent news reports related to the City of Shoreline's assumption of Ronald Wastewater and the joint effort by Shoreline/Ronald to obtain territory in Snohomish County. Recently, the Washington Supreme Court unanimously rejected the Shoreline/Ronald claims. This follows a unanimous rejection of those claims by the Court of Appeals that found some of the claims "absurd." In short, twelve appellate judges have rejected the legal claims advanced by lawyers who have been paid legal fees from taxpayer/ratepayer dollars by residents of Shoreline. To get a clearer picture of the costs involved, I submitted Pubic Records Requests PRR 20-274 and PRR 20-275 to the City of Shoreline.

Since 2014, Ronald Wastewater has paid over \$1,073,586 in legal fees to Van Ness Feldman LLP to pay Ronald Wastewater's legal fees and the City of Shoreline has paid \$27,102 to Dorsey & Whitney LLP in legal fees in addition to the salary of your internal City Attorney and legal staff.

The legal disaster has been spearheaded by Shoreline City Attorney Margaret King, assisted by the large law firm of Dorsey & Whitney, and Special Counsel to Ronald Duncan Greene from the law firm of Van Ness Feldman. All the money paid to lawyers has been an effort to effectuate what the Washington Supreme Court has properly characterized as a "hostile takeover" of territory belonging to our neighbors in Snohomish County. And I have to ask, to what end? This has caused them to spend thousands of taxpayer/ratepayer dollars on lawyers to resist the meritless claims you have pursued on our behalf. I know that lawyers do not act in a vacuum. Their services are requested, contracts are drafted, and the Shoreline City Manager and likely the Shoreline City Council have knowingly approved these actions and expenses. I trust that you are carefully looking at whose advice you followed to cause this wasteful venture.

In evaluating these actions, I have to reflect on another issue that impacts your constituents on a more personal level. As a Shoreline resident, I have been enjoyed the use of the Shoreline Pool and was sad to hear that you have decided to close the pool permanently, citing the financial burden of keeping it open. Maintenance costs were exceeding \$125,000 annually. Given those costs, how many years of maintenance could you have completed if these legal fees hadn't been incurred and Shoreline had assumed Ronald on schedule. Frankly, I would rather have you spend Shoreline's municipal funds on recreational and other services to your residents rather than running up legal fees for frivolous litigation. The only winners here are the lawyers and they are laughing all the way to the bank. In 2018, you proposed a ballot measure to build a new recreation and aquatic center that would cost \$69.1 million in building costs with a total project cost estimate exceeding \$88 million dollars. This measure was rejected by the voters of Shoreline, likely due to the cost projections and property tax assessments. I really hope you consider a less expensive proposal of either continuing to maintain, or if absolutely necessary, rebuild the existing pool instead of attempting to leave your mark on society by building something we cannot afford. I also hope that you consider fiscal oversight when approving subsequent budgets, legal actions and capital improvement projects.

The time has come to end this endless litigation, the charade that Ronald is a properly functioning special purpose district, and for some accountability. In this time of devasted City resources, which are now more severe due to COVID-19 impacts, it is time for you the City Council to start protecting the interests of those you are supposed to serve and stop wasting our dollars.

Shoreline initiated a takeover of Ronald through an assumption. You represented this was going to create more efficient government. You represented that Ronald would cease to exist as an entity. You hold the power of attorney to dissolve Ronald right now.

Shoreline has taken all of Ronald's employees. Shoreline operates the sewer system. Yet you have allowed Ronald and its Board of Commissioners to continue to collect salaries and benefits. The only apparent purpose to me is so that the Commissioners can keep paying themselves to meet, go to conferences, and charge the ratepayers for the failed litigation efforts of its lawyers. In 2018, Ronald Commissioners were paid in excess of \$33,741 in salary/FICA/L&I. In 2019, Ronald Commissioners were paid in excess of \$37,162. In 2020 (through 10-26-2020), they have been paid \$26,760. These salaries through 2020 will exceed \$100,000. In this same timeframe they have been paid \$45,035 in Memberships/Food, Travel & Lodging/Training & Registration expenses with ratepayer dollars. It is time to dissolve the Commission and stop this waste.

Previously you said you were going to use the power of attorney and finalized the assumption. You then again delayed the finalization of the assumption of Ronald so it could continue its now rejected appeal to the Supreme Court. You, along with the Ronald Board of Commissioners, are responsible for the on-going waste of taxpayer/ratepayer dollars going to big firm Seattle lawyers instead of being spent on services to Shoreline residents.

It is time for you to honor the representations you made to Shoreline residents. It is time for you to finalize the assumption of Ronald. It is time for you to end litigation and paying attorney fees, especially those for "absurd" claims and focus our municipal funds back into the community in a fiscally responsible manner. It is time for you to start acting responsibly and work cooperatively with our neighbors in Snohomish County for the benefit of those you have sworn to serve.

I expect that as the citizens of Shoreline become more aware of your these actions, they will look to hold the City Council, the City Attorney who acts at your direction, and the Ronald Board of Commissioners accountable for this expensive legal fiasco.

Sincerely,

Heather McDowell