

Port Hadlock Wastewater Working Group (WWG) Meeting Two

Thursday, July 18, 2019 | 1:30 – 3:30 pm | Chimacum Fire Hall, Chimacum, WA
Draft Summary

Action Item(s)	Responsible Party
Speak with Duke Shold about contacting the Tillman family regarding inclusion in the LID boundary.	Tim Johnson
Contact the Mosier property owner about inclusion in the LID boundary.	Irene White
Assess the feasibility of hooking the small cabins up to a wastewater system if the Wooden Boat School joins the LID boundary.	Monte Reinder
Participants can send questions and suggested agenda topics for the next WWG meeting to Craig Durgan and/or Monte Reinders.	Working Group Members

Welcome and Opening

Craig Durgan, WWG Chair, opened the meeting and reviewed the agenda. He highlighted that the participants formed the WWG at the last meeting on June 21, to discuss the potential wastewater system and Local Improvement District (LID), and to interface with Jefferson County and the consultant team. A key role of the WWG is to communicate and share information with those property owners in the Core Area who may not participate in the WWG meetings.

Commissioner Kate Dean, Jefferson County (the County), announced that the County is hosting general community meetings throughout the summer. At 6:00 PM, on Tuesday, July 23, the County will host a community meeting at the Chimacum Fire Hall. One of the topics will be a short update on the Port Hadlock wastewater system.

Core Area Wastewater System Example Costs by Property

Craig explained that at the end of the previous WWG meeting, the County handed out a map of the Port Hadlock Core area and a spreadsheet titled, *Example Cost Scenario #1* with example cost information for each property in the Core area. Craig walked the participants through the spreadsheet and explained that it included the following information:

- Assessor's property data with a PIN, owner, and address for each parcel
- Example LID assessment calculator
- Example Connection charge calculator
- Example Operations and Maintenance (O&M) monthly bill
- The estimated Example total cost of the LID assessment, connection charge, and O&M costs.
- These are all examples of how costs may be distributed and are expected to change due to the LID boundary and policy recommendations to be discussed by the WWG.

LID Assessments

Craig reminded participants that an LID assessment is each property's proportional share of the cost of the collection system (pipes in the street) funded by the LID. The finance plan in the feasibility study has the construction of the collection system funded from two sources: an LID assessment and grants.

If an LID is formed, each property within the LID boundary would receive an assessment. The property owner(s) will have the choice to pay upfront with no interest, or to finance over a period of up to 20 years with interest. The feasibility study assumes that the assessment for each property will be up to 50% of the Special Benefit to the property. The Example sheet shows the potential assessments using 50% of the 2013 Special Benefit. The Special Benefit is the difference between the fair market value of each property with and without a wastewater system. The Special Benefit is determined by a certified appraiser using the concept, “highest and best use.”

Connection Charges

Craig reminded participants that each property owner would pay a connection charge when they hook-up to the wastewater system. The connection charge pays for the ‘common and shared’ facilities such as the wastewater treatment plant and the reuse/infiltration area. The Example sheet shows the connection charge as determined by the property’s water use on a per Equivalent Residential Unit (ERU) basis.¹ The Example sheet calculates a connection charge for each parcel with water service based on winter water usage and assumes a connection charge of \$5,000 per ERU.

Craig explained that in the current proposed plan, the connection charge is due at hook up and there is no 20-year financing option like there is for the LID Assessment. Craig proposed that the WWG discuss a means of annualizing or financing the connection charge fee, however, he also noted that the County is the final decision maker in this process.

Operation and Maintenance Costs

The Example sheet estimates what each property would pay for an O&M fee based on the water usage (number of ERUs) at each property with an estimated example rate of \$87.00 per ERU per month.

On-site Costs

Craig explained that each property owner would also pay On-site Costs which would pay for the on-site grinder pump and service line from the pump to the collection system in the street. Since each property is unique, it is not possible to provide an exact estimate for each property at this point in the planning process.

Monte Reinders, Jefferson County Public Works Director, explained that in the Value Engineering Study, it was estimated that the typical On-site Costs for a single-family residence/ERU would be about \$12,000. However, Monte cautioned that property owners should not estimate their On-site Cost by multiplying \$12,000 by their ERU water use because On-site requirements will be different for each property.

Monte also explained that the County would need to move forward on the design of the wastewater system to estimate the unique On-site Costs for each property. Craig highlighted the Washington State Legislator appropriated \$1.44 million for Jefferson County to design the system.

Monte clarified that the Department of Ecology requires that Jefferson County own and maintain On-site infrastructure including grinder pumps. Craig noted that this means that property owners are not responsible for On-site maintenance.

Kay from Garden Court Apartments was looking for clarification on how she can estimate the on-site costs for this type of application. It would not be the same as multiplying the number of units by the \$12,000. Monte and Craig thought this may be a good example to look at in more depth.

¹ An Equivalent Residential Unit is approximately 4,000 gallons of water a month.

General Discussion

Monte directed meeting participants to the final page of the *Example Cost Scenario #1* spreadsheet and noted that total estimated LID assessments would amount to \$5.3 million while the collection system is estimated to cost approximately \$18 million. The County would need to obtain the remaining funding through grants.

In response to a question from Bill Dean, Northwest School of Wooden Boat Building, Monte explained that vacant properties listed on the spreadsheet have a connection charge of \$0 because there is not any current water usage data. The property would pay a connection charge to connect and it would depend on what is being built and estimated water usage or potentially size of the water meter.

In response to a question from Marilyn Solomonson, Property Owner, Katy Isaksen, Katy Isaksen & Associates, explained current planning numbers assume that property owners would pay connection charges in full when connecting to the sewer. However, options for paying over a longer period and incentives for property owners to connect could all be discussed as part of the WWG's future discussion on sewer policies.

Craig commented that discussion on when property owners are required to pay connection charges is important because it affects the total number of property owners paying for the treatment facility which affects the County's ability to make payments on the amounts borrowed to construct the treatment facilities. Craig also noted that the Valley Tavern has recently installed a new septic system and QFC may need to install a new septic system before the proposed wastewater system is built, meaning that both entities may want to defer connection to a wastewater system if they have working septic systems that meet current standards.

As an example, participants reviewed the properties owned by Carol Woodley, Hadlock Realty and Development Company.

In response to a question from Carol, Monte explained that the County has been funding the wastewater planning process to date with approximately 50 percent of the Jefferson County Public Infrastructure Fund, which is money returned to the County by the State of Washington from the Rural County Sales Tax. Monte also noted the County sold bonds and borrowed for land purchased for the treatment facility and performed a study confirming the land is suitable for the disposal of treated wastewater on site.

Local Improvement District Discussion

In response to a question from Bill, Craig explained that the County is not required to ask property owners to vote for an LID. Instead, the County would issue a notice of intent to form an LID, which could be blocked if property owners representing 40% or more of the area of the LID protest. Craig also suggested that the County consider asking property owners for an advisory vote before starting the LID formation process. Monte confirmed that there is nothing barring the County from administering an advisory vote or survey regarding LID formation.

Meeting participants discussed the timeline for a wastewater system and noted that it would take a few years to complete the design and construction of a system. The LID needs to be formed before construction of a system, but LID assessments would likely not be issued to property owners until after a wastewater system is completed.

In response to a question from Carol, Craig explained that forming an LID is important because it signals to outside funders that there is community support for the project, which is something outside funders look for when issuing grants. Craig also explained the community needs to identify a "working" LID boundary before moving forward on design and having more detailed discussions about community support for an LID and wastewater system.

Paula McAvoy, Joy Luck Restaurant Property Owner, noted that she is pleasantly surprised by how far the County has moved forward in the planning process.

Local Improvement District Map

Craig led meeting participants in a discussion on which property owners are interested in being included in a “working” LID boundary. During the discussion, Craig colored properties on a map of the Core area green if the owner is interested in being included in the working boundary and red if the owner is not interested. For a photo of the map, see Attachment A.

Monte noted the LID can have an irregular boundary at its edges, however, it must be a contiguous shape and cannot include any islands or cutouts. Thus, the discussion mainly focused on properties around the perimeter of the proposed working boundary.

Rocky Day, Property Owner, explained that he is not interested in being included in the working boundary. Rocky owns property 89 on the map reviewed by participants.

Craig suggested that property owners west of the school are likely not interested in being included in the working boundary.

Craig also noted that the school, library, post office, and the large mobile home park are all interested in being included in the boundary.

Craig explained that he has not been able to contact the Tillman family about an LID.

Action Item: Tim Johnson will speak with Duke Shold about contacting the Tillman family regarding inclusion in an LID.

Irene White, Property Owner, expressed interest in including her properties (42, 42a, and 42b on the map) in the working boundary.

Carol expressed interest in including her properties in the working boundary.

Action Item: Irene White will contact the Mosier property owner regarding inclusion in an LID.

Pastor Scott Rosekrans, Community United Methodist Church, expressed interest in including the Church in the working boundary (properties 190 and 190a on the map).

Craig highlighted the parcels owned by other property owners who have expressed interest in being included in the working boundary.

Betsy Davis, Northwest School of Wooden Boat Building, explained that the Boat School recently installed a new \$300,000 septic system and are not currently interested in hooking up to the wastewater system. Betsy also explained that the School supports the development of the wastewater system which it sees as important for the community and it would like to connect to a wastewater system at some point in the future. Bill suggested that the School could join the LID, but might choose not to connect initially. Betsy stated that the School could consider Bill’s suggestion and would bring that back to her management.

Participants also noted that the owner of the small cabins next to the Boat School is interested in being included in the LID and hooking up to a wastewater system.

Action Item: Monte will assess the feasibility of hooking the small cabins up to a wastewater system if the Boat School joins the LID.

Craig explained that the Valley Tavern has a new septic system and QFC would likely need a new septic system before a wastewater system could be constructed, so allowing property owners in the middle of the LID to defer connection may be important.

Craig noted that the tugboat company, Star Marine, is not interested in the wastewater system for their property, but may be interested in pumping out the tugboats. Kevin Dour, Tetra Tech, cautioned that wastewater systems can handle a limited amount of saltwater in the system when evaluating the feasibility of treating wastewater from marine vessels.

Looking at the properties near Blanche Avenue, Craig suggested cutting the single-family homes and smaller mobile home park out of the working boundary.

Craig asked participants for help contacting Doug Joyce.

Meeting Wrap-Up and Next Steps

Craig and Monte explained that it will likely take 2 or more months of work to identify the working LID boundary for use in the design of the wastewater system.

Craig asked WWG participants to pose questions in writing and send them to him or Monte so they can be addressed at the next meeting. Craig and Monte also asked participants to identify agenda topics for the next WWG meeting, which would likely take place in late August. Craig also suggested that the community members could meet independently of the County and then meet with the County and consultants at a later date.

Action Item: WWG participants can send questions and suggested agenda topics for the next WWG meeting to Craig Durgen and/or Monte Reinders.

Monte clarified the intent of the Tuesday, July 23 community meeting is to discuss many County issues including the wastewater treatment system. The County will hold a specific wastewater system community meeting at a later date.

The meeting participants discussed the need for meeting summaries and affirmed the importance of documenting meetings. The Consultant Team also noted that a record of community/WWG meetings will help show funding agencies that the public is involved and supportive of the project. Participants agreed that summaries should be sent out before the meeting so that members could identify corrections as needed.

Craig thanked the participants for their time and input.

The meeting was adjourned at 4:00 pm.

Public Comment

None

Attendees

Working Group/Members of the Public

Craig Durgan, Property Owner and WWG Chair
Betsy Davis, Northwest School of Wooden Boat Building
Bill Dean, Northwest School of Wooden Boat Building
Bob Thurston, Aquatech
Carol Woodley, Hadlock Realty and Development Company
Irene White, Property Owner
Kay Kassinger, Peninsula Housing Authority
Liz Coker, Jefferson County Homebuilders Association
Marilyn Solomonson, Property Owner
Pastor Scott Rosekrans, Community United Methodist Church
Paula McAvoy, Joy Luck Restaurant Property Owner
Rocky Day, Property Owner
Tim Johnson, Shold Excavation

Jefferson County

Commissioner Kate Dean, Jefferson County
Monte Reinders, Jefferson County Public Works Director/County Engineer

Tetra Tech Consultant Team

Katy Isaksen, Funding/Finance Lead, Katy Isaksen & Associates
Kevin Dour, Project Manager, Tetra Tech
Thomas Christian, Public Involvement, Triangle Associates

Attachment A.

