

**MIDWAY SEWER DISTRICT
RESOLUTION NO. 2008-13**

**RESOLUTION ESTABLISHING AUTHORITY TO IMPOSE AND COLLECT SPECIAL
FACILITIES CONNECTION CHARGES AND AMENDING DISTRICT CODE**

WHEREAS: RCW 57.08.005(1) authorizes the District to charge property owners seeking to connect to the District's sewer system, as a condition to granting the right to so connect, such reasonable connection charges as the District Board of Commissioners shall determine to be proper in order that such property owners shall bear their equitable share of the cost of such system; and

WHEREAS: Pursuant to this authority, the District currently establishes and charges a General Facilities Charges and a Local Facilities Charges; and

WHEREAS: The General Facilities Charge is based on district wide improvements of general benefit to all District ratepayers; and

WHEREAS: The Local Facilities Charge is based on each property owner's proportionate share of the cost of the facilities not of general benefit to the District; and

WHEREAS: The District's Comprehensive Plan identifies certain improvements that will provide specific benefit to limited areas of the District but do not benefit the entire District and therefore are not appropriately included in the calculation of the General Facilities Charge or the Local Facilities Charge; and

WHEREAS: In order that the property owners in these limited areas bear responsibility for their equitable share of the improvements necessary to serve these limited areas, the Board has determined that it is necessary to establish a Special Facilities Charge applicable to such areas;

WHEREAS: In order to identify the limited areas where such charges will be imposed and in order to identify the method for determining and imposing such Special Facilities Charges the Board of Commissioners have determined that it is necessary to update Chapter 5.12 Sewer Connection Charges of the Midway Sewer District Code.

Resolution: NOW THEREFORE, BE IT RESOLVED, that the Board of Commissioners of Midway Sewer District approves the following action:

Chapter 5.12 of the Midway Sewer District Code is hereby amended to read as follows:

5.12.010 Abbreviations. Throughout this chapter certain abbreviations shall have the following meanings:

- A. GFC means general facilities charge;
- B. LFC means local facilities charge;
- C. SFC means site facilities charge;

- D. RCE means residential customer equivalent.
- E. SPFC means special facilities charge.

5.12.020 Connection charges – General. The cost to property owners for making connections to District facilities consists of four parts, as follows:

1. Part one is the GFC, which is each property owner’s proportionate share of the cost of facilities of general benefit to the District, including, but no limited to existing and future treatment plants, pump stations, trunk lines, interceptors, force mains, outfall lines, structures, equipment and other capitalized costs.
2. Part two is the LFC, which is each property owner’s proportionate share of the cost of the facilities not of general benefit to the District, including, but not limited to collection lines, stub lines and related costs that are specific to a particular property.
3. Part three is the SFC, which is the full on site cost of physical connections from local facilities to be borne by each property owner, including, but not limited to, side sewers, internal and external permits, engineering plans, checks, inspections and legal fees, and any reimbursement for overhead and related costs that are specific to a particular property.
4. Part four is the SPFC, which applies to areas designated as “SPFC Areas” by Resolution of the Board of Commissioners. The SPFC is each SPFC Area property owner’s proportionate share of the cost of facilities of general benefit to the SPFC Area including, but not limited to pump stations, trunk lines, interceptors and force mains necessary to serve the SPFC Area.

5.12.030 Payment of connection charge. Each property owner desiring to connect property to facilities of the District shall first pay the District a connection charge comprised of the GFC, LFC and, if applicable, SPFC either in full, or when agreeable to the District, by entering into an agreement with the District to pay the same over time, together with interest on the declining balance. However, there shall be no GFC imposed on a property for new or additional connections or re-connections, upon which property a previous GFC or area charge had been paid, unless any new or additional improvements or re-connections thereon will cause a greater impact upon facilities of the District. In such latter event, as a condition for the right to make the new or additional connections or reconnections, a GFC will be imposed on that portion of the property affected by the new or additional improvements or re-connections, less credit for that portion of the previously paid GFC or area charge that relates to the area affected by the new or additional improvements or reconnections.

NEW SECTIONS

5.12.075 Designation of Special Facilities Charge Area. Prior to establishing a SPFC, the Board of Commissioners shall formally designate an area as a SPFC Area by Resolution. SPFC Areas shall be limited to areas where changes in zoning or land use allow for substantial increases in residential, commercial or industrial densities where the Board of Commissioners has determined that existing facilities are inadequate to directly serve the increased density. Current SPFC Areas include:

1. Pacific Ridge SPFC

5.12.076 Calculation of Special Facilities Charge. SPFCs shall be calculated based on the location of the SPFC Area and the sewer system improvements necessary to make permanent public sewer service available to, and for the connection of, the properties located in the SPFC Area. The actual SPFC charge for an area shall be determined by Resolution and shall be apportioned using the same methodology used for determining and apportioning the District's GFC charges.

SPFCs shall include an interest charge applied from the date of the construction of the improvements until connection, or for a period not exceeding ten years, whichever is shorter at a rate commensurate to the rate of interest applicable to the District at the time of installation of the improvements. Prior to imposing a SPFC, the District shall conduct a public hearing for purposes of obtaining public comment on the SPFC. Once established, SPFCs, if based on preliminary cost estimates and not actual construction costs, shall be reviewed and revised on an annual basis.

The code changes shall become effective immediately.

Adoption: ADOPTED at a regular meeting of the Board of Commissioners of Midway Sewer District on October 8, 2008 the following Commissioners being present and voting:

Commissioner

Commissioner

Commissioner

Secretary