



**Mayor's Office**  
City of Bellingham  
210 Lottie Street  
Bellingham, WA 98225  
360-778-8100  
[mayorsoffice@cob.org](mailto:mayorsoffice@cob.org)

---

---

**MEMORANDUM**

---

---

**TO: BELLINGHAM CITY COUNCIL**

**FROM: MAYOR KELLI LINVILLE**

**CC: PETER RUFFATTO, CITY ATTORNEY; TED CARLSON PUBLIC WORKS DIRECTOR;  
RICK SEPLER PLANNING AND COMMUNITY DEVELOPMENT DIRECTOR**

**SUBJECT: LUMMI NATION REQUEST FOR WATER SERVICE**

**DATE: AUGUST 14, 2017**

---

On September 12, 2016, the Lummi Nation applied to the City for a wholesale water contract to serve development of its properties in the Slater Rd/I5 area. The request was for 300,000 to 600,000 gallons of water per day to serve a currently unknown use, which could include light industrial, retail, hospitality, and/or housing.

The City's first step in reviewing the Lummi Nation's application is an evaluation of the capacity of the City's water system to provide the requested water. The City has adequate water supply, as well as treatment, distribution and storage capacity to meet this demand. There is a 16" City water main approximately 2,000' south of the subject property. Connection details, including maximum gallons per minute, minimum pressure requirements, and pricing would ultimately be determined during contract negotiations.

Next, the City is required to evaluate the Lummi Nation's application based on the criteria in BMC 15.36.040. One of the most important criteria is whether providing the water is in the City's best interests under BMC 15.36.040(E). Evaluating the City's best interests requires consideration of a variety of factors, including, but not limited to, economic impacts and goals, environmental impacts and goals, infrastructure needs, and land use planning. One of the challenges of evaluating the Lummi Nation's request for water is the uncertainty about what is being proposed. The Lummi Nation does not yet know the land use for the properties to be served by the extension of City water. A review of the record indicates that the Lummi Nation has considered a very broad range of dissimilar land uses. The undefined nature of the request has made it difficult to evaluate against the City's best interests, which are of paramount concern.

Because the Lummi Nation's request for water service did not include a specific development proposal, we hired Western Washington University's Center for Economic and Business Research to assist the City in quantifying potential economic impacts to the City for several different land use scenarios. Please see the attached Research Memorandum. Depending on the scenario developed and assuming it is no larger in square footage than what was studied,

the Memorandum estimates that the City's General Fund revenue would decrease between \$300,000 and \$1.6 million per year if the City provides the requested water. This reduction would have a significant impact on City tax revenue, which is used to support essential City services.

Even though the City lacks regulatory jurisdiction over the Lummi Nation's trust land, BMC 15.36.040 requires the City to consider a variety of City interests when evaluating this potential contract for water service. Without more specific information about how the properties will be developed, the City cannot evaluate in accordance with BMC 15.36.040(A)(1), (2), and (4) whether the provision of City water would be consistent with the City and County land use plans and interlocal agreement related to annexation and development in Bellingham's urban growth area; the City's environmental regulations; and state law, including the GMA. Without more information, the City is also unable to determine the expected impact of any development of this land on City streets and arterials as required by BMC 15.36.040(B).

Given the conclusions of the Western Washington University study and the lack of a specific project for staff and Council to analyze, the supply of water to the Lummi Nation currently appears to not be in the City's best interests. However, I believe it could be if we can reach an agreement that is in the best interests of both the Lummi Nation and the City and promotes regional economic and environmental goals. I have had discussions with the tribal chair, Tim Ballew, regarding our mutual goals as recently as last Monday, at which time I delivered a letter which is included in today's Council packet. I am seeking your concurrence to continue discussing how the wholesale supply of water to the Lummi Nation could be in both the City's and the Lummi Nation's best interests.