

RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL
Infrastructure Funding for the Carlsborg Urban Growth Area

April, 2003



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Forward

On December 5, 2000, the Board of County Commissioners (BCCC) established a 560-acre area around the community of Carlsborg as an unincorporated Urban Growth Area (UGA) pursuant to the Washington Growth Management Act (GMA) (RCW 36.70A). This action included an amendment (Ordinance 700, 2000) of the Sequim-Dungeness Regional Comprehensive Plan to establish preferred land uses (e.g., residential, commercial, industrial) and policies to guide and manage future development within the UGA. It also included the adoption of zoning standards (Ordinance 700, 2001) to implement the Plan as well as a Capital Facilities Plan (CFP) (Ordinance 702, 2000) to ensure adequate and efficient provision of public facilities and services.

The BOCC appointed a seven-member Carlsborg Community Advisory Council (CCAC) in March 2001 to enhance communication between Clallam County Government and the residents, businesses, and landowners of the Carlsborg UGA. CCAC members include: a Parkwood resident; an at-large UGA resident; a business owner from the Carlsborg Industrial Park; a business owner from the SR 101 commercial corridor; a property owner from the Historic Village area, and; two, at-large positions held by real property owners within the UGA.

The BOCC requested that the CCAC formulate recommendations related to the design and funding alternatives for pedestrian improvements, administration of an on-site septic operation and maintenance (O &M) program, and other community infrastructure needs (e.g., road improvements, water supply). The recommendations of the CCAC are expressed within the following three reports that are contained herein:

- ◆ General Report
- ◆ Septic Operation and Maintenance (O&M) Program Recommendations
- ◆ Sidewalk Plan Recommendations

The *General Report* summarizes the alternatives considered and key recommendations of the CCAC contained in the Sidewalk Plan and Septic O&M Reports. It also addresses other community infrastructure and public service needs such as water supply, road improvements, and stormwater management.

The *Sidewalk Plan Recommendations Report* establishes the basis for implementation of a sidewalk plan as directed by Chapter 10 of the Carlsborg CFP. The Report includes a comprehensive study that explores the range of design options, facility needs, safety issues, policy issues and site-specific design recommendations for sidewalk facilities throughout the UGA. It also considers the design and funding of a multi-use trail along Matriotti Creek that would connect the SR 101 corridor to the Olympic Discovery Trail at the northern end of the UGA.

The Carlsborg CFP provides a detailed background of the issues pertaining to on-site sewage disposal. It concludes that use of denitrification technology, coupled with an operations and maintenance program, would be essential if on-site systems were to continue to be used in lieu of a centralized municipal sewer system. The CFP outlines the components of an O&M program, including public education, inspection and monitoring, data evaluation and administration. It also provides general cost estimates for providing these necessary components. The *Septic Operation and Maintenance Program Recommendations Report* addresses alternative scenarios for administering and financing the O&M program.

The CCAC relied on a consultants report titled: *Carlsborg UGA Infrastructure Financing Options*, produced by Steve Gaidos, LLC, April 2002, for Clallam County, in developing many of their recommendations. This document is included herein.

Development of the *General, Sidewalk Plan, and Septic O&M Reports* was driven by the opinions expressed by the CCAC. Since March 2001, the CCAC generally met on the second and fourth Tuesday's of the month. All CCAC meetings were advertised in the local newspaper and open to the public. The Clallam County Department of Community Development, Planning Division, provided technical support to the CCAC.

Description of Historic, Cultural, and Economic Aspects of the Carlsborg Community

The designation of Carlsborg as an Urban Growth Area has a strong relationship to existing land use plans and to estimated population as well as historic and cultural preservation.

From its earliest days, the central Carlsborg area has prospered as a result of property owners being able to devote their properties to a mix of commercial, industrial and residential uses. Pioneer industrialist C. J. Ericson founded Carlsborg (names after Karlsborg, Sweden) in 1916 as a lumber mill and railroad town. Housing was built for the mill workers and as the mill prospered and the population increased, additional services and businesses were provided. By 1920, the town included 300 residents and boasted two stores, a theater, tavern, drug store, grange hall and school. Most of these activities were located on Carlsborg and Runnion Roads.

A pre-depression brochure produced by the Carlsborg Commercial Club identifies the long-standing mix of uses in the area. It states "Carlsborg has grown rapidly and boasts of large lumber and shingle mills, several stores, post office, railroad station, a fine school building..." The brochure also promotes the areas mild climate and good home sites. See *History of Carlsborg* by Harriet Fish.

In 1968, the Port of Port Angeles acquired the mill property and turned it into what has become a thriving industrial park. Contemporaneously, retail and commercial activities were expanding in the area where Carlsborg Road crosses SR 101. Mobile home parks and planned unit developments were developed.

In the year 2000, Carlsborg still maintains a quality of life and good economy with these mixed uses. The area is home to approximately 790 residents who live in single-family homes, planned communities and mobile home parks. There are 85 businesses providing approximately 513 jobs. Retail businesses include three multi-bay gas stations, an auto repair shop, a barber shop, an antique store, two sign companies, a carpet store, a nursery, a restaurant, a unique country store and large-scale retailer. The area has professional establishments such as chiropractic offices, and a host of commercial and industrial enterprises including construction companies, an auto parts manufacturer, and a high tech medical business. The area is home to Greywolf Elementary School (500 students), Fire District No. 3, and at least two churches.

Carlsborg's location and its mixed-use activities have made it a pleasant and convenient location to live, work and do business. The business activities create jobs and sales and contribute significantly to the regional economy. In 1998, businesses within the Carlsborg UGA boundary produced over \$20,000,000 in retail sales with a tax benefit to the County of more than \$290,000. The 513 area jobs have a total annual payroll of \$11,500,000. Real properties within the UGA boundary are currently assessed at more than \$31,000,000 and provide more than \$350,000 in annual property tax revenue to the County.

**GENERAL REPORT
TO THE
BOARD OF COMMISSIONERS**

RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL

General Report to the
Board of Commissioners

April 2003

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**Recommendations of the Carlsborg Community Advisory Council
General Report to the Board of Commissioners**

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**RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL**
General Report to the Board of Clallam County Commissioners
April, 2003

Part I - Background

Introduction

On December 5, 2000, the Board of County Commissioners (BCCC) adopted legislation designating the 560-acre central Carlsborg Community as an unincorporated Urban Growth Area (UGA) pursuant to the Washington Growth Management Act (GMA) (RCW 36.70A). This action included an amendment (Ordinance 700, 2000) of the Sequim-Dungeness Regional Plan (SDRP) to establish preferred land uses (e.g., residential, commercial, industrial) and policies to guide and manage future development within the UGA. It also included the adoption of zoning standards (Ordinance 700, 2001) to implement such policy direction as well as a Capital Facilities Plan (CFP) (Ordinance 702, 2000) to ensure adequate and efficient provision of public facilities and services.

To help ensure this planning effort is consistent with the community's vision for growth and neighborhood character and is reflective of local needs and circumstances, the BCCC appointed a seven-member Carlsborg Community Advisory Council (CCAC) in March, 2001 to enhance communication between Clallam County Government and the citizens of the Carlsborg UGA.. The CCAC is comprised entirely of residents and business owners within the Carlsborg UGA. Appointed members include a representative from the Parkwood Manufactured Home Community, a UGA resident, a business owner from the Carlsborg Industrial Park, a business owner from the SR 101 commercial corridor, a property owner from the Historic Village area, and two, at-large positions held by real property owners within the UGA. Since its creation, the CCAC has convened on a regular schedule of twice monthly. All meetings have been open to the public and interested citizens have attended and have commented on agenda items. . County Planning staff have assisted the Council by attending scheduled meetings and providing technical support on organization and matters under consideration.

The Board of County Commissioners subsequently assigned to the CCAC the task of developing recommendations for a sidewalk plan for the design, distribution and funding for pedestrian improvements throughout the UGA. In addition, the Board requested that the CCAC develop recommendations for alternative ways in which to fund the infrastructure improvements which were identified in the CFP. The CCAC has spent from March, 2001 to the present, meeting usually twice a month in developing recommendations in response to the tasks assigned by the Board. Grant funds were obtained and allocated for the hiring of a financial consultant to assist the CCAC in evaluating options and developing recommendations for the funding of identified service and infrastructure improvements. The consultant, Steve Gaidos, LLC, produced a report titled "Carlsborg UGA Infrastructure Financing Options, April 2, 2002", that provided an extensive background and analysis for funding the various components of infrastructure in the UGA. The CCAC relied heavily on the content of this report in the development of their recommendations to the Board.

The work of the CCAC has culminated in three related reports: 1) this General Report to the Board of Clallam County Commissioners, 2) The Septic Operations and Maintenance (O&M) Program Report, and 3) Draft Sidewalk Plan Report. This General Report summarizes the recommendations of the CCAC for funding identified infrastructure and further recommends

policy changes that reflect and implement these finance recommendations in the context of community concerns and values. This report also summarizes the recommendations of the Sidewalk Plan Report and the Septic Operations and Maintenance Report, also developed by the CCAC.

Scope of Issues

With the establishment of the CCAC, the Board of County Commissioners vested the Council with the authority to make recommendations to the Board on matters of community concern, including land use and zoning, public utility service delivery, transportation and pedestrian improvements, capital projects and services financing alternatives, parks and recreation, design standards, environmental protection and other related matters as deemed appropriate by the Board. As the primary focus and intent of this report, the CCAC has considered a wide range of issues and has formulated their recommendations to the Board of County Commissioners for alternatives related to funding strategies for identified infrastructure and services for the UGA.

Included with this funding recommendation is a proposed Sidewalk Plan consistent with the policies of the Capital Facilities Plan (Chapter 10, CFP). The Sidewalk Plan identifies community needs related to non-motorized transportation; recommends the design, distribution and scheduling of sidewalk and trail facility improvements within the UGA; and further recommends how such facilities will be funded.

The Capital Facilities Plan identified the range of infrastructure and services needed to serve the UGA. Of the eight (8) categories of infrastructure discussed, Stormwater Management, Solid Waste Management, Parks and Recreation, Law Enforcement and Fire Protection were identified as adequate to serve future growth and development. Of the remainder, On-Site Sewage Disposal Facilities, Water Service Facilities, and Transportation Facilities (including sidewalks) were identified as needing improvements to meet the service demands of development over the 20-year planning period. These components of the infrastructure were the focus of the CCAC in the development of this report.

In the development of these reports, the CCAC found it necessary to develop recommendations to the Board regarding some matters of land use policy. In some cases, certain policies of the CFP, Comprehensive Plan and/or Zoning Code were found to conflict with recommended solutions that might otherwise benefit the community and the County in general. While the CCAC recognizes that previously adopted policies and standards were established by the Board after a long and thorough process, there is nevertheless a recognition that some policy choices and recommendations affecting current legislation would have to be made if the alternatives recommended by the CCAC are to be effective.

General Goals of the CCAC

This report summarizes and otherwise conveys several recommendations developed by the CCAC during their consideration of the various issues related to infrastructure needs and funding. In the course of the CCAC's efforts, some key principles emerged that provided a fundamental framework for the development of the draft recommendations. These principles can be viewed as general goals of the CCAC and are important for understanding and maintaining the context under which the specific recommendations were developed. These goals include:

- Fulfilling the purpose and function of the CCAC as established by the Board of County Commissioners;
- Recognize and accommodate to the degree feasible those on fixed or low incomes;

- Provide for sensible infrastructure improvements that foster economic development and community values;
- Recognize and plan for water quality, stormwater management, and other environmental concerns through use of Best Management Practices (BMP's), low impact development strategies, or the best available science;
- Coordinate scheduling of infrastructure improvements to avoid duplication of efforts, minimize the need to demolish improvements in order to accommodate other improvements, and ensure efficient plan implementation;
- Pursue Grant Funding for identified infrastructure and service needs where feasible.

Priorities and Key Recommendations Summary

The recommendations of the CCAC deal with a wide array of public services and infrastructure necessary to ensure safe and orderly urban development within the Carlsborg UGA. The various service and infrastructure projects being considered represent a significant financial responsibility and commitment - affecting both the County and the community. Current economic trends and voter-approved tax initiatives have resulted in decreased revenues and funding sources that are significantly limited or no-longer available for such projects. Because of this fiscal reality, the CCAC recognizes that certain portions of the infrastructure financing recommendations may be difficult to implement in the near future. Therefore, priorities should be considered so that limited, available revenue sources can be applied where the greatest public benefit can be realized.

To assist the Board of County Commissioners in making the most efficient and effective use of available funding, and to ensure those service and infrastructure projects most important to the community are pursued first, The key recommendations of the CCAC are summarized in the following order of community priorities:

Priority 1 - Water Service:

- As a top priority, Clallam County should assist the PUD in the acquisition of water rights necessary to serve the entire UGA.
- The PUD's Local Utility District (LUD) method of financing should be retained as the primary funding mechanism for water service extension.

Priority 2 - On-Site Sewage Disposal:

- The County should move forward with the installation of inspection risers on existing septic systems and implement the Septic Operations and Maintenance (O&M) Program as soon as is feasible.
- The County should actively pursue grant funding sources to supplement costs of implementing the O&M Program, providing assistance to low-income households for emergency repairs and developing an incentive program, for voluntary upgrades of existing septic systems.

Priority 3 - Transportation:

- The County should initiate the completion of a sub-regional traffic analysis for the SR 101 corridor and connecting County roads through the UGA as soon as is feasible.
- The County should re-prioritize County road facilities located within the UGA with respect to the Six-year Transportation Improvement Plan (TIP).

Priority 4 - Pedestrian Improvements:

- The County should actively pursue grant funding sources to supplement costs of providing pedestrian improvements throughout the UGA.
- Only after grant opportunities have been sought, the County should consider the establishment of Road Improvement Districts (RID's) for the installation of identified pedestrian improvements throughout the UGA.

This report has been developed, principally authored and recommended by the Carlsborg Community Advisory Council (CCAC). County Planning staff have assisted the Council by attending scheduled meetings and providing technical support on organization and matters under consideration. It is intended as a recommendation to the Board of Clallam County Commissioners for the implementation of infrastructure projects and services identified in the Carlsborg CFP and other needs identified by the CCAC.

Part II - Reports and Recommendations to the BOCC

Consultant's Report

To assist the CCAC in the development of funding alternatives for identified infrastructure needs, Steve Gaidos, LLC, was hired as consultant. Mr. Gaidos produced a report, titled Carlsborg UGA Infrastructure Financing Options, April 2, 2002, that provided an extensive background and analysis for funding the various components of infrastructure in the UGA. The report provides an explanation of the array of funding mechanisms available for consideration - including pros and cons of each. The report also provides a recommendation as to which funding mechanisms would be most appropriate for the specific infrastructure item. The Consultant's Report has been heavily relied upon by the CCAC in developing its recommendations to the Board of County Commissioners, and is included herein as "Attachment A" as much of the analysis contained in the report applies directly to the funding recommendations for identified improvements.

Septic O&M Program Report Recommendation Summary

Chapter 3 of the Carlsborg CFP requires that an intensive Operations and Maintenance (O&M) Program be implemented for monitoring the effectiveness of existing and future on-site septic systems within the UGA. This requirement is necessary to address public health issues required by state and local environmental health laws, including:

- The State's Anti-degradation Policy (WAC 173-200);
- State requirements for septic operation and maintenance programs (WAC 248-272-15501);
- The County's 50% nitrate removal standard for new septic systems (C.C.C. 33.20.060(1)).

The analysis in Chapter 3 of the CFP shows that continued development within the UGA would likely result in increased groundwater contamination unless measures were taken to control contaminants at their source, regardless of land use choices. This would violate the State's Anti-degradation Policy, which essentially prohibits land use actions that increase the degradation of water resources (WAC 173-200). By requiring a minimum standard of 50% removal of nitrates and other contaminants from normal discharge of area septic systems and establishing a land use density standard of two parcels per acre, the County was successful at demonstrating compliance with this water resource protection policy. To ensure the 50% standard is being met, the County adopted policies for establishing an operations and maintenance (O&M) program for the UGA, also required by state law (WAC 248-272-15501). The O&M Program is intended to provide assistance and education to area property owners for the proper operation and routine maintenance of on-site septic systems and to monitor the performance of those systems in order to better ensure the protection of the public health.

The CCAC recognizes this program is an essential and pivotal component that enables the designation of the UGA without the added financial burden of a centralized sewage disposal system. However, considerable costs are necessary for program implementation. To assist the Board of Commissioners in developing a cost-effective program implementation strategy, the CCAC has developed a report that includes recommendations for the funding and implementation of the O&M Program. In the report, the CCAC developed and considered four (4) basic alternatives for the administration and implementation of the required O&M program. In addition, the report identifies areas that are the direct financial responsibility of area residents and business owners who will benefit from the program. The report also identifies those areas of the program which might be appropriate for County support, grant funding or other recommended sources to cover anticipated costs. The following summarizes the recommendations contain in the report:

1. Of the four (4) alternatives considered, the CCAC recommends that the Board of County Commissioners adopts and implements Alternative 2, which consists of utilizing the PUD to carry out septic inspections and administer billing for inspections and administrative costs. This alternative also allows the land owner the flexibility to utilize qualified private inspectors to perform monitoring tasks, provided the PUD will still be utilized for coordinating inspections and information processing with the County. Costs of inspections, billing and other administrative cost will be borne by the property owner (Page 10, O&M Recommendation Report).
2. The CCAC recommends having septic system risers for inspection purposes installed on every existing septic system concurrent with the initial inspection under the O&M program (Page 2, O&M Recommendation Report).
3. To demonstrate the County's support and commitment to the implementation of the Carlsborg UGA, the CCAC recommends that the costs of a UGA-wide riser installation project be borne by Clallam County. It is further recommended that the project be fully funded through grant funding sources or County funds designated according to anticipated incremental increases in County tax revenues to be generated from economic development within the UGA. To ensure effectiveness and timely implementation of the Septic O&M Program, the riser installation project should commence within 6 months of adoption of this plan by the Board of Clallam County Commissioners (Page 2, O&M Recommendation Report).
4. The CCAC recommends allowing individual property owners the ability to retrofit their own septic systems as an alternative to requiring installation by a professional contractor (Page 2, O&M Recommendation Report).
5. It is the recommendation of the CCAC that the clear public benefit associated with riser installation and O&M Program implementation be pursued as an avenue for acquiring grant funding to assist in riser installation and program implementation. The CCAC considers this a priority objective and respectfully requests that the Board assign planning staff to prepare grant applications for this and other Carlsborg projects. The assigned staff member(s) should be allocated suitable hours to devote to this effort and should further be requested to consult with the CCAC during the grant writing process (Page 2, 4 and 12, O&M Recommendation Report).
6. It is the recommendation of the CCAC that the USDA-Rural Development 504 Repair Loan and Grant Program, and the Housing Preservation Loan Program be identified and promoted in conjunction with the O&M Program as a means of providing financial relief to those qualifying households in need such assistance (Page 4, O&M Recommendation Report).
7. It is the recommendation of the CCAC that existing O&M agreements between area property owners and the County continue to be honored by the County and not be subject to standardized protocol developed for the O&M Program, UNLESS it is determined that performance under the agreement is not meeting minimum health and safety standards, or there is otherwise a demonstrated lack of compliance with the specific O&M agreement (Page 6, O&M Recommendation Report).
8. It is the recommendation of the CCAC that while on-site sewage disposal systems continue to be utilized throughout the UGA, planning staff periodically monitor evolving development related to size, effectiveness and costs of constructing and operating a centralized sewage disposal system (Page 10, O&M Recommendation Report). Also, County staff should be directed to continue to explore the feasibility of a service agreement with the city of Sequim to utilize their sewage treatment facility via a community collection and piping system.

9. The CCAC recommends that Section 33.20.060(1) of the Zoning Code be amended to include the following clarifying language, to be inserted as a new Subsection (c):
- c. For the purposes of this ordinance, minor repairs and routine maintenance not requiring an approved permit are exempt from the standard described in Subsection (a), above. The following actions associated with existing on-site or community septic systems shall be considered minor repair or routine maintenance; PROVIDED that the condition requiring the maintenance or repair has not existed for a duration long enough to render the system inoperable or otherwise meet the definition of "Failure" as defined in WAC 246-272:*
- i. Pump replacement;*
 - ii. Broken sewer line;*
 - iii. Minor leaks that do not result in matting, ponding, backup, or other characteristics of system failure;*
 - iv. Plumbing fixture replacement;*
 - v. Baffle replacement;*
 - vi. Pumping of septic tank;*
 - vii. Installation of risers;*
 - viii. Any similar incidental repairs or routine maintenance of a comparable scope.*

Sidewalk Plan Report Recommendation Summary

One of the primary tasks assigned the CCAC by the Board of County Commissioners was the development of a recommendation for a comprehensive sidewalk plan for the Carlsborg UGA. The need for a sidewalk plan was identified in the Carlsborg CFP (Page 10-6, CFP). The CCAC has spent more than a year considering design alternatives, community needs, policy recommendations and funding alternatives for the development of a sidewalk plan recommendation.

The Sidewalk Plan Recommendation Report provides a detailed analysis of existing and applicable policy requirements, design alternatives, specific community needs, safety needs, supporting facility issues (bike facilities, transit stops, trail facilities, etc.), policy recommendations, site-specific design recommendations, and funding recommendations. The following summarizes the recommendations contained in the report:

1. It is the recommendation of the CCAC that the Sidewalk Plan Recommendation Report be adopted by the Board of County Commissioners as a sub-area plan document for the Carlsborg UGA.
2. It is the recommendation of the CCAC that sidewalk and trail facilities be constructed within the Carlsborg UGA according the site-specific design recommendations contained on Pages 13 and 14, and depicted on Map 1 of the Sidewalk Plan Recommendation Report.
3. It is the recommendation of the CCAC that sidewalk and trail facilities improvements be scheduled according the to Six and 20-year cycle recommendations contained on Page 22 and Map 2 of the Sidewalk Plan Recommendation Report.
4. It is the recommendation of the CCAC that the twenty-six (26) Supplemental Policies for Sidewalk Facilities on the Carlsborg UGA, contained on Pages 10 through 12 of the

Sidewalk Plan Recommendation Report, be incorporated by the Board of County Commissioners within the appropriate sections of the Sequim-Dungeness Regional Plan, Chapter 31.03, C.C.C., and the Carlsborg Capital Facilities Plan.

5. Pursuant to the Consultant's Report (Attachment A), it is the recommendation of the CCAC that funding for sidewalk improvements within the UGA be accomplished through use of the Road Improvement District (RID) financing method. It is further recommended that, where feasible, individual RID projects be consolidated into a Consolidated Road Improvement District (CRID) in order to benefit from reduced finance costs and other benefits of economy of scale. As an alternative, the CCAC recommends the Board consider the use of Limited Tax General Obligation Bond (LTGO) for the financing of specific projects where assessments are determined to be too costly to individual property owners, or where the assignment of benefit and assessment obligation is too difficult or questionable. If selected, it is further recommended that an LTGO be paid utilizing revenues from REET funds and sales tax growth from the UGA, and/or supplemented by the Opportunity Fund.
6. As a fundamental priority, the CCAC respectfully requests that the Board assign planning staff to prepare grant applications to assist in the funding of the various sidewalk, trail, bicycle and other related non-motorized transportation facilities proposed within the Sidewalk Plan Recommendation Report. The assigned staff member(s) should be allocated suitable hours to devote to this effort and should further be requested to consult with the CCAC during the grant writing process.

Part III - Other Issues and Recommendations

Water Service

Water service within the Carlsborg UGA currently consists of several private individual wells, some Group B (six-packs) water systems, three (3) privately-owned Group A water systems and the PUD Public Water System. The CFP allows the use of individual wells on lots that are presently in existence, but requires that for all new land divisions, the properties be served by a qualifying Group A water system. In practical terms, this means the PUD. As demonstrated in the Consultant's Report (Attachment A), the CCAC recognizes that funding of water service extension throughout the UGA is best handled through the PUD's current method of assessment district financing (Attachment A, Page 19).

The Carlsborg CFP estimated that the current water rights allocated to the PUD (440 gpm) would not be adequate to serve the entire UGA by the end of the 20-year planning period (Page 4-10, CFP), indicating a shortage by approximately year 2011. What was not analyzed in the CFP was that the PUD must demonstrate adequate water supply (including allocated water rights) to serve their existing service districts according to estimated demands based on full buildout scenarios. The service boundary cannot be expanded unless it can be demonstrated that adequate capacity is available to supply the existing service area and the proposed service area at full buildout.

Currently, PUD service boundaries (LUD #10) encompass just over half of the existing UGA. Areas presently not served by PUD water are generally described as that portion of the UGA lying easterly of Mill Road and Parkwood Blvd.; that portion bounded by Mill Road to the east, Carlsborg Road to the west, E. Runnion Road to the north, and the northern boundaries of those properties abutting Smithfield Road to the south, and; that portion bounded by W. Runnion Road to the south, Carlsborg Road to the East, the UGA boundary to the west, and Savanna Lane to the north. Of particular note, the latter described area includes the Historic Village community, which is characterized by exceptionally small lots. The combination of these small lots makes it difficult to locate adequate septic systems and accommodate potable wells. Significant problems have been experienced in recent years.

The CCAC recognizes this issue as the most important infrastructure need facing the UGA. Solving this issue is of the **HIGHEST PRIORITY** and should involve cooperative efforts between the local community County staff, PUD and the Department of Ecology. The following recommendations are intended to address this issue and other matters related to water service extension throughout the UGA:

1. It is the recommendation of the CCAC that the Board of County Commissioners allocate county staff time to assisting the PUD in the acquisition of necessary water rights for the extension of water service throughout the UGA.
2. It is the recommendation of the CCAC that the Board of County Commissioners direct the Department of Community Development to prioritize and expedite the review and adoption of new fire-flow standards that are currently under review as such standards will have a bearing on service capacity requirements and associated water rights shortfalls.
3. It is the recommendation of the CCAC that funding of water service extension throughout the UGA be handled through the PUD's current method of assessment district financing.

Transportation

Chapter 10 of the Carlsborg CFP provides an analysis of future needs based on current conditions and anticipated demand as growth occurs. It identifies road segments that are likely to require future improvements as demand increases. It also recognizes that some improvements will be driven by regional demands on the transportation network with others being driven by demands generated from local development. This distinction provides the basis for differentiating improvements that are the obligation of the County and those improvements that are the obligation of the local community.

The CFP briefly identifies roads and intersections where problems exist or are likely to exist as development occurs. It specifically recognizes that with intersection safety and regional transportation impacts, a regional traffic study is needed to determine likely impacts as local and regional development occurs and appropriate facility improvements that will become necessary as these impacts are realized. While the CFP provides some ideas as to the types of improvements that could address identified problems (i.e. turning and access control), it fails to provide a comprehensive approach to solving all transportation issues.

One recommendation within the CFP was to modify the intersection of Mill Road and SR 101 to restrict left turn access onto SR 101 (Page 10-10, CFP). In evaluating the implications of this mitigation project, the CCAC finds that it will likely affect traffic circulation on E. Runnion Road, causing more regional traffic to travel to Carlsborg Road and the lighted intersection. The CCAC finds that the increase in regional demand on E. Runnion Road justifies making improvements for this road segment a County-funded project.

The fact that the CFP identifies the need for a regional traffic study indicates that not all impacts and mitigation have been fully considered in the Plan; therefore, there is no assurance that suggested mitigation in the plan will meet the traffic demand needs of future development. This has led to significant confusion and delay in the administration of development standards associated with commercial development permits. In practical terms, County staff has not been provided with a clear, objective planning tool to predictably determine and administer concurrency for transportation infrastructure in an equitable and fair manner. This has resulted in some commercial applications in the UGA meeting with extensive, piecemeal transportation analyses that fail to solve any significant problems in a regional sense. The affect has been an obstruction, and in some cases, a derailment of commercial developments with no measurable benefit. A regional traffic analysis would help to correct this situation.

With the designation of Carlsborg as an UGA, the role that county roads serve becomes more significant, both to the local community and to the region. The Comprehensive Plan recognizes this principle by requiring that the transportation network be prioritized to concentrate facility expenditures on improvements within urban growth areas over rural areas (CCC 31.0.28(1)(a)). Currently, out of the four (4) identified road improvement projects specified in the CFP, only Mill Road is included in the funded portion of the Six-Year Transportation Improvement Plan (TIP). It is the belief of the CCAC that with the designation of Carlsborg as an UGA, all road projects identified by the CFP should be considered for upgrading to funded status under the TIP.

Given the previous discussion, the discussion contained in Chapter 10 of the CFP and the Consultant's Report (Attachment A), the following recommendations are intended to address road improvement needs and funding throughout the UGA:

1. It is the recommendation of the CCAC that all road improvement projects within the UGA incorporate sidewalk improvements per the Sidewalk Plan Recommendation Report as part of the over-all road improvement project.

2. It is the recommendation of the CCAC that a regional traffic analysis be prepared for the Carlsborg UGA and vicinity. It is the intention of the CCAC that the purpose of such analysis be to provide alternatives for policy direction and implementation for meeting traffic facility demands into the future as local and regional growth is experienced. It is requested that such analysis segregate those transportation impacts that are a result of local traffic demands versus regional traffic demands so that the responsibility for improvements can be equitably assigned between local and regional obligations. Any such analysis should be intricately coordinated with the WSDOT to ensure agency consensus and avoid duplication of efforts at the permitting level. Lastly, it is requested that through this analysis and policy selection process, a predictable and equitable funding structure can be developed. It is hoped that such funding structure would provide for the County's obligation under the requirements of the GMA for concurrency management by:
 - Prescribing specific improvement projects necessary to meet increasing levels of demand;
 - Implementing project scheduling according to increases in system demand; and
 - Implementing a finance strategy, possibly consisting of one or more of the following: development fees, road improvement districts, latecomer agreements and/or similar funding mechanisms.
3. It is the recommendation of the CCAC that the improvements to E. Runion Road identified in the CFP be included as part of the funded portion of the County TIP.
4. It is the recommendation of the CCAC that all unfunded County road projects within the UGA be upgraded to funded road projects within the Six-Year Transportation Improvement Plan.
5. It is the recommendation of the CCAC that where road improvement projects are identified as the obligation of the local community, that the RID process be utilized. As an alternative, if the Board finds that the assessments to individual property owners are too high, it is recommended that the Board utilize a Limited Tax General Obligation Bond (LTGO) to complete the funding of the project. Sources of revenue to pay back the bond can include incremental County tax revenues and sales tax revenues resulting from growth, earmarked REET funds, local option sales taxes and impact fees, if established.
6. It is the recommendation of the CCAC that where Road Improvement Districts are planned, new development should be conditioned to require a no-protest agreement of the landowner to ensure participation in future RID's.

Public Revenue Tracking

The Carlsborg UGA provides Clallam County with significant revenues originating from a variety of taxable sources, including real estate taxes, real estate excise taxes (REET), and sales taxes from local businesses. As development continues to occur within the UGA, these sources of revenue will increase. Investment in infrastructure will increase property values directly, resulting in increases in property tax revenues and REET revenues. Investment in infrastructure also makes the community more inviting to new businesses - providing greater certainty and predictability concerning improvement requirements and community acceptance for new businesses. This is likely to encourage and increase new commercial and industrial developments within the UGA - further increasing sales tax revenues generated therein.

The CCAC is mindful that legal limitations do exist on how certain tax revenues are allocated. However, the CCAC also recognizes the relationship between investment in public infrastructure and the economic growth that such investment encourages. One result of such growth is an increase in local governmental tax revenues. The CCAC believes that this correlation between investment in UGA infrastructure and increases in County revenues from UGA sources provides an opportunity for greater partnership and mutual benefit between the citizens of the UGA and County Government. Specifically, increases in revenues experienced by the County from sources within the UGA could be used as justification for County investment in UGA infrastructure since the results include greater economic growth within the UGA and therefore further increases in County revenues.

The key to providing a program that identifies and allocates County revenue sources commensurate to local contributions is the development of a simple and accurate revenue tracking mechanism. Property tax and REET revenues are easily tracked by the County through the use of the Assessor's Tax Identification Number system. This is a twelve-digit number that is uniquely assigned to each parcel in Clallam County for Assessor and other County records purposes. A database of Assessor Tax Parcel Numbers within the UGA could be developed and maintained for periodically tracking property sales and increases in assessed valuations resulting from infrastructure improvements and community development.

Sales tax revenues are first collected by the Washington State Department of Revenue. A percentage of sales tax revenues received by the State is then allocated back to the County for local purposes. Tracking of local revenue sources at the state level includes the use of a Tax Reporting Number. However, this number only distinguishes between individual cities and individual counties. In Clallam County, there are four (4) Tax Reporting Numbers, one for each incorporated city (Forks, Port Angeles and Sequim), and one for unincorporated Clallam County. State revenue tracking information also includes zip code information. So while it is feasible to narrow down the scope of sales tax revenue tracking to the unincorporated Sequim-Dungeness area, current tax reporting information does not readily allow for tracking of sales tax revenues generated from within the UGA boundary.

The Department of Revenue has advised the County Treasurer that assignment of a unique Tax Reporting Number for the Carlsborg UGA would only be possible if the UGA were to incorporate. Given the current population of the UGA, this is not an option under state law. Therefore, if tracking of sales tax revenues is to be achieved, a local alternative will have to be developed.

All businesses in Clallam County are assigned a Unified Business Identification (UBI) number. This is a unique identification number specific to the individual business. Tracking of sales tax revenues through the UBI number is difficult in that there's no geographic reference associated with the number and the numbers change periodically with the closing of businesses and the opening of new businesses. It is also important to note that tracking at the individual business level is subject to privacy laws which prohibit public disclosure of individual business income and sales tax information. However, the UBI number system does provide an avenue for developing a sales tax revenue tracking mechanism. If an inventory of UBI numbers for existing businesses within the UGA could be established, then such an inventory could be maintained. New businesses, whether requiring new construction or occupation of existing buildings, require a building permit from the Clallam County Department of Community Development, Building Division. The Building Division requires the UBI number to be printed on the face of the Permit. The Building Permit is also tracked through the Assessor's Tax Parcel Numbering system. Through this procedure, a database of UBI numbers existing within the boundaries of the UGA could be maintained and updated. This information could be used by the County Treasurer's Office as a means of reporting combined sales tax revenues received from the state that originated within the UGA. Because the Assessor's Office already handles classified tax reporting information, they would be the appropriate governmental entity for collecting individual business tax information and providing a generalized sales tax revenue report for use by the

Board of County Commissioners for determining equitable County reinvestment of UGA infrastructure.

Based on this analysis and the mutual benefits to the County and the UGA that reinvestment in public infrastructure can provide, the CCAC recommends the following:

1. Clallam County should develop a mechanism for tracking all sales tax revenues, property tax revenues, or real estate excise tax revenues that originate within the boundaries of the Carlsborg UGA. The Board should consider revenue increases from tax revenues, or portions thereof, to be earmarked for reinvestment into public infrastructure, urban services or other programs intended to benefit the Carlsborg UGA, as needed and as otherwise consistent with other infrastructure financing recommendations of the CCAC.

Historic Village Issues

The following recommendation is intended to address issues and concerns related to the Carlsborg Historic Village:

1. It is the recommendation of the CCAC that the Historic Village be preserved and enhanced through the development of a community sub-area plan that addresses the geographic constraints on septic system options in this area, appropriately-scaled roadways, sidewalks and trails, and other community amenities such as landscaping (Sidewalk Plan Recommendation, Page 2).

Other Community Concerns

The following recommendation is intended to address issues and concerns related to water quality within Matriotti Creek:

1. It is the recommendation of the CCAC that the County coordinate with the WSDOT to develop solutions to current stormwater discharge practices from SR 101 into Matriotti Creek. It is further recommended that stormwater detention and treatment facilities be coordinated with sidewalks and other transportation improvements.

Coordination of Infrastructure Improvements Scheduling

With the array of infrastructure facilities needed throughout the UGA, consideration has to be given to the scheduling of those improvements with relation to one-another. The extension of utility lines will continue to be needed as vacant properties develop; water service lines will need to be extended to areas of the UGA not presently served by PUD water; roads will have to be improved and sidewalks will have to be installed. If individual improvement projects are not coordinated, conflicts will arise, such as, demolishing sidewalk facilities to lay conduit or water lines, demolishing street segments to extend water service to isolated areas, etc.

As a general principle, in-ground utilities, such as electrical conduit and water mains, should be installed prior to or concurrent with sidewalk and road improvements. This should include upgrading water mains to meet anticipated demand throughout the UGA prior to sidewalk and road improvements. Where feasible, improvements should be coordinated so that excavation and ditching can accomplish more than one facility objective.

Plan Flexibility

Several policies, designs, and requirements have been recommended by the CCAC for providing for and funding necessary infrastructure and services in the Carlsborg UGA. While these recommendations are intended to provide for the efficient and cost-effective provision of infrastructure and services, they are not intended as absolute. As a general principle, the CCAC recommends that these plans and recommendations be applied with a reasonable degree of flexibility. Specific situations encountered may require creative solutions that exist outside of the range of issues considered and the recommendations made. The CCAC encourages the Board to afford engineers, designers and other architects of the implementation of these plans the needed flexibility to ensure the over-all intent of these recommendations is achieved.

Monitoring, Feedback and Future Recommendations

The CCAC would like to reserve the ability to continue to coordinate with the County during the implementation of infrastructure improvements and services throughout the UGA in order to monitor and provide feedback to the County on plan implementation and progress. To ensure this feedback process occurs efficiently, it is the recommendation of the CCAC that the County jointly reviews implementation of infrastructure improvements with the CCAC on a periodic, five-year basis. The purpose of this review will be to monitor effectiveness of improvements and services and determine if new facilities and services are needed, or if others can be removed.

Part IV - Summation of Project Costs and Funding Sources

Costs Summation

The CCAC was assigned the task of developing a recommendation of alternatives for funding identified infrastructure and service improvements contained in the Carlsborg CFP (Ord. No. 702, 2000). In the process of developing this recommendation, the CCAC found it necessary to qualify and refine some of the identified infrastructure projects contained in the CFP in order to arrive at a "dollars-and-cents" estimate and associated funding recommendation. A significant part of this "refinement" of the CFP included the development of a sidewalk plan recommendation as assigned by the Board of County Commissioners. With a detailed cost estimate of providing sidewalks and other pedestrian improvements, and the refinement of costs associated with other components of planned infrastructure, significant changes to the cost estimates contained in the CFP were realized. The following is a summation of the final cost estimates evaluated by the CCAC, including costs contained in the CFP and those costs that have been modified following subsequent evaluation by the CCAC.

Septic O&M Program Recommendation: Costs evaluated in the Septic O&M Report included one-time costs such as riser installation and program startup, periodic (e.g. annual) costs and unscheduled septic repair costs. Costs of individual septic repairs will continue to be the responsibility of the individual septic system owner and, due to the lack of predictability and limited occurrence, are not included in the following summation. Costs associated with the Septic O&M Program include:

Table 1 - One-Time Costs for Septic O&M Program

Installation of inspection risers on 149 existing septic systems - to be funded by the County or County-acquired grants:	\$ 59,600.00
County startup costs - to be funded by the County (NOTE: These costs will implement Countywide program. UGA portion is not determined):	\$ 57,625.00
Total	\$ 117,225.00

Table 2 - Periodic Costs for Septic O&M Program

County personnel and indirect costs to be funded by County:	\$ 104,960.00
Annual materials and support costs to be funded by septic system owners as part of the PUD's billing structure (10% administrative fee):	\$ 20,992.00
Total	\$ 125,952.00

Table 3 - Estimates of Septic O&M Program Inspection Fees (to be paid by property owners)

Existing conventional systems (once every three years)	\$ 88.00
Existing alternative systems (once every year)	\$ 110.00
New denitrification systems (once every year or as recommended by manufacturer)	\$ 280.00
Existing systems with previous O&M agreements (scheduled according to agreement)	Normal County Inspection rate.

Water Service Extension: Extension of water service throughout the currently un-served portions of the UGA will rely on the PUD's existing Limited Utility District method of funding. Additional support may be required by Clallam County through grant funds or other sources necessary to assist in the acquisition of necessary water rights for service extension; however, no firm estimate can be determined at this time as to funds necessary for water rights acquisition. Cost estimates associated with the infrastructure improvements necessary to extend water service throughout the UGA are described as follows:

Table 4 - Total Cost Estimates for Extension of PUD Water Service Throughout the UGA (to be paid by property owners within the new or expanded service area under PUD's LUD funding structure)

Pipelines extended	\$ 1,311,573.00
Reservoir construction (including land acquisition)	\$ 612,500.00
Well acquisition and construction	\$ 431,325.00
Total	\$ 2,355,398.00

Transportation Improvements (Motorized): Road improvement projects for the Carlsborg UGA are for the most part recommended to be accomplished through the Clallam County Six-Year Transportation Improvement Plan (TIP), with one private commercial access road designated for improvement through the Road Improvement District (RID) method of funding (proposed RID #5, Attachment A). Cost estimates for identified road improvement projects for the Carlsborg UGA are as follows:

Table 5 - Cost Estimates for Identified Road Improvement Projects

Spath Road (to be included as part of the TIP)	\$ 249,000.00
E. Runnion Road (to be included as part of the TIP)	\$ 150,400.00
Mill Road (north of Smithfield Dr.) (to be included as part of the TIP)	\$ 242,000.00
Hooker Road (Atterberry to Harrison Rd.) (to be included as part of the TIP)	\$ 24,000.00
Greywolf Commercial Access Road (UGA-Funded as part of RID #5)	\$ 122,888.00
Total	\$788,288.00

Transportation Improvements (Non-Motorized): The Sidewalk Plan Recommendation designates sidewalk improvements needed throughout the UGA. It further indicates those sidewalks that can be installed concurrent with County road improvement projects and those sidewalks that will be funded through the RID funding method. The following summarizes the costs by funding category for pedestrian improvements recommended in the Plan:

Table 6 - Cost Estimates for Identified Pedestrian Improvement Projects

Sidewalk Improvements (designated as funded through the RID Process)	\$ 443,378.00
Sidewalk Improvements (designated as funded through the County TIP)	\$ 112,214.00
Matriotti Creek Non-Motorized Trail (County-funded)	\$ 200,000.00
Total	\$ 755,592.00

Supplemental Funding Strategy

The funding recommendations of the CCAC take into account currently available sources for funding identified infrastructure and public services needed throughout the Carlsborg UGA. Improvements to County roads are recommended to be funded through the County Road Fund. Clallam County is also designated to fund the Matriotti Creek Trail and include planned sidewalk improvements along road segments designated for road improvements. Extension of water service is recommended to be handled through the PUD's Limited Utility District (LUD) funding process with revenues coming from one-time hookup fees and monthly rates to consumers. The Septic Operations and Maintenance Program is recommended to include a combination of County support for riser installation and program startup, with individual property owners being responsible for the cost of inspections.

Discussions contained in the Consultant's Report (Attachment A) provide the rationale that costs for improvements and services that directly benefit a property owner can be equitably assigned to that property owner. However, the CCAC also recognizes a strong likelihood that paying for sidewalks and other improvements through RID's and other community funding mechanisms will not likely be fully embraced by the community. Many property owners will already be faced with assessments for water service extension and the cost of regular inspections under the Septic O&M Program. Forming additional improvement districts for sidewalks and pedestrian lighting must be considered in this context. Long-standing residents and business owners may question why they should have to be burdened with such costs so that future development can benefit from a fully-serviced UGA.

There are three primary components of needed infrastructure that have been designated for direct community financial support, including water service extension, septic operations and maintenance, and sidewalk improvements. The Consultants Report (Attachment A) discusses the superior bond rating the PUD is able to obtain under their LUD process, suggesting this process cannot be improved upon. Based on that discussion and the correlation between service extension and direct benefit to affected properties, alternatives to the LUD process are not considered in the CCAC's recommendation. Also, the Septic O&M Program Recommendation does not contain alternatives to inspection fees as this revenue source is not tied to a tangible public infrastructure, but rather is for services that directly benefits the underlying property owner. Therefore, any supplemental funding for costs of inspections is not recommended.

The proposed RID process for sidewalk improvements provides greater opportunity for the County to include supplemental funding to reduce direct costs to area property owners. The improvements are tangible, one-time projects that result in permanent, physical improvements to the community. While the cost of these improvements can be equitably assigned to abutting property owners, the resulting projects are part of the public infrastructure, making them eligible for other forms of public funding. In consideration of the community's economic and geographic setting, the CCAC recognizes that many of the planned improvement projects, including sidewalk facilities, may be eligible for grant funding that covers or matches costs for specific projects or portions thereof. Grant funding for sidewalks and other community improvements is one way to reduce costs to property owners within the UGA, making public acceptance of other funding proposals more likely.

The benefits provided by obtaining supplemental grant funding raises the question why grant funding isn't pursued before any formal adoption of the CCAC's recommendation by the Board of County Commissioners. Such funding would likely increase public acceptance of identified projects and help to ensure the over-all success and implementation of the Capital facilities Plan and the UGA as whole. However, delaying any formal adoption of the Sidewalk Plan, O&M Recommendation and the General Report is not recommended for several reasons. First, NOT all recommendations in these plans are tied to grant funding. As stated earlier, the CCAC is recommending that certain road and sidewalk improvements be financed by Clallam County and constructed over the next 6 years. Second, it is advisable that the BOCC seek public input because such recommendations still require County action such as grant writing (by consultant

and/or staff), allocating matching funds, implementation (impact staff resources) of grants received, etc. It is anticipated that the BOCC will need public input on the basic plan elements (e.g., design, timing, priorities, etc.) prior to pursuing grants and allocating County resources. Lastly, and most importantly, the CCAC feels it is time to inform the community and gather input on the recommended plan elements (e.g., location of improvements, design, timing, service provider, etc...) and financing options for UGA infrastructure and service needs that have been developed over the past 1.5 years.

Nevertheless, the CCAC wishes to address this area of concern by developing a clear "action strategy" on how grants should be pursued as the first priority to funding Carlsborg sidewalk improvements. Therefore, the CCAC strongly recommends the following:

1. Clallam County should as a first priority pursue financing of identified 6 and 20-year sidewalk improvement projects recommended through the grant funding sources cited in the Consultant's Report (Attachment A).
2. Additional grant opportunities should be pursued where appropriate. Clallam County should allocate staff resources and/or hire a consultant to write grants in a timely manner consistent with the 6 and 20 year sidewalk improvements identified in the Sidewalk Plan.
3. The Department of Public Works and/or Department of Community Development should report annually to the BOCC on the status of obtaining grant monies to fund Carlsborg sidewalk improvements.
4. At least once a year, the Carlsborg CFP should be reviewed and updated (if necessary) to reflect how grant monies received will be allocated, and identify new grant sources that will be pursued.
5. No later than 2005, the County should reevaluate progress of paying for sidewalk improvements through grant sources. At that time, the County should revisit the option of funding sidewalk improvements using RID's for remaining unfunded projects or portions thereof. The County should work with the CCAC and obtain public input prior to making any final decision on a particular RID.

PASSED AND ADOPTED THIS 29th DAY OF April, 2003.

CARLSBORG COMMUNITY ADVISORY COUNCIL


James Rosenburgh, Chair,
Representative of Carlsborg Industrial Park


Mark Smith, Vice Chair,
Representative at Large


Joyce Horner, Representative of
Carlsborg Historic Village

(Position not Presently Filled)
Representative at
Large


Troye Jarruth, Representative of UGA
Residents


Judith Duff, Representative of
Highway Corridor Business Owners


Jerry Walker, Representative of Parkwood
Manufactured Home Community

**SEPTIC OPERATIONS AND
MAINTENANCE PROGRAM
FOR THE
CARLSBORG URBAN GROWTH AREA**

RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL
Septic Operations and Maintenance Program for the
Carlsborg Urban Growth Area

April 2003

Prepared by:
Carlsborg Community Advisory Council

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**Recommendations of the Carlsborg Community Advisory Council
Septic Operations and Maintenance Program for the
Carlsborg Urban Growth Area**

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**RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL
Septic Operations and Maintenance Program
for the Carlsborg Urban Growth Area
April, 2003**

The purpose of this report is to provide a summary of the issues relating to on-site sewage disposal systems, identifying options available for consideration by the Board of County Commissioners, and formulating recommendations for organization and program funding for the Septic Operations and Maintenance (O&M) Program for the Carlsborg Urban Growth Area (UGA) phase of the County-wide O&M Program effort.

Summary of Recommendations

This report provides background and discussion on pertinent issues related to the implementation and funding of the Carlsborg UGA phase of the County-wide Septic O&M Program. This analysis forms the basis for the recommendations of the Carlsborg Community Advisory Council (CCAC) to the Board of County Commissioners relating. The recommendations contained in this report are summarized as follows:

- Clallam County should move forward with the installation of inspection risers on existing septic systems and implement the Septic Operations and Maintenance (O&M) Program as soon as is feasible.
- Costs of O&M inspections should be borne by the property owner; however, the County should be encouraged to explore grants, supplemental funding or other cost-saving measures to ensure program costs to area property owners remain low.
- Clallam County should coordinate with the Public Utility District #1 of Clallam County (PUD) to provide for system inspections, collect information and administer billing for services rendered. Property owners should be afforded the discretion to hire qualified, private inspectors in lieu of PUD inspectors, provided inspection results are coordinated through the PUD. Clallam County should continue to assume responsibility for informational analysis, enforcement, education and public assistance.
- Clallam County should promote the USDA Rural Development 504 Repair Loan and Grant program and the Housing Preservation Loan Program as available sources for assistance to low-income households faced with septic repair and replacement requirements.
- Clallam County should pursue grants and other funding sources to establish an incentive program for voluntary system upgrades.
- Clallam County should continue to honor existing O&M agreements effective prior to the adoption date of Ordinances 700 - 702, 2000; provided such systems continue to meet minimum environmental health standards and continue to demonstrate compliance with the terms established for such agreements.
- Clallam County should continue to monitor evolving developments related to the feasibility of constructing and operating a centralized sewage disposal system, or equivalent alternative of constructing a central collection system and utilizing the City of Sequim's sewage disposal facility.

- Clallam County should amend Subsection 33.20.060(1) of the Clallam County Zoning Code, ~~consistent with the recommended language set forth under the Section titled "Existing Legislation"~~ (pages 2 and 3) of this Report.

Existing Legislation

Overview - The standards and policies of the Carlsborg Capital Facilities Plan (CFP), Comprehensive Plan Amendment and Zoning Amendment form the framework for on-site sewage disposal options. Text excerpts from these ordinances are attached as Exhibit A. Strategies for startup and operation of an O&M program need to take into account the scope and context of what has already been adopted by the Board of County Commissioners (BOCC). At the same time, there may be the need for some minor amendments to the current ordinances to reflect any recommendations of the Carlsborg Community Advisory Council (CCAC) and subsequent decisions of the BOCC. However, it is important that such changes fall within the scope and vision originally established by the BOCC under the original ordinances so that the integrity of the public process and the principle of the commitment to the community established under that process remains the same.

The requirement for the O&M program is not limited to the Carlsborg UGA alone. WAC 246-272-15501 requires all counties to develop an O&M program to monitor proprietary systems with enhanced treatment technologies and to develop O&M programs for areas of special concern, such as: urban growth areas, clean water districts, areas of special environmental concern, etc. Therefore, the establishment of the O&M program for the Carlsborg UGA will serve as a blueprint for development and application of an O&M program for greater Clallam County. Some costs evaluated in this report are attributed to those personnel and equipment needs that will be used for the establishment of the O&M program for the entire County, as needed. While this report may provide an estimate of these costs, the actual amount attributed to establishment of the O&M program for the Carlsborg UGA will only be an equitable fraction of the over-all costs.

Clarity of Existing Requirements - The Zoning Amendment (Ordinance No. 701, 2000) adopted by the Board for the establishment of the Carlsborg UGA implemented regulations and standards consistent with the goals, policies and analysis of the Comprehensive Plan and Carlsborg CFP. Included in these regulations are standards for how and when upgrades of existing septic systems will be required in order to achieve a minimum 50% reduction in nitrate discharged from treated effluent. The CCAC recognizes the importance of groundwater protection to the UGA and the role denitrification units play in achieving this objective. The CCAC also recognizes the significant financial obligation such units represent to existing septic system owners who are faced with having to install denitrification units to their existing systems. Therefore, a strong concern exists that standards and thresholds for requiring the upgrade of existing septic systems with denitrification units be fairly and consistently applied.

The current standards of the Zoning Code (C.C.C. 33.20.060(1)), require installation of denitrification units for "*[a]ll new, and repair or replacement of failed, on-site or community septic systems...*" For clarification and intent, the current standard refers to the state's definition for "failure" found under 246-272 WAC. The CCAC has concern that this definition for "failure" found in the WAC is vague and open to interpretation. Specifically, the CCAC is concerned that as County personnel changes, so to will the interpretation of this definition. The result could be significant and arbitrary changes in how this standard is applied, with significant consequences to the physical health and financial wellbeing of UGA landowners.

Therefore, the CCAC recommends that Section C.C.C. 33.20.060 (1) of the Zoning Code be amended to include the following clarifying language, to be inserted as a new Subsection (c):

- c. *For the purposes of this ordinance, minor repairs and routine maintenance not requiring an approved permit are exempt from the standard described in Subsection (a), above. The following actions associated with existing on-site or community septic systems shall be considered minor repair or routine maintenance; PROVIDED that the condition requiring the maintenance or repair has not existed for a duration long enough to render the system inoperable or otherwise meet the definition of "Failure" as defined in WAC 246-272:*
- i. *Pump replacement;*
 - ii. *Broken sewer line;*
 - iii. *Minor leaks that do not result in matting, ponding, backup, or other characteristics of system failure;*
 - iv. *Plumbing fixture replacement;*
 - v. *Baffle replacement;*
 - vi. *Pumping of septic tank;*
 - vii. *Installation of risers;*
 - viii. *Any similar incidental repairs or routine maintenance of a comparable scope.*

Issue 1: Making Systems Inspectable - Installation of Risers

System Inventory - The septic system inventory shows 53 developed parcels for which the County has no record of septic systems, and 96 developed parcels where county records do not indicate risers have been installed. While some of these systems may still have risers, for the purposes of estimating need in the UGA, this report shall assume that a total of **149 existing systems** shall need to be retrofitted with risers to make them inspectable.

In discussing estimated costs for retrofitting risers on existing systems, the County Sanitarian contacted industry representatives who estimated a standard single family residential project to cost from \$300 to \$400, with some more difficult projects costing in a range around \$500. There is an economy of scale that will likely reduce the costs per unit due to the magnitude of the overall project (149 estimated units). With this discussion in mind and with a bias towards a conservative estimate, the CCAC recommends that a dollar value of \$400 per unit be used to estimate the overall costs. As such, it is estimated that a total of **\$59,600** will be necessary to completely fund the retrofitting of risers throughout the UGA.

Cost estimates provided above include contracting for riser installation. However, there does exist potential savings to the land owner if they are able to install the risers on their own. In such cases, costs would be significantly reduced to the cost of the materials and necessary county inspection to ensure proper installation. In the interest of allowing maximum flexibility and cost savings to area property owners, the CCAC favors allowing individual property owners the ability to retrofit their own septic systems, as necessary, as an alternative to requiring installation by professional contractor. As a fundamental goal of the Septic O&M Program, the CCAC recommends having risers installed prior to or concurrent with the initial inspection under the O&M program.

While consideration may be given to supplemental funding sources, the upgrade of risers will directly benefit the owner of the septic system. Systems that are readily accessible for inspection

minimize costs to the property owner. A system that does not have risers installed require the uncovering of the system, usually with the assistance of a backhoe or similar equipment. Not only does this increase the cost of an inspection, it also damages lawns and other landscape improvements. Because of the relatively small costs involved (estimated \$59,600 for the entire UGA), the opportunity to strengthen the County-UGA partnership and the benefit of providing a "kick-start" to the Septic O&M Program, it is the Council's recommendation that the costs of a UGA-wide riser installation project be borne by Clallam County. It is further recommended that the project be fully funded by County Funds designated according to anticipated incremental increases in County tax revenues to be generated from economic development within the UGA. To ensure effectiveness and timely implementation of the Septic O&M Program, the riser installation project should commence within 6 months of adoption of this plan by the Board of Clallam County Commissioners.

There is a strong public benefit associated with installing risers and making septic systems inspectable. In the analysis developed for the establishment of the Carlsborg UGA, Clallam County demonstrated that with the upgrade to existing septic systems and all new or replacement systems, current contaminant loading trends related to septic systems could be reversed and ground water quality improved over time (Carlsborg CFP, Page 3-7). It is the recommendation of the CCAC that this clear public benefit be pursued as an avenue for acquiring grant funding to assist in riser installation and program implementation.

Issue 2: Program to Deal with Failed Septic Systems Identified by O&M Inspections

The CFP, Clallam County Comprehensive Plan and Zoning Code for the Carlsborg UGA requires that: "*All new, and repair or replacement of failed, on-site or community septic systems shall require that the [... property owner] install enhanced treatment technologies (CCC 33.20.060(1)).*" The Code defines "Failed Systems" by reference to WAC 246-272. The Clallam County Environmental Health Code requires that failure shall be determined to exist when a system is not functioning according to the design and intended function of the system when it was installed.¹ For this reason, the BOCC made it clear during the public process for the establishment of the UGA, that those systems that continue to operate and function according to how they were designed, shall not be required to upgrade to enhance denitrification standards.

With the definition of "Failure" including only those systems that no longer function according to their original design, Environmental Health staff were consulted to determine if there were methods available for estimating the number of failed systems currently in existence. According to Environmental Health Staff, the actual number would likely be low given the porous soils (Type 1) that exist throughout the UGA. After careful consideration, Staff estimated the number would likely not exceed five percent (5%). However, it was cautioned that beyond an educated guess, there was no reliable way for estimating the number of failures without actual field inspections. Therefore, given the conservative estimate, the definition of "Failure", and lack of any other reliable information, the CCAC recommends the five percent (5%) estimate for determining the number of systems likely to be initially discovered as failed.

The costs of upgrading a failed system can be considerable given that a whole new drainfield is usually needed. Table 1, Appendix B of the Carlsborg CFP, provides a comparison of the average costs of installing complete enhanced treatment technology systems that also meet required Treatment Standard II according to state environmental health law. These costs range from \$7,750 to \$12,250 for residential developments. For commercial and industrial developments, these costs may be considerably higher. While there has been significant

¹ The definition for "Failure" contained under WAC 246-272-01001, specifically states: "Noncompliance with standards stipulated on the permit." This has the same affect as not functioning according to the intended purpose or design of the system as installed.

reductions in the costs of denitrification units, and such reductions are anticipated to continue, such units are only one component of the over-all system. The cost of complete septic systems, drainfields included, are likely to remain high. Furthermore, the costs analyzed under Appendix B dealt primarily with single family residential units. Based on these assumptions and in consideration of special circumstances that may arise, it was the Environmental Health staff's recommendation that a conservative dollar value of \$12,000 be used for estimating the cost of replacing a failed septic system with a new system meeting all applicable standards. With an initial anticipated failure rate of five percent (5%), it is estimated that a total of eleven (11) failed systems (5% of 213 existing systems) could be discovered by the end of the first complete sanitary survey of the UGA. Upgrading these systems will have an estimated cost of \$132,000.

Environmental Health staff recommends an anticipated annual failure rate of one to two percent (1 to 2%). This equates into anywhere from two to five additional failed systems every year. Total costs of replacement of such systems may run from \$24,000 to \$60,000 annually.

System Repair/Upgrade - Financial Assistance - There was considerable discussion and testimony during the public process raising concern about costs to the citizens - most notably those on low and/or fixed incomes. Septic system failures are a reality of life in rural areas, and any failure requires an immediate response by the owner. Presently, there exists two programs in the County that provide assistance to qualified individuals for repair of failed on-site septic systems for existing residences. The USDA-Rural Development 504 Repair Loan and Grant Program, and the Housing Preservation Program administered by the Clallam-Jefferson Community Action Council, are both available for qualifying homeowners within the UGA. Both programs provide low (1%) to no-interest loans for emergency housing improvements.

USDA-Rural Development 504 Repair Loan and Grant Program - This program provides a 1% interest loan for up to \$20,000 for repairs associated with health and safety, including septic system repairs. The funds are repayable at the established interest rate over a 20-year period. The loan program is available for households that do not exceed the adjusted family income limit for Very-Low Income families. Qualifying applicants above the age of 62 may be eligible for grant funding of up to \$7,500. A copy of very low income guidelines can be obtained from the local Rural Development Office at 111 E, 3rd Street, Suite 2C, Port Angeles, WA 98362.

Housing Preservation Loan Program - This program is offered to households based on household income and numbers residing in the household. The program provides up to \$20,000 for repairs associated with health and safety, including septic systems. Qualifying homeowners receive funds in the form of a zero-interest, no-payment loan that is established as a lien against the property and is repaid upon sale or transfer of the property. Payments may be started if the homeowner moves and is able to afford payments instead of exercising the lien.

Clallam County should always be encouraged to pursue grant funding for programs that benefit public health, safety and welfare. Because of the susceptibility of area groundwater to contamination, there is a strong argument for supplementing the installation of enhanced treatment septic systems in the Carlsborg UGA for the continued protection of water resources in the vicinity. However, because grant awards are unpredictable, it is the CCAC's recommendation that these two existing assistance programs be identified and promoted in conjunction with the O&M Program as a means of providing financial relief to those citizens in need of such assistance.

Incentive Program for Voluntary Upgrade - The use of denitrification systems in the Carlsborg UGA will reduce nitrate and other contaminant discharges to the area groundwater. This will have a direct benefit to the public health safety and welfare. By enacting standards that require upgrade to these enhanced treatment technologies for all new and replacement or repairs of

existing systems, improvement to ground water quality should be experienced. This is why the O&M Program is a fundamental aspect of the infrastructure, making it possible for the BOCC to designate Carlsborg an UGA. Any effort towards upgrading existing systems further ensures the protection of groundwater resources, including local potable water sources. To encourage this effort, the CCAC has expressed a strong desire for the County to develop an assistance program for those wishing to voluntarily upgrade their existing systems.

As discussed above, assistance funding is available for repair and maintenance of septic systems for qualifying homeowners with low household incomes. However, these programs do not provide for incentive assistance for those wishing to voluntarily upgrade an existing system to the current standard of denitrification. Furthermore, no program has been identified that provides assistance for septic system repairs or upgrades for commercial or industrial developments or for homeowners making above low-level income.

Securing funds sufficient to provide an incentive program is a difficult prospect in the context of other funding needs within the UGA. Priorities have to be considered in order to ensure essential facilities and services are provided. Transportation facilities, potable water service and infrastructure, and the O&M Program are all essential components that make the UGA possible. These elements all come at considerable costs. While the funding strategies have been (and continue to be) developed that make funding these projects at reasonable costs to area property owners possible, the financial obligation to area property owners is nonetheless significant. Therefore, it is the CCAC's recommendation that efforts be made towards ongoing solicitation of grant programs for funding an incentive program for the upgrading of area septic systems.

The cost of upgrading an existing septic system with a denitrification pre-treatment unit does not cost as much as an upgrade with replacement or repair of the whole system. This is because these units can usually be retrofitted with the existing drainfield, provided it is functioning properly. There is, however, a significant difference between the cost of a denitrification unit for residential development and one for commercial or industrial development. Generally, a denitrification unit retrofitted into an existing septic system serving a single family residence will cost approximately \$5,000. However, a unit retrofitted to an existing commercial or industrial system will cost around \$10,000.

To help determine over-all system needs throughout the UGA, Table 1 provides a summary of the current septic system inventory for the Carlsborg UGA.

Table 1 - Current Septic System Inventory for the Carlsborg UGA

System Category	Number of Units
Total Number of Existing On-site Septic Systems	213
Total Number of Unknown Systems (no record)	53
Total Number of Systems with Risers	64
Total Number of Systems w/out Risers	149

Compared to the estimated cost of upgrading an existing system (assuming replacement of drainfields is unnecessary), the cost of upgrading all existing septic systems in the Carlsborg UGA would total approximately \$1,315,000. Grants or other supplemental funding sources that match or cover these costs could be utilized as an incentive for property owners to upgrade their current system prior to system failure. Such a program would also address financial assistance to those who marginally exceed current income eligibility levels for existing assistance programs as well as owners of commercial and industrial developments.

Issue 3: Operation and Maintenance Program, Comparison of Alternatives

CFP Cost Summary - The Carlsborg CFP identifies certain costs likely to be incurred under a general O&M program. Although these costs are preliminary and some discrepancies may exist, the CFP provides cost estimates for the startup and full operation of the program, including personnel, initial equipment needs and ongoing cost obligations. These costs are summarized as follows (see also Carlsborg CFP, Page 3-13):

Table 2 - Costs Summary of the O&M program from the Carlsborg CFP

Item	Amount
Startup Costs to the County	\$57,625
Annual Costs to the County	\$114,960
Annual Costs to the Service Providers	\$17,625

The startup costs includes those capital office equipment needs essential for performing the duties required of the O&M program, including: computer equipment, general office equipment and transportation. Annual costs include: Operation and Maintenance Specialist, Support Staff, ongoing supply needs, and indirect costs (25%). Annual costs to Service Providers were estimated based on anticipated hours required for inspections, indirect costs, and average private inspection rates.

Summary of Alternatives - The actual costs of implementation will vary depending on the alternative selected. For the purposes of this analysis, there are four (4) general alternatives for administering the Operations and Maintenance Program for septic systems in the Carlsborg UGA. These alternatives are:

Alternative 1 - Coordination with Public Utility District No. 1 of Clallam County: This alternative utilizes the PUD to carry out septic inspections and administer billing for such inspections on a pre-determined schedule according to the Clallam County Environmental Health Division. Selection of this alternative requires the County to hire an Operations and Maintenance Specialist to develop program particulars and create an automated process for tracking, Code updates to deal with enforcement protocol and standards, and coordination with the PUD's inspection and billing. One administrative support position will also be required to handle clerical work and file management [NOTE: The Operations and Maintenance Specialist and Administrative Support positions have already been filled by the County in anticipation of program implementation. Funding of said positions are provided through the 2004 calendar year by existing grant sources. Permanent county funding sources will be necessary if these positions are to remain filled into the future]. The PUD has assured the County that they already contain the staff and infrastructure necessary to implement the inspection program. No initial start-up costs are anticipated for PUD to implement this alternative. Costs of inspections are therefore likely to remain as currently billed for PUD operated O&M programs (\$68 for conventional systems, \$100 for enhanced treatment systems). With PUD handling inspections, the need for an additional county vehicle is eliminated and ongoing equipment needs are significantly reduced.

Alternative 2 - Coordination with Private Inspectors, Public Utility District No. 1 of Clallam County: This alternative also utilizes the PUD to carry out septic inspections and administer billing for such inspections. However, this alternative also allows the land owner to choose between private inspectors or PUD inspectors to perform the scheduled inspections. Under this alternative, the PUD will still be utilized for coordination of inspections and information processing with the County. Selection of this alternative also requires a County Operations and Maintenance Specialist and Administrative Support position. Costs of inspections are likely to remain the same as Alternative 1, with the

exception that if the land owner chooses a private inspector to perform the inspections, an administrative fee will be charged by PUD in addition to the inspection cost required by the private inspector.

Alternative 3 - Coordination with Private Inspectors: This alternative utilizes private, certified septic designers/inspectors to carry out inspections. Private inspectors handle their own billing and the County will charge an appropriate administrative fee to cover tracking, billing, organization and other administrative costs. This alternative also requires the hiring of an O&M Specialist and utilization of the existing support staff position. An additional 1/2 time support staff position would be required to handle county administration of the program. With Private inspectors handling inspections, the need for an additional county vehicle is eliminated and ongoing equipment needs are significantly reduced.

Alternative 4 - County Inspectors: This alternative utilizes County Inspectors to perform periodic septic inspections. The County will handle all billing and charge fees adequate to cover costs of inspections and administrative services. In addition to the O&M Specialist and existing support staff, this alternative will also require an additional 1/2 time support staff position and a full time Sanitarian to cover inspections throughout the UGA alone. This alternative will require the full costs identified for vehicle and equipment needs identified in the CFP.

Existing Operation and Maintenance Agreements - The County currently maintains septic system operation and maintenance agreements with several commercial properties and multi-unit residential developments in the Carlsborg UGA. Some agreements utilize the PUD or private companies for inspection purposes while others deal directly with County personnel. In all cases, the O&M agreements monitor systems to ensure continued function and effectiveness at treating effluent to ensure public health and safety.

As a governing principle, the CCAC favors allowing flexibility in the development and administration of standards for the UGA. More specifically, if existing agreements are functioning to the benefit of the public and meet the minimum requirements adopted under the Carlsborg CFP, Zoning and Comprehensive Plan, then the CCAC favors allowing such agreements to continue indefinitely. Therefore, it is the recommendation of the CCAC that existing O&M agreements continue to be honored by the County and not be subject to standardized protocol developed for the UGA-wide O&M Program, UNLESS the Environmental Health Division determines that performance under the O&M agreement is not meeting minimum health and safety standards, or there is otherwise a demonstrated lack of compliance with the specific O&M agreement.

Cost Comparison of Alternatives - The alternatives identified above contain some county costs that are consistent throughout. These costs are for establishment of the O&M Program throughout the County. While these areas have not yet been fully identified and actual areas subject to an O&M Program may be modified through time, it is important to note that costs attributed to the Carlsborg UGA will only be a proportional fraction of the over-all County costs identified in this report. The need for an O&M Specialist, a minimum of one support staff, and basic office equipment needs represent a significant portion of the costs to the County associated with each alternative. The county costs associated with Alternatives 1 and 2 are identical, with the only difference being the costs of inspection between PUD inspectors and private inspectors. However, there are costs that vary between the other alternatives. Estimated county costs for Alternatives 1 through 4 are summarized in Tables 3 through 5, on the following page.

Table 3 - County Costs Identified for Alternative 1 and 2 (PUD and PUD/Private Inspection)

Item	Amount
County O&M Specialist (annual)	\$45,968
Administrative Support Staff (annual – Position Filled)	\$38,000
Indirect Costs (25% personnel – annual)	\$20,992
Office Equipment (one-time)	\$6,500

Table 4 - County Costs Identified for Alternative 3 (Private Inspection)

Item	Amount
County O&M Specialist (annual)	\$45,968
Administrative Support Staff (annual – Position Filled)	\$38,000
Indirect Costs (25% personnel – annual)	\$25,742
Office Equipment (one-time)	\$6,500
1/2 Administrative Support Staff (annual)	\$19,000

Table 5 - County Costs Identified for Alternative 4 (County Inspection)

Item	Amount
County O&M Specialist (annual)	\$45,968
Administrative Support Staff (annual – Position Filled)	\$38,000
Indirect Costs (25 % personnel – annual)	\$37,234
* Office Equipment (one-time)	\$57,000
1/2 Administrative Support Staff (annual)	\$19,000
County Sanitarian (annual)	\$45,968

* Includes Vehicle Purchase

Table 6 identifies the totals for each alternative, for one-time costs and annual costs to the County:

Table 6 - Comparison of County Costs for Three Alternatives

Totals for One-Time		
Alternative	Costs	Totals for Annual Costs
Alternatives 1 and 2	\$6,500	\$104,960
Alternative 3	\$6,500	\$128,710
Alternative 4	\$57,000	\$186,170

The costs of the O&M Program are for the most part simple to identify. However, consideration of revenue sources sufficient to ensure successful implementation of the plan requires careful consideration of available funding alternatives and policy choices that may be more complex. Unlike other capital projects which include physical public improvements (i.e. sidewalks, sewers, roads, etc.), the O&M Program deals exclusively with private and small-scale community systems, not public systems. Furthermore, much of the cost, especially for the ongoing operations, is for services and not capital improvements. It is the recommendation of the financial consultant that bonds created through improvement districts are difficult to secure when no physical public improvement is financed. This limits the some of the options available for funding the O&M Program.

Grants are usually the most attractive source of funding, but are generally competitive and cannot be relied upon as a guaranteed source of revenue. While Clallam County should pursue grant funding of identified projects to supplement revenues and offset costs to area citizens, other sources should be planned for in the absence of grant funding.

Service fees that take into account inspections, start-up costs and ongoing personnel costs assign the actual costs of the program to those receiving the service. However, during the public process for the designation of Carlsborg as an urban growth area, considerable public comment was received by the BOCC expressing concern over the financial impact such services will have on low and fixed-income residents. The BOCC was clear in its message that alternatives needed to be explored that assigned costs equitably, and develop strategies to reduce or "soften" the costs to those who are least likely to be able to shoulder the burden.

Comparison of Charges - For private inspectors and the PUD to justify expenses associated with monitoring of septic systems in the UGA, revenues have to exceed costs. This reality already forms the basis for what these entities currently charge for sanitary surveys and operation and maintenance agreements. The following (Table 7) is a comparison of current charges that PUD, other private industry entities, and Clallam County charge for sanitary surveys (septic monitoring).

Table 7 - Current Average Charges for Sanitary Surveys

Entity	Inspection of Conventional System	Inspection of Enhanced Treatment System
PUD # 1	\$68 Per Inspection	\$100 Per Inspection
Private Inspectors	\$100 Per Inspection	Up To \$200 Per Inspection
Clallam County	\$120 Per Inspection	\$120 Per Inspection

With over 210 septic systems currently identified in the Carlsborg UGA, an anticipated growth rate of 2.4% annually (Carlsborg CFP, Chapter 2), and upgrades to enhanced treatment technologies required for all new and replacement systems, an economy of scale exists that justifies a reduction in the cost of inspections into the future. However, there also exists a limited number of inspectors capable of performing the monitoring required of the O&M program, regardless of the alternative selected. This relationship of demand-to-supply of qualified inspectors indicates that charges for inspection services are likely to remain the same as current charges.

County Administrative Needs - The Alternatives discussed imply different cost scenarios to the County in order to meet the different levels of anticipated service demand. Alternatives 1 and 2 require the least amount of county effort and associated cost as much of the organization, tracking and inspection duties will be handled by the PUD and/or private inspectors. Alternative 3 requires an additional 1/2-time support staff position to track, administer, enforce and organize private inspections of the systems. Alternative 4 requires the greatest amount of county effort and cost as all administration, tracking, enforcement, billing, organization and inspection duties will be the responsibility of the Environmental Health Division.

The County O&M Specialist and Administrative Support Staff position are consistently needed regardless of the alternative selected. Both positions have been filled, and grant funding has been secured to fund the O&M Specialist position until the end of 2004. The present grant structure requires a county match of 25 %. Permanent county funding sources will be necessary if these positions are to remain filled into the future Other county costs for Alternatives 1 and 2 would include indirect costs (approx. \$21,000 annually) and equipment costs (approx. \$6,500 one-time) as the remaining items to be funded.

Alternative 3 and 4 both have increased costs associated with them that would have to be supported by an identified funding source. Alternative 3 requires an additional 1/2 support staff position at \$19,000 annually, and indirect costs of approx. \$26,000. Alternative 4 requires the

additional 1/2 support staff position (\$19,000 annually), an additional Sanitarian position (\$45,968 annually), and one-time startup costs of \$57,000. The currently unfunded portions of the four alternatives are summarized in Table 8.

Table 8 - Comparison of Alternatives - Funding Sources Not Identified

Alternative	One-Time Costs	Annual Costs
Alternatives 1 and 2	\$6,500	\$20,992
Alternative 3	\$6,500	\$44,742
Alternative 4	\$57,000	\$102,202

As a funding option, the PUD has expressed willingness to adjust their fee schedule to collect funds through service fees sufficient to cover county operating costs through their normal billing mechanism. Fees associated with septic inspections for individual property owners would appear as a line item on their monthly water or utility bill issued by the PUD. This alternative would mean higher service fees for the homeowner, but would help to cover operating costs incurred by the County. Because the service fees would eventually be applied throughout the County-wide O&M program, the actual cost should remain nominal. The costs associated with Alternatives 3 and 4 are more difficult to address and would likely require the County to commit to funding the additional positions and equipment needs. The particulars of any such fee structuring should be coordinated through the O&M Specialist and the PUD.

Costs Borne by Landowners - The actual cost of the O&M program to the individual property owner will depend on the type of system in question, the number of systems anticipated to participate in the O&M program, and the alternative selected by the BOCC for administering the program. Table 7 shows the prices various entities charge for inspection of on-site sewage disposal systems. With the exception of county-administered inspections, the price for inspection of a proprietary system (enhanced treatment technology) or alternative system is considerably more than that of a conventional system. The frequency of scheduled inspections is also different between new enhanced treatment systems and existing conventional or alternative systems. Under the CFP (Chapter 3), existing conventional systems will require inspections once every three (3) years. Existing alternative systems will require inspections once every year. All new enhanced treatment systems will require inspection schedules according to manufacturer's recommendations or at a minimum of once per year. Given that the price of inspections remain the same regardless of frequency, actual costs borne by the property owner will be highly dependant on the type of system.

Another factor to consider is the requirement for lab tests for enhanced treatment systems. The CFP requires influent for enhanced treatment units to be tested for Ammonia, Nitrate and Nitrite; and effluent for such systems to be tested for BOD5, TSS, Fecal Coliform, Ammonia, Nitrite, and Nitrate (CFP, Chapter 3). Costs for such testing is estimated by the Environmental Health Division to run approximately \$154.00 per inspection. Existing conventional and alternative systems are not obligated to meet these testing requirements.

Table 8 identified those estimated costs associated with the implementation of the county-wide O&M program for which funding sources have not yet been identified. This table shows a relationship for annual costs between the four alternatives of approximately 1:1:2:5: Alternative 3 is approximately twice that of Alternatives 1 or 2 (\$20,992 and \$44,742), and Alternative 4 is approximately five times that of alternatives 1 or 2 (\$20,992 and \$102,202). In the absence of other funding sources, user fees will be required to cover these costs.

Currently, there are approximately 210 septic systems in the Carlsborg UGA that will participate in the O&M program. However, only a proportional fraction of the costs identified in Table 8 will be borne by the rate payers in the UGA. Unfortunately, an accurate estimation of the UGA's

equitable share of this cost is not possible until the true extent (number of participating systems) of the county-wide O&M program can be determined. Under the four alternatives, this amount may vary considerably. However, when taken in the context of those areas likely to be included in the county-wide O&M program, the amount is likely to be nominal when compared to other costs borne by the property owner. Nevertheless, it is important to err on the side of a conservative estimate as more difficulties are encountered when costs are underestimated. Table 9 shows the estimated administrative fees, included as a percent of the inspection fees, that will be required in order to cover unfunded administrative costs under the four alternatives:

Table 9 - Estimated Administrative Fee - Annual Percent

Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Administrative Fee (% of Inspection Fee)	10 %	10 %	20 %	50 %

Actual fees will vary due to margin of error and as the customer base is developed through implementation of the county-wide O&M program.

Table 10 provides estimates for total O&M program costs borne by the property owner under the four alternatives. O&M costs for existing conventional and alternative systems are calculated by current inspection rates plus the corresponding administration fee (as percentage of inspection rate). Because administrative fees are calculated on an annual basis, inspections occurring every three years include administrative fees to a factor of three (3). O&M costs for new enhanced treatment systems (denitrification systems) are also calculated by current inspection rates and the corresponding administration fee, but also include the estimated \$154 lab analysis fee required for such systems.

Table 10 - Estimated Costs Borne by Landowner for four Alternatives

System Type	Alternatives 1 & 2 (*)	Alternative 3	Alternative 4
Conventional (existing)	\$88 - every 3 years	\$160 every 3 years	\$300 every 3 years
Alternative (existing)	\$110 every year	Up to \$240 per year	\$180 every year
Denitrification Unit (new)	\$280 per inspection (min 1 per year)	Up to \$425 per inspection (min 1 per year)	\$410 per inspection (min 1 per year)
Systems with Existing O&M Agreements	Exempt - Subject to Reasonable Admin. Fee for Processing	Exempt - Subject to Reasonable Admin. Fee for Processing	Exempt - Subject to Reasonable Admin. Fee for Processing

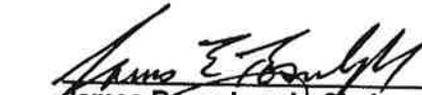
(*) Costs of Alternative 2 are identical to Alternative 1, EXCEPT when the land owner chooses a private inspector over PUD. Under such a circumstance, the costs will be more similar to Alternative 3, with an additional 20% administrative fee to cover PUD's data processing and tracking.

Recommendation - The discussion contained in this report show the program needs and costs associated with implementing the O&M Program for the Carlsborg UGA. Based on this cost analysis, funding available to meet anticipated costs, flexibility to the property owner and efficiency of the required organization, it is the recommendation of the CCAC that **Alternative 2** be supported by the BOCC for implementation of the O&M program.

While endorsing the continued use of on-site sewage disposal systems within the Carlsborg UGA, the CCAC recognizes that over the long term, a centralized community sewage disposal system of some type may be the most efficient and effective method of resolving the area's wastewater needs. Therefore, the CCAC respectfully requests that the Board of Clallam County Commissioners direct planning staff to periodically monitor evolving developments related to the size, effectiveness and costs of constructing and operating a centralized sewage disposal system for the Carlsborg UGA. An equivalent alternative may include considering the feasibility of building a pipeline and purchasing wastewater disposal services from the City of Sequim through their existing wastewater treatment plant.

This report notes the possibility of using grant funding to help with the financing of projects under consideration. The CCAC considers this a priority objective and respectfully requests that the Director of the Department of Community Development and/or the Board of Clallam County Commissioners assign planning staff to prepare grant-applications for this and other Carlsborg projects. The assigned staff member(s) should be allocated suitable hours to devote to this effort and should further be requested to consult with the CCAC during the grant writing process.

PASSED AND ADOPTED THIS 29th DAY OF April, 2003.
CARLSBORG COMMUNITY ADVISORY COUNCIL


James Rosenburgh, Chair,
Representative of Carlsborg Industrial Park

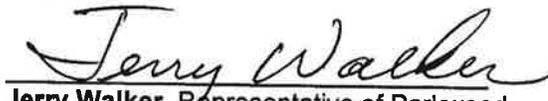

Mark Smith, Vice Chair,
Representative at Large


Joyce Horner, Representative of
Carlsborg Historic Village

(Position not Presently Filled)
Representative at
Large


Troye Jarmuth, Representative of UGA
Residents


Judith Duff, Representative of
Highway Corridor Business Owners


Jerry Walker, Representative of Parkwood
Manufactured Home Community

Appendix A

Adopted CFP, Comprehensive Plan and Zoning Policies and Standards

The following are excerpts from the CFP, zoning and Comprehensive Plan Amendment for the implementation of the Carlsborg UGA. These goals, policies and standards form the framework under which capital facility improvements and services shall be implemented and funded within the UGA. Any such strategies, at a minimum, shall be consistent with the following as now or hereafter amended.

CFP, Pages 3-9 through 3-13

Inspection and Monitoring Program

An inspection and monitoring program should be developed and include the following:

Existing Residential OSS:

1. Although an annual inspection is currently recommended for alternative systems as per Washington State guidelines adopted by the Board of Health, an annual inspection of such systems in the Carlsborg planning area shall be required. Conventional systems should be inspected at minimum every three (3) years. The inspection criteria shall include information specified in WAC 246-272-21501 (3)(b);
2. The Environmental Health Division (EHD) should develop a process to notify existing OSS owners of the need for routine maintenance;
3. When the existing OSS fails:
 - a) If the soils are classified as excessively drained (Type 1 & Type 2A), the replacement system shall meet the current areas of special concern criteria (Treatment standard II and Min. 50% Nitrate reduction).
 - b) If the soils are classified as Type 2B or finer, enhanced treatment is not required.

Existing Commercial OSS:

1. An inspection should be required at minimum once per year and include criteria as specified in WAC 246-272-21501 (3)(b);
2. The Environmental Health Division (EHD) should develop a process to notify existing OSS owners of the need for routine maintenance;
3. When the existing OSS fails, the replacement system shall meet the current areas of special concern criteria (Treatment standard II and Min. 50% Nitrate reduction).

New OSS:

1. All new OSS shall meet treatment standard II as defined in WAC 246-272 and demonstrate a minimum 50% denitrification.

2. An inspection should be required as per manufacturer's recommendation or at minimum once per year. The maintenance inspection criteria shall include criteria as specified in WAC 246-272-21501 (3)(b) and the following test criteria:

a) Influent shall be tested for Ammonia, Nitrite, and Nitrate.

b) Effluent shall be tested for BOD5, TSS, Fecal Coliform, Ammonia, Nitrite, and Nitrate.

3. An Operation and Maintenance agreement shall be developed by the Designer of record, signed by the property owner(s), and submitted for the EHD review.

4. Any replacement OSS shall meet the current areas of special concern criteria.

Only individuals approved or designated by the local health officer shall conduct OSS inspections. The EHD shall establish and maintain a program to certify qualified individuals for the inspection and maintenance of OSS.

Information Tracking and Analysis

1. The EHD should develop a system to track the operation and maintenance activities within the Carlsborg Planning Area.

2. A detailed account of any maintenance activity and sample results shall be submitted to the EHD within 30 days of the system's inspection. Maintenance activity and sample results shall be reported on forms provided by the EHD.

3. The EHD shall review each submittal for compliance with the targeted treatment standards.

Evaluation

In order to determine if the O&M program is successful, the EHD will develop indicator parameters which should be tracked over time. Such indicators may include:

- Number of people attending O&M workshops
- Phone or mail-in surveys to determine effectiveness of the educational campaign
- Number of phone calls or personal contacts made regarding O&M activities
- Volume of septage pumped in the Carlsborg area
- Number of failing OSS reported and fixed
- Sample results from new denitrification systems.
- Reduction of Nitrate loading in groundwater

Policy/Regulation Development

The implementation of the O&M program will necessitate its incorporation into the County's on-site sewage code C.C.H.R., Chapter 4. Policies regarding O&M inspections, homeowner notification, enforcement, etc. established under this Capital Facilities Plan will also need to be implemented under County regulations, where applicable.

Enforcement

A successful O&M program includes an enforcement component. The ability to follow through with the established protocol can not be understated. The EHD and the County's Prosecuting Attorney's Office must receive the resources to develop the appropriate response to noncompliance.

Financial Barriers

The financial burden that the proposed technology for new and replacement OSS places on the individual homeowner is a considerable barrier to compliance. Financial incentives and/or subsidy assistance should be explored and implemented prior to the adoption of this plan.

Special Considerations

The Carlsborg Planning Area contains a wide range of land uses and associated parcels. Non-conforming lots (under 1/2 acre) need to have solutions built in. Waivers may be a possibility if space for septic is available. Community systems may also be explored as an option.

The discussion on enhanced on-site septic systems demonstrates great promise for substantial denitrification of treated wastewater under the Preferred Alternative. However, many of these technologies are relatively new. Furthermore, it is the intent of this capital facilities plan to encourage the use of new technologies as they become available, provided they demonstrate substantial effectiveness at treating nitrates and biological contaminants. But because these technologies are new, data regarding the actual life-span of such systems is not readily available. Careful monitoring is therefore essential to facilitate better understanding of these limitations.

Project Costs

The following figures represent the estimated costs associated with the start-up and annual operation of the operations and maintenance program previously described in this Chapter:

Cost borne by the county:

Operation and Maintenance Specialist	\$45,968
Support Staff	\$38,000
Supplies	\$10,000
Indirect costs 25%	<u>\$20,992</u>
Yearly County Costs	\$114,960
<i>Start up county costs:</i>	
Computer Equipment	\$6,000

Office Equipment	\$15,000*
Vehicle	<u>\$36,000</u>
	\$57,000

*Existing office equipment must be replaced with space efficient equipment in order to fit two additional staff members into currently cramped quarters.

Cost borne by the O&M service providers:	
~500 hours/year staff time (PUD or certified professional)	\$12,500
(500 hours was calculated at ~150 system inspection/year X 2 hours + additional support staff time and follow-up visits)	
(Cost was figured at \$25/hour)	
** Professional's generally charge \$100 –120 / inspection	
Supplies	\$ 2,000
Indirect costs 25% of salaries	<u>\$ 3,125</u>
Yearly O&M service providers Costs	\$17,625

Zoning Amendment, CCC 33.20.060 (1):

1. SEWAGE DISPOSAL AND WATER SUPPLY. Sewage disposal and water supply shall be provided consistent with the following:
 - a. All new, and repair or replacement of failed, on-site or community septic systems shall require that the developer install enhanced treatment technologies that demonstrate greater than 50% (percent) reduction of nitrate discharge as compared to conventional treatment systems. Additionally, all new or replacement of existing on-site or community septic systems shall, at a minimum, meet Treatment Standard II per the Washington Department of Health standards for on-site sewage treatment, as now or hereafter amended. In identifying appropriate treatment methods, consideration shall be given to the latest technology available that has demonstrated reliable treatment of biological and chemical contaminants.
 - b. For the purposes of this ordinance, the term "repair", as defined by the Washington Administrative Code, 246-272 WAC as now or hereafter amended, shall mean "restoration, by reconstruction or relocation, or replacement of a failed on-site sewage system" (Refer also to 246-272 WAC for definition of "failed"). Such repairs require an approved permit issued by the Clallam County Health Department. Minor corrections not requiring an approved permit are exempt from the provisions of the above standards.
 - c. No land use development shall be permitted to generate and dispose of on-site, more than one unit volume of sewage as defined in WAC 246-272-01001, as now or hereafter amended, for every half acre of land contained within the boundaries of the subject property. To ensure compliance with this requirement, all new commercial and industrial development should be required to provide a septic volume generation study that identifies estimated peak generation volumes.
 - d. All on-site or community sewage disposal systems within the Carlsborg UGA shall be subject to the Operation and Maintenance Program implemented pursuant to Chapter 3 of the Carlsborg CFP, as applicable.

Comprehensive Plan Amendment, CCC 31.03.350 (13) and (28):

13. Sewage Disposal: The following policies shall guide sewage disposal within the area:
- a. The Operation and Maintenance Program developed as a part of the Carlsborg CFP shall be fully implemented in the Carlsborg UGA as specified in the CFP. This shall include continued educational outreach to the public on septic system maintenance, as well as required periodic monitoring and inspection (See Chapter 3, Carlsborg Capital Facilities Plan).
 - b. All new on-site septic systems and repairs of failed systems shall utilize enhanced treatment technologies in order to achieve a minimum 50% reduction in nitrate discharge. In identifying appropriate treatment methods, consideration shall be given to the latest technology available that has demonstrated reliable treatment and removal of biological and chemical contaminants.
 - c. To further protect groundwater quality, Clallam County shall encourage the upgrading of existing, on-site sewage disposal systems as specified in (b) above by providing information on possible funding sources to assist landowners in these voluntary efforts.
28. Sewage Disposal and Water Supply. Sewage disposal and water supply shall be provided consistent with the following:
- a. All new on-site disposal systems and repairs of failed, on-site or community septic systems shall require that enhanced treatment technologies be installed that demonstrate a minimum of 50% (percent) reduction of nitrate discharge as compared to conventional treatment systems. Additionally, all new or replacement of existing on-site or community septic systems shall, at a minimum, meet Treatment Standard II per the Washington Department of Health standards for on-site sewage treatment, as now or hereafter amended. In identifying appropriate treatment methods, consideration shall be given to the latest technology available that has demonstrated reliable treatment of biological and chemical contaminants.
 - b. For the purposes of this ordinance, the term "repair", as defined by the Washington Administrative Code, 246-272 WAC as now or hereafter amended, shall mean "restoration, by reconstruction or relocation, or replacement of a failed on-site sewage system" (Refer also to 246-272 WAC for definition of "failed"). Such repairs require an approved permit issued by the Clallam County Health Department. Minor corrections not requiring an approved permit are exempt from the provisions of the above standards.
 - c. No land use development shall be permitted to generate and dispose of on-site, more than one unit volume of sewage as defined in WAC 246-272-01001, as now or hereafter amended, for every half acre of land contained within the boundaries of the subject property. To ensure compliance with this requirement, all new commercial and industrial development shall be required to provide a septic volume generation study that identifies estimated peak generation volumes.
 - d. All on-site or community sewage disposal systems within the Carlsborg UGA shall be subject to the Operation and Maintenance Program implemented pursuant to Chapter 3 of the Carlsborg CFP, as applicable.

**SIDEWALK PLAN
FOR THE
CARLSBORG URBAN GROWTH AREA**

RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL
Sidewalk Plan for the Carlsborg Urban Growth Area

April 2003

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Recommendations of the Carlsborg Community Advisory Council
Sidewalk Plan for the Carlsborg Urban Growth Area

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**RECOMMENDATIONS OF THE CARLSBORG
COMMUNITY ADVISORY COUNCIL**

Sidewalk Plan for the Carlsborg Urban Growth Area
April, 2003

INTRODUCTION

On December 5, 2000, the Board of County Commissioners (BCCC) adopted legislation designating the 560-acre area around the community of Carlsborg as an unincorporated Urban Growth Area (UGA) pursuant to the Washington Growth Management Act (GMA) (RCW 36.70A). This action included an amendment (Ordinance 700, 2000) of the Sequim-Dungeness Regional Plan (SDRP) to establish preferred land uses (e.g., residential, commercial, industrial) and policies to guide and manage future development within the UGA. It also included the adoption of zoning standards (Ordinance 700, 2001) to implement such policy direction as well as a capital facilities plan (Ordinance 702, 2000) to ensure adequate and efficient provision of public facilities and services.

The SDRP (C.C.C. 31.03.350 (18)) and Chapter 10, Transportation System, of the Capital Facilities Plan (CFP) direct Clallam County to develop and adopt a Sidewalk Plan within twelve (12) months of adoption of the Carlsborg CFP. The purpose of such a plan is to supplement the goals and policies of the comprehensive plan related to pedestrian and bicycle facilities as they apply to the Carlsborg UGA. To help ensure that the Plan is consistent with the community's vision for growth and neighborhood character and is reflective of local needs and circumstances, the BCCC appointed a seven-

member Carlsborg Community Advisory Council (CCAC) to develop sidewalk plan recommendations for their consideration. The CCAC is a seven-member panel comprised entirely of residents and business owners within the Carlsborg UGA.

This report represents the findings and recommendations of the CCAC regarding sidewalk planning in Carlsborg. Specifically, the report addresses the following elements:

- ◆ Carlsborg Community Vision
- ◆ Existing Policies
- ◆ Facility Needs
- ◆ Supplemental Policies for Sidewalk Facilities in the Carlsborg UGA
- ◆ Site-Specific Design Recommendations
- ◆ Cost Estimates and Funding Strategies

This plan has been developed, principally authored and recommended by the Carlsborg Community Advisory Council (CCAC). The BCCC will consider the findings and recommendations of the CCAC for developing and adopting a Sidewalk Plan for the Carlsborg UGA. The Sidewalk Plan will be incorporated as appropriate as part of the Clallam County Comprehensive Plan, which includes the Sequim-Dungeness Regional Plan and the Carlsborg Capital Facilities Plan.

CARLSBORG COMMUNITY VISION

The Clallam County Comprehensive Plan contains a vision for the Carlsborg Urban Growth Area (CCC 31.03.350). This vision was created through the input of residents and business owners and establishes the *desired* future state of the Carlsborg community for the next 20-years and beyond. Regarding sidewalk facilities, the community's vision states:

"Non-motorized transportation and pedestrian usage will be enhanced by installing sidewalks and paths throughout the UGA within walking distance of Greywolf School and along Highway 101 and major arterial and collector roads, with linkages to regional trails, residential areas and the Village Center through the implementation of a sidewalk/trail plan." [CCC 31.03.350 (7)]

The community vision recognizes the unique mixture of older residential and commercial properties in the area immediately southwest of the intersection of Spath and Carlsborg Road. This area, commonly referred to as the Carlsborg Historic Village, is recognized as having historic and cultural value that should be preserved and enhanced through community solutions to limited septic system options, appropriately scaled roadways, **sidewalks and trails**, and other community amenities such as landscaping.

The S.R. 101 corridor is another area of notable interest. Being the commercial center of the UGA as well as part of the single most important transportation corridor in the county gives rise to competing interests and more complex solutions. The community vision identifies the importance of this corridor to the economy and the need for coordination between local and regional transportation planning efforts to provide a safe and efficient transportation network (C.C.C. 31.03.350(5)).

EXISTING POLICIES

The Carlsborg CFP (see Chapter 10, Transportation System) directs that Clallam County adopt a Sidewalk Plan within twelve (12) months of the adoption of the CFP to *“ensure timely and consistent development of pedestrian facilities...”* The CFP also directs that development occurring prior to the implementation of the Sidewalk Plan will be reviewed jointly between the Clallam County Road Department and Department of Community Development to ensure adequate right-of-way and sidewalk improvements have been provided for prior to building permit approval. Development standards to guide this joint review process during the preparation of the Sidewalk Plan are contained within the Clallam County Zoning Code (CCC 33.20.060 (4)).

There are specific policies set forth in the Comprehensive Plan that address non-motorized transportation needs in Carlsborg. C.C.C. 31.03.350(18), cites areas within walking distance of Greywolf School, the vicinity of S.R. 101, and the vicinity of the Olympic Discovery Trail and Matriotti Creek as needing pedestrian facilities in order to enhance non-motorized linkages with community features. Special emphasis is added to the inclusion of bicycle facilities as an important component to encourage non-motorized transportation mobility. The improvement of the appearance of S.R. 101 through landscaping and other means is also a plan policy to be considered with respect to a sidewalk plan (C.C.C. 31.03.350(27)). Lastly, transit systems are identified as important to the success and use of pedestrian facilities.

FACILITY NEEDS

There are many forms sidewalk facilities can take in response to the needs of the community they serve. Pedestrian and non-motorized facilities can range from widened shoulder widths to attached curb and gutter designs that incorporate landscape strips that separate pedestrians from high-speed traffic (Figure 1 & 2).



Figure 1

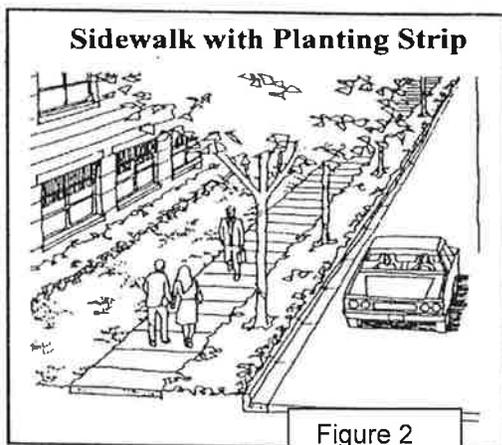


Figure 2

Special designs can actually reduce, or "calm" the speed of adjacent motorists. Curb bulb-outs are protrusions of sidewalk facilities that occur usually at intersections and maybe midway down a block. They extend the sidewalk facility further into the street, thereby reducing the length of travel a pedestrian has to make when crossing a street. They also provide for "traffic calming" by reducing the appearance of roadway width. They provide opportunity for limited parallel parking for front motor vehicle access to sidewalk facilities usually in association with commercial establishments (Figure 3).

The use of street trees may provide for effective separation between pedestrians and higher-speed traffic. This additional separation

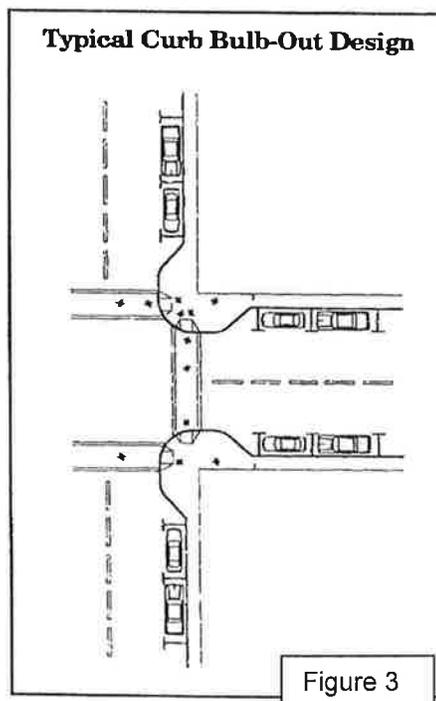


Figure 3

certainly provides an added protection to pedestrians, but also significantly raises the perception of safe pedestrian use. It also provides an opportunity for uniform landscaping and aesthetic improvements (see Figure 1 & 2).

Due to concerns about impeding sight distance at driveways, the CCAC expressed a preference for use of a low-lying shrubbery in the roadside planting strip. The CCAC prefers that most street trees be located in the right-of-way area between the sidewalk and the abutting private property (as illustrated by Figures 6 & 7). These street trees and other community landscape improvements would be supplemented by landscaping required on the abutting private property, as required for new development under Clallam County Code, Chapter 33.53, C.C.C.

Sidewalk Lighting: The implementation of sidewalk facilities attempts to promote pedestrian and other non-motorized forms of transportation, while enhancing safety of pedestrians in the Carlsborg UGA. Nighttime

use of sidewalks can be facilitated by use of sidewalk lighting. Lighted sidewalks not only allow pedestrians to "see" where they are going, but also provide a greater sense of safety by serving as a deterrent to crime. Greater safety is also achieved when pedestrians are more visible to motorists. Sidewalk lighting will enhance nighttime pedestrian use of sidewalks.

After consideration of available options, the CCAC favors two general alternatives for providing sidewalk lighting throughout the Carlsborg UGA. Pole-mounted, cobra-head type light fixtures (Figure 4) require minimal cost as underground conduit, poles and incidental hardware are not needed. These design types are appropriate for locating along sidewalk routes where utility poles are present and adequately spaced. Where utility poles are not present, ornamental sidewalk lamps would be appropriate (Figure 5).

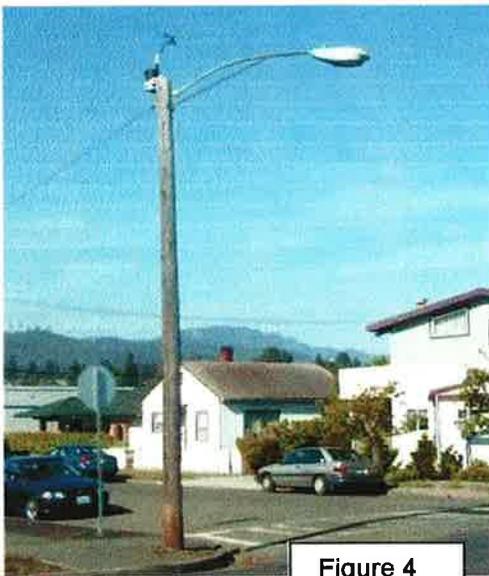


Figure 4

Both design types should, at a minimum, be provided at all street intersections and crosswalks to provide additional safety where pedestrian/motor vehicle interface is likely. After reviewing industry standards and designs utilized in other jurisdictions, the CCAC favors providing sidewalk light fixtures at approximately 300-foot intervals, not to exceed 400-feet, along public sidewalk facilities throughout the UGA.

While utility pole-mounted, cobra-head type designs do provide a cost-effective response to lighting needs, the community may desire the more attractive ornamental sidewalk lamp

design (Figure 5). Along more centralized community features, such as the Carlsborg Historic Village, ornamental sidewalk lamps may be appropriate. However, any such consideration should only be implemented in response to expressed community support for such facilities.



Figure 5

Site Specific Issues: The Carlsborg UGA contains sub-areas that have unique circumstances resulting in special needs to be addressed in the Sidewalk Plan. There are existing residential areas containing previously developed lots. The county roadways in these areas (Mill, Carlsborg, Gupster, Gilbert, Spath and E. Rynnion Roads) are well established and frequently used. Sidewalk facilities are needed along these road segments to provide pedestrian/vehicle separation and safe pedestrian travel. To address safety needs of pedestrians and calm traffic speeds, curb bulb-out designs may be considered and installed as needed (Figure 3).

Sidewalk Improvement Needs and the Six Year Road Plan: Chapter 10 of the Carlsborg Capital Facilities Plan (CFP) deals with transportation issues in the UGA. This Chapter identifies Spath Road, Mill Road and Hooker Road as included in the County Six-Year Road Plan for county-funded street improvements. Installation of pedestrian and bicycle facilities concurrent with major road improvements (e.g.,

road widening) can result in significant cost savings. The comprehensive plan supports that non-motorized transportation alternatives be part of road capital improvement projects (CCC 31.02.420 (22)(c)). Sidewalk facilities are easily installed at the time roads are improved and should be made part of any road improvement projects.

The Carlsborg UGA is provided with a network of existing, minor collector roads that provide both internal and regional circulation. Because of the regional importance of many of these roadways, existing daily use is comparatively high and anticipated to increase as the region becomes more populated. Simultaneous with this increase in traffic will be an increase in pedestrian use brought on by urban development within the UGA. To meet the safety needs of pedestrians in this environment, facility designs must utilize separation to reduce pedestrian/vehicle interface.

Horizontal separation can be achieved by installing detached sidewalk paths, usually separated from the roadway by an abutting ditch (Figure 6 & 7). This design requires sufficient right-of-way to accommodate the sidewalk and ditch.

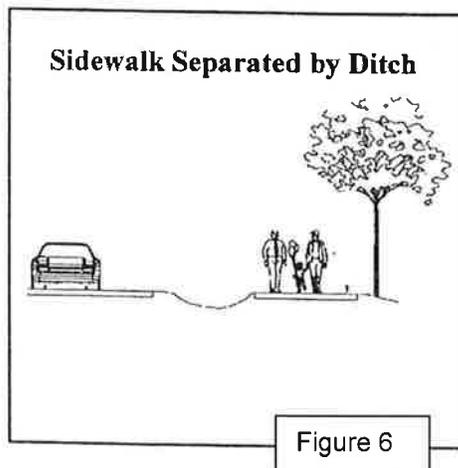


Figure 6

The standard width for county right-of-way is 60-feet. Carlsborg Road is planned for sidewalk facilities on both sides of the roadway (see Map 1). This roadway contains a 60-foot wide right-of-way throughout the Carlsborg UGA. The majority of this roadway has an improved surface width of 34-feet (MP 0.22 to Olympic Discovery Trail), leaving an ample remainder of 26-feet to accommodate both roadside ditches

and planned sidewalk facilities. However, from SR 101 to MP 0.22, the improved surface is 46-feet, leaving only 14-feet to accommodate the sidewalk and ditch facilities. For sidewalks to be functional, a minimum five-foot wide improved surface is required. While engineering solutions may be able to reduce the needed width for ditches to function safely and properly, the remaining two feet per ditch does not provide adequate width to accommodate the facility. Alternatives to a detached sidewalk separated from the roadway by a ditch would have to be considered in this location.

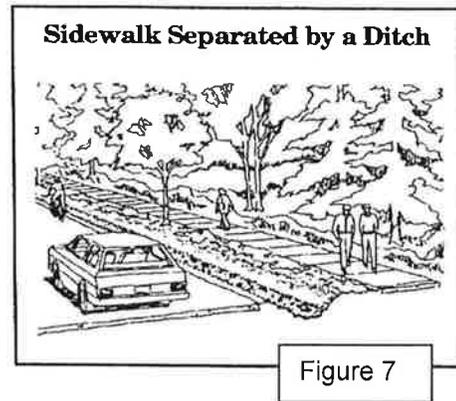


Figure 7

Vertical separation through use of attached curb and gutters provide safe separation while minimizing the need for additional right-of-way (Figure 8 & 9). However, their use within the UGA must also be considered in the context of the UGA's character and community vision. Zoning for the UGA limits the density and intensity of development to a standard of two units per acre. This intensity of development distinguishes Carlsborg from other UGA's - both within Clallam County as well as the rest of Washington State.

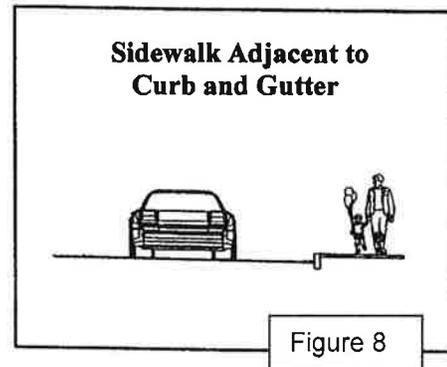
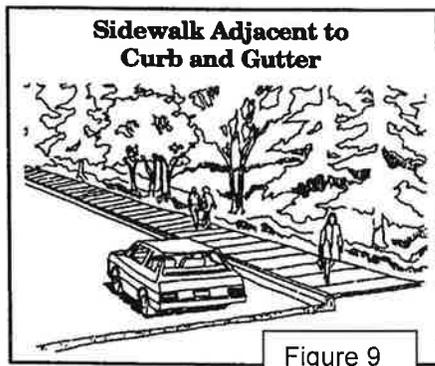


Figure 8

Sidewalks with attached curb and gutters are a standard infrastructure component in more

densely urbanized areas of the state. However, the comparatively lower density of the Carlsborg UGA (two units per acre) indicates sidewalks separated by a biofiltration swale or ditch may be a more appropriate design in the less intensive residential and lower-scale commercial and industrial areas of the UGA (see Figure 6 & 7). Such design achieves safe pedestrian/vehicle separation, reduces the need for expensive storm water facilities, follows the intent of Best Management Practices by allowing for better treatment of storm water runoff through use of bio-filtration, and costs less to install as well as maintain.



With the need for safe sidewalk facilities likely to become substantial over the next twenty years, it is important to anticipate facility needs under the short-term projects identified in the Six-Year Road Plan. This will allow for efficient installation simultaneous with the road improvement projects, providing cost effectiveness and facility installation prior to critical demand.

Other Sidewalk Improvement Considerations: Other considerations, such as preservation of existing drainage facilities should also be addressed in conjunction with implementation of this plan. Specifically, Harrison Road, part of the Valley Center development, already contains a biofiltration swale adjacent to the roadway designed to handle runoff generated from the road facility as a required improvement of the originating subdivision. Sidewalk facilities in this location would better serve the community's purpose by avoiding these elements of the infrastructure. Therefore, sidewalk facilities in the Carlsborg General Commercial district should not be exclusively restricted to an attached curb and gutter design if such design would result in the

demolition of an existing, functioning drainage facility improvement.

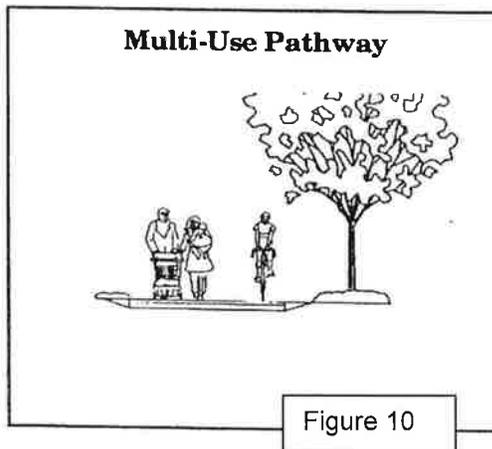
There exists many roads in the Carlsborg UGA that, while meeting existing levels of service for traffic flow, will likely be in need of improvements over the 20-year planning horizon as traffic volumes increase within the UGA. Improvement needs will include but not be limited to road width expansion and alignment. Proposed sidewalk facility designs should estimate to the degree practicable future vertical and horizontal alignment needs. Detachment location from the existing roadway should allow for adequate expansion room. Such road segments include: Business Park Loop, Carlsborg Road from S. Business Park Loop to S. R. 101, Smithfield Road, Gupster Road, Gilbert Road, and Hooker Road from S. R. 101 to Harrison Road.

Some of the county and state roads in the Carlsborg UGA already contain curb and gutters along the roadways. It is simple and cost-effective to install sidewalks in these areas in alignment with existing curbs. These road segments include: Carlsborg Road from S. Business Park Loop to the Olympic Discovery Trail, North side of S. R. 101 from Mill Road to Carlsborg Road, and the south side of S. R. 101 from Hooker Road to Parkwood Blvd.

There exists in the Carlsborg UGA certain road segments for which there is only minimal pedestrian demand, which are not essential for connectivity between community features, and/or which are currently vacant or minimally developed. The need for sidewalk facilities in these areas is not present at this time. However, as these areas become developed to urban levels, it is anticipated that demand for sidewalk facilities will increase and require sidewalk installation. These areas should be required to install sidewalks concurrent with reasonable levels of development giving rise to the need for such facilities. These road segments include: W. Runnion Road, and the south side of S. R. 101 from Taylor Cutoff Road to Parkwood Blvd. Any new land divisions within these areas should require the installation of sidewalk facilities. Furthermore, in the case of the commercially-zone properties abutting S.R. 101 on the north side of Parkwood manufacture home community, any subsequent commercial development of these properties should require adequate pedestrian linkage to the other

sidewalk facilities planned at Parkwood Blvd. and S.R. 101.

Olympic Discovery Trail/Matriotti Creek Trail: The Matriotti Creek Trail is a recreational, non-motorized trail facility encouraged under the adopted ordinances for the Carlsborg UGA (Figure 10-2, Carlsborg CFP). The facility is intended to provide foot and bicycle access from S. R. 101 to the Olympic Discovery Trail, along the Matriotti Creek Corridor (Figure 10). The facility will also connect to the Matriotti Creek Environmental Learning Center (ELC) at Greywolf School. In addition to its recreation and transportation benefits, the trail will also serve as an extension to the ELC and provide expanded learning and interpretive opportunity in conjunction with its natural setting. The trail facility is anticipated to consist of a compacted gravel base with a BST surface (see discussion under *Site-Specific Design Recommendations, Subsection 5*).



Carlsborg Historic Village: The Carlsborg Historic Village is generally described as those properties fronting Carlsborg Road - bounded by Spath Road to the north, Runnion Road to the South, Streit Road to the West, and the Carlsborg Industrial Park to the East. Discussion on the Historic Village indicated many concerns and issues that need to be addressed in order for redevelopment to occur consistent with adopted plans. The Comprehensive Plan identifies this area as the cultural center of Carlsborg, and as such, encourages redevelopment consistent with its historic character and function. However, issues such as limited space for parking and sidewalk facilities, the high rate of speed of motor

vehicles, and limits relating to construction and sewage disposal make this area a challenge.

The Historic Village is recognized for its historic and intrinsic value. With its location adjacent to the Carlsborg Industrial Park, neighboring Carlsborg Commercial Center (CN) zoning district, and the Olympic Discovery Trail, it is envisioned that the Carlsborg Historic Village, through the standards of the Carlsborg Village Commercial (CV) zoning district, will attract businesses specializing in tourist-related goods and services, small-scale restaurants and other conveniences available to the local area. A well-designed pedestrian network will be an essential component in the redevelopment of the Historic Village as a business and cultural center.

Special needs do exist in this area with respect to potable water, on-site sewage disposal and transportation. To address safety needs of pedestrians in relation to current high speeds of motor vehicle travel, creative design techniques should be considered that include but are not limited to: angled parking with sidewalks placed abutting the front of commercial buildings, and ally-way entrances to commercial businesses.

Sidewalk Improvements on S.R. 101: The Highway general commercial district has the greatest variables to consider in relation to sidewalks. To make sidewalk facilities useable, separation from highway traffic must be achieved. Street trees and other landscaping techniques could be used to provide additional buffering – adding to the sense of safety for pedestrians. They can also provide uniform beautification of the area which in turn will help attract businesses and customers. Community landscaping through the use of an attached planting strip is also consistent with comprehensive plan policies aimed at implementing corridor beautification efforts (CCC 31.02.420). The use of an attached curb and gutter design that is separated from the Highway by a planting strip is feasible in that the curb and gutter is already installed throughout the Carlsborg General Commercial (CGC) district.

However, this design can lead to safety complications by obstructing views of motorists entering and exiting the Highway through this area. Street trees, moderate-height shrubs and other landscape materials would likely block the vision of traffic at the point of ingress and egress

- substantially increasing the risk of accident and decreasing safety.

To resolve the likelihood of any increased risk to motorists, any landscape improvements within a frontage planting strip should utilize low-lying shrubs or lawn to avoid creating a visual obstruction. Low-maintenance shrub and ground-cover species are available for planting that never reach a height above 18-inches, well below any potential for visual obstruction. Street trees can be planted on the side of the sidewalk opposite and away from the roadway, where the potential for visual obstruction is eliminated. By utilizing carefully selected species, a sidewalk with an attached planting strip can provide added separation between motorists and pedestrians. With the use of street trees planted on the opposite side of the sidewalk from the roadway, a full and uniform community landscape plan can increase the beautification of the general commercial district, while maintaining and preserving safety for motorist in the area. Landscape maintenance should be accomplished by abutting business owners as a stipulation of the originating RID.

Valley Center Place is a frontage road that provides a link between Parkwood Blvd. at SR 101 to Hooker Road. The Council has found this route to be preferable to placement of sidewalks along the south side of SR 101 between Hooker Road and Parkwood Blvd. This alternative route allows pedestrians to be fully separated from highway traffic, and with future businesses fronting Valley Center Place instead of SR 101, the demand for sidewalks in this area will continue to increase.

Although sidewalks will be absent along this southern portion of SR 101, great benefit can be still be realized from community landscaping in this area. Landscaping on the north side of SR 101 from Carlsborg to Mill Roads will establish a character for adjacent businesses that will in turn attract customers and increased economic development. Providing community landscaping similar in design along the south side of the Highway will increase this character into a full community atmosphere, attracting patrons and substantial economic development throughout the commercial district and the UGA in general.

Pedestrian safety is a difficult yet essential objective for this portion of the UGA. Consolidating existing access points onto S.R.

101 needs to be addressed not only to reduce traffic congestion, but to ensure a successful and functional sidewalk facility as well. This will help reduce the number of interruptions on the sidewalk and incidences of automobile/pedestrian interface. Additionally, it will help create a more safe environment for motorists wishing to access businesses.

Bicycle Facility Needs: While this Sidewalk Plan focuses primarily on sidewalk facility design, location and financing, it is important to consider and plan for bicycle and other non-motorized facilities. The Comprehensive Plan promotes the establishment of safe bicycle commuting along SR 101 with regularly maintained bicycle facilities and appropriately designed shoulders (CCC 31.02.410(1) and CCC 31.02.140(1)(e)). The Comprehensive Plan sets forth that bicycle storage facilities shall be provided along SR 101 in conjunction with transit shelters (CCC 31.02.420(21)(l) and CCC 31.02.140(1)(e)). The Comprehensive Plan also encourages the development of "lateral / feeder routes" that provide non-motorized linkage between SR 101 and the Olympic Discovery Trail (CCC 31.02.420(21)(c)).

The proposed Matriotti Creek Trail will provide lateral, non-motorized transportation linkage between SR 101 to the Olympic Discovery Trail, consistent with comprehensive plan policies. To implement comprehensive plan policies for bicycle storage, one of the two existing transit stops along the SR 101 frontage in Carlsborg should be designated for the construction of an attached bicycle storage facility. Given current development and available space, the facility west of the Carlsborg Road/SR 101 intersection is the likely candidate for the improvement. Such a facility will help encourage use of the transit network by cyclists, encourage alternatives to single-occupancy vehicle use, and promote cycling as a viable alternative to motorized vehicle use.

The Comprehensive Plan sets forth a county-wide bicycle route plan that identifies specific roads to create a county-wide linkage for safe bicycle commuting (CCC 31.02.442). None of the county roads present in the Carlsborg UGA are identified as part of this county-wide bicycle network. However, as the Comprehensive Plan does require bicycle facilities along SR 101, with particular emphasis on urban growth areas, the County should coordinate with the WSDOT for

the expansion of shoulders or other design mechanism sufficient to accommodate safe cycling. Such design consideration should also be applied to all county roads within the Carlsborg UGA where right-of-way allows for such design.

Road Department and WSDOT Coordination: Coordination with the Clallam County Road Department and the WSDOT is essential for sidewalk facilities abutting County roads and S.R. 101. WSDOT standards are specific with little room to vary from those prescribed in the DOT Design Manual for sidewalk facilities abutting S.R. 101. Currently, WSDOT standards require that where a sidewalk is separated from the traveled roadway with a curb only, the minimum sidewalk width shall be no less than 1.8 meters (6 feet). Where the sidewalk is separated from the traveled roadway by a planting strip, the minimum width of the sidewalk shall be no less than 1.2 meters (4 feet), and require passing space (5 feet by 5 feet) every 200 feet for walkways less than 5 feet in width (WSDOT Design Manual, October 1995, Page 1020-9).

Currently, the state is considering increasing its flexibility for allowing alternative designs in response to the specific needs of rural communities such as Carlsborg. However, until such time as standards allow for alternative designs, standards contained in this plan should be developed consistent with existing design criteria. Coordination with the Clallam County Road Department will ensure that sidewalk facilities are installed in a timely manner

consistent county road improvement projects, thereby preventing the need to remove facilities already installed. Regardless of the agency, all efforts to ensure coordination that prevents the need for demolishing and replacing installed facilities should be taken.

Transit Stops and Other Facilities: The Comprehensive Plan recognizes the need to facilitate ride sharing, transit facilities and alternative forms of transportation where feasible. It is also beneficial to the success and use of sidewalk facilities to take advantage of transit corridors in relation to commercial areas. Sidewalk facilities can serve with greater effectiveness when appropriately placed to serve as linkages from transit stops and pull-throughs to commercial areas and other points of interest throughout the UGA.

Currently, Clallam Transit does not provide service directly to the Historic Village. However, as businesses and population increase in the vicinity and planning objectives are implemented for this area, it is anticipated and planned that the Historic Village will be a pedestrian-friendly commercial and social center for the community. This will give rise to the need for transit service which in turn will continue to foster pedestrian-friendly commercial development. Transit stops within the Historic Village would also have the added benefit of serving the Carlsborg Industrial Park as well. Therefore, planning for transit stops and transit pull-throughs is an essential component to the future function and vitality of this portion of the UGA.

SUPPLEMENTAL POLICIES FOR SIDEWALK FACILITIES IN THE CARLSBORG UGA

Pursuant to the discussion provided above, existing Comprehensive Plan policies and the character and vision of the Carlsborg Community, the following policies in addition to those already contained in the Clallam County Comprehensive Plan and Carlsborg Capital Facilities Plan will form the foundation for the implementation of the Sidewalk Plan.

1. This Sidewalk Plan shall provide for pedestrian and non-motorized transportation in the Carlsborg UGA, in order to implement the goals and policies adopted in the Clallam County Comprehensive Plan and the Carlsborg Capital Facilities Plan.
2. Sidewalk and other pedestrian facilities shall be provided throughout the Carlsborg UGA that ensure the safety of pedestrians and motorists alike.
3. It is the intent of this Sidewalk Plan to provide for sufficient and legitimate alternatives to the use of motorized, single occupancy vehicles in the Carlsborg UGA.
4. This Sidewalk Plan shall provide for pedestrian and non-motorized linkages to schools, commercial centers, recreational opportunities, transit stops, and other community features within the Carlsborg UGA.
5. Pedestrian facility design and construction shall be utilized in a manner that fosters and promotes economic development and opportunity within the Carlsborg UGA.
6. Pedestrian facilities adequate to support and serve development, shall be provided concurrent with development or within six (6) years of development.
7. Efficient coordination of the development of sidewalk facilities in relation to road and highway improvement projects, water service extension, and other capital improvements, shall be encouraged to ensure against the need for relocation or reconstruction of facilities once installed.
8. Pedestrian facility design and location shall recognize and accommodate the varying character and facility needs of the various neighborhoods within the Carlsborg UGA.
9. Transit stops and service shall be encouraged to expand in the Carlsborg UGA, specifically within the Historic Village area and along Carlsborg Road, in order to enhance pedestrian usage and foster economic development relating thereto.
10. Community landscaping shall be installed pursuant to this plan to enhance safety and pedestrian usage of sidewalk facilities along the SR 101 corridor throughout the Carlsborg General Commercial district. Best Management Practices shall be encouraged in landscape design and installation.
11. In order to enhance safety of pedestrians, improve efficient circulation and to enhance the aesthetics of the 101 commercial corridor, Clallam County shall encourage business owners along the north side of SR 101, between Carlsborg and Mill Roads, to consolidate access points onto the Highway.
12. This Sidewalk Plan shall provide for reasonable flexibility in design and implementation to ensure that existing facilities, such as existing, functioning drainage facilities, are preserved in association with sidewalk installation.

13. The Clallam County Road Department currently pursues right-of-way acquisition of 60-foot feet in width for most County roads to carry out road construction and maintenance activities. The preferred design of detached sidewalks separated from the road surface by a roadside ditch requires substantial right-of-way that could exceed the standard 60-foot width currently required (see discussion, page 4). The Carlsborg Community Advisory Council holds equitable contribution as a fundamental objective for providing public infrastructure within the UGA. Therefore, the design standards proposed in this Sidewalk Plan shall allow for design alternatives as necessary to avoid the need for additional right-of-way acquisition beyond the 60-foot standard county road right-of-way-width for the purpose of sidewalk installation.
14. Clallam County shall pursue construction of a non-motorized public trail facility for pedestrian and bicycle use along Matriotti Creek, from SR 101 to the Olympic Discovery Trail. Construction of the Trail shall be dependent upon acquisition of necessary funds and corridor, consistent with the following:
 - a. Because the trail will be located along existing private property, it shall be designed and constructed so as to be minimally intrusive into the private use and enjoyment of the underlying ownership;
 - b. Clallam County shall coordinate with land owners to pursue easements/rights-of-way to secure a trail corridor that follows the designated route to the extent practicable (Map 1), with the intent that corridor dedication is mutually beneficial to the land owners and the County;
 - c. The trail shall incorporate where practicable interpretive information to provide community education of the values and functions of the aquatic environment, restoration efforts on Matriotti Creek, and anadromous fish runs. Such interpretive information shall function as an extension to the Environmental Learning Center (ELC) at Greywolf School. As an extension to the ELC, proposed interpretive stations shall build upon exhibits already displayed at the ELC;
 - d. Development of the Matriotti Creek Trail shall incorporate Best Management Practices concerning management of storm water collection, discharge and water quality.
15. In recognition of those public roads where development has not yet occurred and pedestrian linkage is not yet essential, the construction of sidewalk facilities may not be required until such time as new development gives rise to the need for such facilities. Such sidewalk construction shall be the obligation of the developer and shall be required as a permit condition of the development giving rise to the need for such facility. Such road segments include: W. Runnion Road, the north side of Harrison Street and the west side of Dorothea Way.
16. To ensure that Clallam County contributes a fair and proportional effort for pedestrian facilities within the Carlsborg UGA, it shall be the responsibility of Clallam County through the Road Department that future road improvement projects incorporate installation and/or reconstruction of existing sidewalk facilities to align sidewalks with new road alignment. Where necessary, county road improvement projects should incorporate curb and gutters as part of the sidewalk construction/reconstruction.
17. Pedestrian facilities shall be provided throughout the Carlsborg UGA in the most cost-effective manner possible, AND in the most uniform and consistent manner possible. To achieve this goal, public funding in the form of a bond, improvement district, or similar mechanism is preferred to construction upon development.
18. To ensure equitable participation in future RID's for pedestrian improvements, the Department of Community Development should require "no-protest" agreements for land owners to participate in such RID's prior to issuance of new development permits.
19. Notwithstanding the intent of Policy #17 and 18 above, the requirements of this Sidewalk Plan shall not preclude or otherwise prevent a property owner from installing required pedestrian

facilities in lieu of participation in an RID or similar improvement district designed to assess properties for costs associated with pedestrian facility improvements.

20. The Department of Community Development shall coordinate with the Clallam County Road Department and Washington State Department of Transportation to ensure that pedestrian and bicycle facilities are part of the design of future road improvement projects.
21. Construction of pedestrian facilities adjacent to SR 101 shall include designs that are compatible with Washington State Department of Transportation standards.
22. To encourage alternatives to single-occupancy vehicle use and expand non-motorized transportation, a bicycle shelter shall be constructed pursuant to this plan in conjunction with the transit shelter existing west of the intersection of Carlsborg Road and SR 101.
23. All transit stops in the Carlsborg UGA shall be served by adequate sidewalk facilities that provide connection to other features and points of interest within the UGA.
24. Water quality is highly valued by the residents and business owners of the Carlsborg UGA. Water quality monitoring has indicated a decline in the quality of both surface and ground water resources in the area. For this reason, it is a primary objective of the Carlsborg Community Advisory Council that sidewalk, road, and other capital facility improvements are carried out in a manner consistent with the protection of surface and ground water resources. This objective is shared by the Board of Clallam County Commissioners, as reflected in the adoption of the Sequim-Dungeness Clean Water District in May, 2001 (Ord. No. 706, 2001) - a district in which the UGA is located. Reflective of this concern, it is a policy of this Sidewalk Plan that while roadside ditches are preserved through incorporation of detached sidewalk facilities, such ditches should be enhanced, where feasible, to incorporate biofiltration swales and other bio-filtration improvements. Such improvements shall be consistent with Best Management Practices to ensure adequate treatment and infiltration of storm water.
25. To improve nighttime use of sidewalk facilities and increase safety of pedestrians, it is the recommendation of the CCAC that sidewalk lighting facilities be provided throughout the Carlsborg UGA, consistent with the following:
 - a. Adequate sidewalk lighting facilities shall be provided at all crosswalks and all county road intersections where public sidewalk facilities are present or are planned;
 - b. Adequate sidewalk lighting facilities shall be provided at intervals of approximately every 300-feet, not to exceed 400 feet where public sidewalk facilities are present or are planned;
 - c. Where no utility poles are present, ornamental sidewalk lighting facilities similar to those illustrated under Figure 5 of this report shall be utilized;
 - d. Where utility poles are present, pole-mounted, cobra-head type sidewalk lighting facilities similar to those illustrated under Figure 4 of this report shall be utilized, UNLESS the local community expresses favor for utilizing the ornamental design.
 - e. Where sidewalk facilities are planned on both sides of a road segment, sidewalk lighting need only be provided on one side of the corridor, provided informational signage is installed warning pedestrians of the lack of direct sidewalk lighting on the side of the corridor where lighting is not provided.
26. To ensure installation and upgrades to all public infrastructure and utilities occur in an efficient and logical manner, and to reduce duplication of effort, the PUD shall be consulted prior to sidewalk improvement projects to allow for placement, upgrade or maintenance of utilities concurrent with sidewalk improvement projects.

SITE-SPECIFIC DESIGN RECOMMENDATIONS

The discussion provided under the heading "*FACILITY NEEDS*" showcases some of the implementation goals of this Sidewalk Plan regarding site-specific designs. The following is provided as a means of illustrating spatially the specific design criteria intended to implement the goals and policies of the Clallam County Comprehensive Plan and as supplemented by this Sidewalk Plan. Please refer to Map 1 for location and reference.

1. *Sidewalk Improvements (No Curb & Gutter)*: As a general principle, the CCAC has recommended that detached concrete sidewalks separated from the road surface by a biofiltration swale or ditch is desired in the Carlsborg Urban Growth Area. This design option recommendation was chosen in consideration of the local circumstances present in the UGA: the character and density of existing and future development under adopted standards makes the "softer" approach of detached sidewalks preferable to the "harder" approach of attached curb and gutter designs; the control of storm water quantity and quality is far easier with existing ditches left intact; and, the cost of providing detached sidewalks without the need for extensive man-made storm water collection and treatment facilities is far less costly. Based on these factors, use of detached sidewalks separated from the road surface by a biofiltration swale or ditch has been determined to be the best option to achieve vehicle/pedestrian separation and increased safety (see discussion under "*FACILITY NEEDS - Sidewalk Improvement Needs and the Six Year Road Plan*"). These road segments include: the outer side of Business Park Loop; both sides of Carlsborg Road from S. Business Park Loop to S.R. 101; both sides of Smithfield Road; the south and west sides of Gupster and Gilbert Roads; the west side of Mill Road from Smithfield to E. Runnion Road; the north side of E. Runnion Road; the north side of Spath Road; the north side of SR 101 from Mill Road to Gupster Road; Valley Center Place from Parkwood Blvd. to Hooker Road, the commercial frontage road connecting the Matriotti Creek Trail to Carlsborg Road south of Greywolf Elementary, and the south side of S.R. 101 from Parkwood Blvd. to Taylor Cutoff Road.
2. *Sidewalk Improvements (Curb & Gutter Present)*: There exists other road segments within the UGA that already have curbs and gutters along the roadside. These road segments include: both sides of Carlsborg Road from S. Business Park Loop to the Discovery Trail; and both sides of S.R. 101 between Carlsborg and Mill Roads. Sidewalk improvements are recommended along these road segments, but will be comparatively less expensive as those segments already have curbs & gutters alongside the roadways. That portion of SR 101 between Carlsborg and Mill Roads is further addressed below.
3. *Sidewalk Improvements (Curb & Gutter to be Added)*: Whereas the CCAC recommends detached concrete sidewalks separated from the road surface by a biofiltration swale or ditch throughout most of the UGA, some segments of the planned pedestrian network would benefit from an attached curb and gutter design to augment safe pedestrian usage. Some road segments associated with the Carlsborg General Commercial (CGC) zoning district will experience significant levels of pedestrian and vehicular traffic, resulting in the need for pedestrian/vehicle separation in a more congested space. Therefore, concrete sidewalks with attached curb and gutter will be installed along Hooker Road, and the west side of Mill Road from Smithfield Drive to SR 101.
4. *Sidewalks with Planting Strip (Curb & Gutter Present)*: The portion of the SR 101 corridor bounded by Mill and Carlsborg Roads on the north, and Hooker and Parkwood Blvd. on the south, is the primary focus of the highway commercial districts in Carlsborg. To increase consumer interest in this area as well as provide increased safety for pedestrian use, a community landscape project is proposed for both sides of this section of the Highway. The north side of the Highway will include a sidewalk that is separated from the roadside curb by a narrow (four-foot wide) planting strip. Additional community landscaping is also proposed between the sidewalk and adjacent business to the north. The south side of the Highway will include a community landscape strip, only, as pedestrian traffic will be routed away from the Highway via Valley Center Place.

5. *Matriotti Creek Trail Corridor.* The Matriotti Creek Trail is designated in the CFP for along the west side of the UGA. Construction design is recommended to include a Bituminous Surface Treatment (BST) over a crushed gravel base for a total improved width of eight (8)-feet. BST includes an asphaltic compound applied to a compact gravel base. Once hardened, this surfacing provides a durable surface suitable for long-term, non-motorized use. This surfacing matches the construction design of the Olympic Discovery Trail, at the northern terminus of the Trail facility (see Map 1). This surfacing is recommended for its adequate durability given the proposed non-motorized use of the facility and relatively low cost. The facility will serve as a non-motorized transportation corridor, allow for recreational opportunity and function as an extension to the Environmental Learning Center (ELC) at Greywolf School. As an extension to the ELC, it is recommended that proposed interpretive stations build upon exhibits already displayed at the ELC. Maintenance of the trail facility should be managed by Clallam County consistent with maintenance scheduling of the Olympic Discovery Trail.

While the Matriotti Creek Trail is intended to serve the public through non-motorized transportation, recreation and environmental learning opportunities, it is the strong conviction of the CCAC and recommendation that acquisition of private property for public purposes be accomplished with minimal intrusion into private property as is possible. To assist in this objective, location of the Matriotti Creek Trail shall consider right-of-way acquisition within the 100-foot protective buffer in order to minimize acquisition of property available for development, while reducing to the degree feasible, disturbance of riparian buffer area. Such use of buffer area is supported by the Clallam County Critical Areas Ordinance under CCC 27.12.315(1).

6. *Sidewalks Phased Upon Development.* These are the road segments abutting, or serving primarily vacant property or areas of relatively low-density developments. Sidewalk facilities are not needed to provide connection or serve existing developments. This Sidewalk Plan shall provide for development of sidewalk facilities along these segments concurrent with development, by the developer. Road segments identified for this designation include: the north side of West Runnion Road, the north side of Harrison Street, and the west side of Dorothea Way. No cost estimates are provided.
7. *Alternative Designs - Historic Village:* Some areas of the UGA, in particular the Historic Village, have special needs that should be addressed. Limited parking space, existing infrastructure, reduced building setbacks and speeds of adjacent traffic should all be considered in sidewalk design and construction. In the Historic Village and other areas deemed appropriate, special sidewalk designs may include: provisions for angled parking with the sidewalk facilities directly abutting commercial buildings; sidewalk alignments that meander around parking areas and adjacent commercial buildings, and; curb bulbout designs (where feasible). In development of actual design and placement of such facilities, the County should consult a pedestrian or urban design architect with expertise on such matters to ensure that function, appearance and engineering considerations are incorporated in the final project (Note: These areas are not yet specifically identified and therefore are not shown on Map 1).
8. *Sidewalk Lighting:* In order to minimize costs associated with providing adequate sidewalk lighting throughout the Carlsborg UGA, it is the recommendation of the CCAC that pole-mounted, cobra-head type designs (Figure 4) be utilized where existing utility poles provide for this opportunity. Road segments identified as having adequate utility poles present include: the east side of Carlsborg Road, East Runnion Road, Gupster Road, Hooker Road, portions of Mill Road, and those portions of the west side of Carlsborg Road extending through the Historic Village area. The remainder of the UGA, where utility poles are not present on the side of the road proposed for sidewalk improvements, sidewalk lighting facilities shall be utilized (Figure 5). Should the property owners within those areas subject to the pole-mounted, cobra-head designs express a preference, ornamental designs may be utilized instead of the pole-mounted designs. Except as provided above, where sidewalk facilities are proposed for both sides of a road segment, sidewalk lighting need only be provided on one side of the corridor, provided informational signage is installed warning pedestrians of the lack of direct sidewalk lighting on the side of the corridor where lighting is not provided.

Map 1

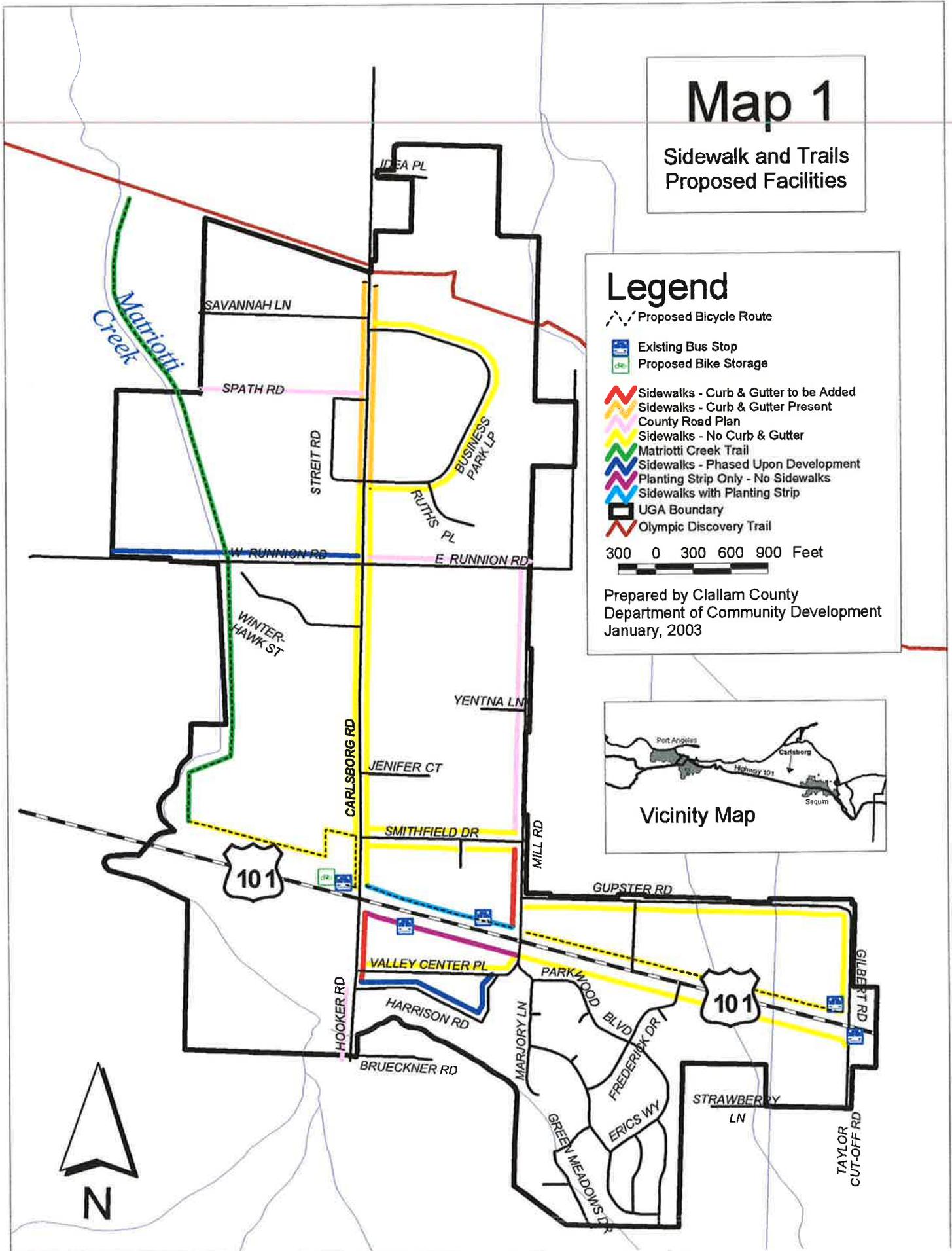
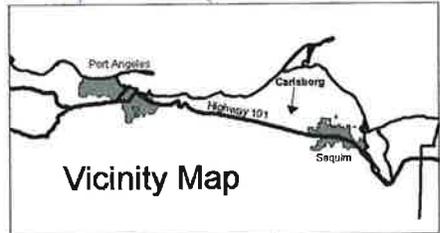
Sidewalk and Trails Proposed Facilities

Legend

- Proposed Bicycle Route
- Existing Bus Stop
- Proposed Bike Storage
- Sidewalks - Curb & Gutter to be Added
- Sidewalks - Curb & Gutter Present
- County Road Plan
- Sidewalks - No Curb & Gutter
- Matriotti Creek Trail
- Sidewalks - Phased Upon Development
- Planting Strip Only - No Sidewalks
- Sidewalks with Planting Strip
- UGA Boundary
- Olympic Discovery Trail

300 0 300 600 900 Feet

Prepared by Clallam County
Department of Community Development
January, 2003



COST ESTIMATES AND FUNDING STRATEGIES

Methods and Assumptions: Cost estimates for sidewalk improvements are based on the most recent, local projects available that match in relative scope and design that of the proposed UGA projects. Specifically, figures used were those contained in WSDOT's sidewalk improvements on S.R. 101, east of Port Angeles (2000). Expenditures in this project included \$12.00 per linear foot for detached concrete sidewalks. Where attached curb and gutter designs were planned for, \$7.65 per linear foot was included to calculate costs of these additional improvements. Actual costs may vary.

Cost estimates for including sidewalk lighting are based on current prices quoted by area service providers, including the PUD #1 of Clallam County and the City of Port Angeles. Based on service needs and cost-effectiveness, pole-mounted, cobra-head type lighting fixtures are favored where existing utility poles provide the opportunity for such facilities (Figure 4). Where only underground utilities are present or and where local landowners express a preference, ornamental light poles are recommended (Figure 5). Cost estimates for fixtures, poles and other supporting facilities are summarized as follows:

- Costs for pole-mounted, cobra-head type fixtures is \$106.00 per unit, including installation;
- Costs for utility meters is \$248.00 per unit;
- Cost for ornamental light poles (including pole, fixture, conduit and installation) is \$1,500 per unit;

The cost estimates for installation of ornamental light poles is high. According to the City of Port Angeles, individual projects run approximately \$1,380.00 per unit. Installation of multiple units at one time will reduce equipment and labor costs significantly. Underground cable is present along all identified road segments where utility poles are not present. Due to the comparatively low energy requirements of the proposed lighting facilities (150 to 200 watt, HPS bulbs), it is unlikely that a significant number of transformers will be required to provide lighting service. Therefore, costs for transformers (normally \$708 per unit) are not included as a separate line item and are rolled into the high

estimate for ornamental light poles as an incidental cost.

The installation of sidewalk lighting raises two fundamental questions: *who maintains them and who pays the energy bill?* The PUD has indicated that they are able to install pole-mounted, cobra-head lights with minimal costs as they maintain an inventory of these fixtures, replacement bulbs and other supporting hardware. Because the poles are mounted to existing utility poles, they are considered part of the public infrastructure. However, the PUD currently considers stand-alone, ornamental light poles as private facilities. They do not maintain an inventory of associated hardware and considers them private facilities.

As an operating procedure, the PUD currently installs pole-mounted light fixtures at the request (and cost) of individual property owners. Depending on the agreement, they install a meter to track energy usage and bill the property owner accordingly, or they establish a flat monthly rate to cover cost of maintenance and electrical. Under this current procedure, they will only install lighting where a single entity can be identified for monthly billing. This ensures that if the individual property owner fails to pay their bill, the service can be removed. This is an important consideration with respect to establishing a public sidewalk lighting program.

To resolve issues of maintenance and billing for proposed sidewalk lighting, the CCAC considered three (3) alternatives:

1. Install sidewalk lighting as privately-owned facilities and bill for energy usage to the underlying property owner;
2. Have PUD Install and maintain pole-mounted lights with the County installing and maintaining ornamental lights. Under this alternative, the County would establish a LUD for ongoing maintenance and electrical costs; or
3. Develop a service agreement with the PUD that establishes a flat rate for electrical service that can be rolled into the monthly billing for area rate payers. Under this alternative, the County would act as security for delinquent payments or vacant property. The PUD would coordinate billing through its current billing structure.

Alternative 1 was rejected by the CCAC as it requires and relies upon individual property owners to install and maintain sidewalk lighting facilities for public safety and welfare purposes. It is questionable whether the RID process could be used if the lighting facilities were determined to be privately owned. The lack of incentive for participation and the inequitable responsibilities assigned to certain land owners makes this alternative unacceptable to the CCAC.

Alternative 2 was also rejected primarily because it results in the duplication of effort and inefficient implementation of the plan. This alternative would require the County to establish a LUD for billing to cover costs of maintenance and electrical. The costs of establishing such a system makes it an expensive, inefficient alternative. However, it does coincide with the PUD's current operating procedures in that it would limit their involvement to pole-mounted light installation and maintenance.

Regardless of the current service and facilities offered by the PUD, the CCAC favors implementing sidewalk lighting according to Alternative 3. This alternative would require the County to coordinate with the PUD to expand their lighting facility inventory, agree to a flat-rate billing structure, and further agree to dividing that billing amongst area rate payers. It would also require the County to commit to covering those vacant properties and the obligations of those rate payers who fail to meet their billing obligations. However, this alternative also provides the most efficient, cost-effective means for providing and maintaining sidewalk lighting. It would allow the cost of lighting installation to be rolled into the RID funding mechanism. The PUD would be assigned the task of maintaining all lighting facilities, eliminating any duplication of effort. Energy costs would be divided equitably amongst area rate payers. By establishing a flat rate billing system that is acceptable to the PUD, the need for meter installation and associated costs would be

eliminated. The flat rate billing structure would also ensure a more consistent line item on the monthly billing for local rate payers.

County Costs Versus UGA Costs: Issues discussed during the public review process for the establishment of the UGA included focussing on those improvement projects that were required as a result of UGA implementation, and those improvements that would be required regardless of land use choices for the Carlsborg Community. Several county roads within the UGA serve regional functions, and as such, will continue to require improvements to meet regional needs. The Board of County Commissioners are committed to those road improvements that result from regional demand and need.

Sidewalk facilities are also included in some of the regional needs of the area. In order to ensure that the UGA and the County are both assigned their equitable share of the cost of needed infrastructure, the Advisory Council gave consideration to those projects that are required as a result of growth impacts due to UGA development, and those projects that are the result of regional growth outside of the UGA.

The Carlsborg CFP identifies three road projects that will be the responsibility of the County Road Department. These road improvement projects include: Spath Road, Mill Road (from Smithfield Road to E. Runnion Road), and Hooker Road (from Costco to Atterberry Road). Estimated costs for including sidewalks in these road improvement projects total approximately \$96,000. Costs for these projects shall be rolled into the project costs for the greater road improvement projects, funded by the County. The County has also committed to funding the development of the proposed Matriotti Creek Trail, at an estimated cost of \$175,000. Table 1 summarizes the remaining costs for completing all other sidewalk improvements identified by this plan, to be funded by the UGA.

Table 1 – Estimated UGA Costs for Sidewalk Facilities	
Project Category	Cost Estimate
Sidewalk Improvements (Curb & Gutter to be Added)	\$ 34,190
Sidewalk Improvements (Curb & Gutter Present)	\$ 38,856
Sidewalk Improvements (No Curb & Gutter)	\$ 239,196
Sidewalks Phased Upon Development	No Cost Estimates Included
Sidewalks and Planting Strips (SR 101)	\$ 65,168
Sidewalk Lighting Facilities	\$ 65,968
Total	\$ 443,378

It is important to note that the cost estimates contained in Table 1 include only those costs associated with materials, labor and other construction-level costs. For ancillary costs associated with bond preparation and financing, please refer to the analysis provided under Attachments A and B.

Alternatives for Project Funding: The Carlsborg Community Advisory Council reviewed various options for financing sidewalk improvements in the Carlsborg UGA. Specifically, there were fifteen (15) general methods of financing that were considered for funding sidewalk improvements within the UGA. These methods included:

1. Voted General Obligation Bonds,
2. Limited Tax General Obligation Bonds (LTGO/Commissioner Bonds),
3. Limited Tax General Obligation Community Revitalization Financing,
4. Road Improvement Districts (RID),
5. Local Improvement Districts (LID),
6. Local Utility Districts (LUD),
7. State Local Capital Asset Lending Program (LOCAL),
8. Public Works Trust Fund (loan program),
9. USDA Community Facilities Loan program,
10. Business Improvement Area (BIA),
11. State Grants/Loan Programs,
12. Real Estate Excise Tax (REET),
13. Development Charges,
14. Impact Fees, and

15. Local Option Sales Tax (Opportunity Fund).

A description of these alternatives is included in Attachment A. The CCAC examined the nature of each type of financing as well as the pros and cons of each in relation to the proposed sidewalk facilities. The focus was to examine and select the best finance alternative, or combination of finance alternatives that provided for the sidewalk improvements at the fairest and most economical way possible.

Because sidewalk improvements result in physical public infrastructure, the security rating of any finance program is relatively high. Another factor considered is the ability to combine the over-all project into one funding effort, which given the economy of scale, also results in an improved finance rating. Lastly, the nature of who benefits from the improvement was considered. Because sidewalks abut existing parcels, there is a direct benefit to those parcels, as well as an indirect benefit to nearby parcels. Therefore, equitable assignment of costs is possible.

Due to the fact that the sidewalk improvements benefit and increase the value of the properties on which they front, it was decided by the committee to assign the cost and financing of improvements utilizing the typical Road Improvement District (RID) as the primary financing method. This allowed the committee to break down the sidewalk and transportation improvements by project into 16 separate RID's

and assign costs to the benefiting parcels. The RID's could then be consolidated into a Consolidated Road Improvement District (CRID) where practicable. The CRID would further increase the over-all bond security rating and reduce interest rates and other finance costs through the consolidation.

The over-all benefits of utilizing the RID method of financing versus other methods explored are substantial. The RID provides reasonable security surpassed only where the County acts as the security for the bond (i.e. Voted General Obligation Bond, LTGO, etc.). However, the RID process assigns the cost of the improvement equitably to those who will benefit directly by the improvement. This was recognized as a fundamental objective by the BOCC during the public process for designation as a UGA - that the UGA be responsible for those infrastructure improvements that are necessitated by the creation of the UGA, and not through regional demands that would occur regardless of the UGA designation.

The Finance Options Recommendation contained in Attachment A includes hiring an MAI Appraiser to ensure an equitable assignment of benefit and assessment resulting from the RID's. This suggestion has been strongly reinforced by the County Road

Department's RID Specialist. An MAI Appraiser would be able to evaluate all beneficiaries of a specific improvement project, and those who'll benefit from multiple projects. The CCAC recommends that such expertise be consulted in the development of RID's for sidewalk improvements.

RID Cost Estimates: For the purposes of this report, 16 RID's have been preliminarily identified for the various road segments and design types for sidewalk improvements. This is a preliminary estimate, and is intended to demonstrate in general terms what the actual project may consist of. Cost estimates based on this information is equally tentative and is likely to be different when actual implementation of this plan takes effect. It is important to note that the cost estimates contained in Table 2 include only those costs associated with materials, labor and other construction-level costs. For ancillary costs associated with bond preparation and financing, please refer to the analysis provided under Attachment A. These cost estimates are put forth in this report to give the general public and the Board of County Commissioners a general idea and potential scope of project costs. Table 2 (following page) identifies the estimated costs of the proposed RID's (for reference, see Map 1):

Table 2 - Proposed Sidewalk and Pedestrian Lighting Improvements, RID Cost Estimates		
Road Segment	Limits	Estimated Cost
RID #1: Carlsborg Rd. (East Side)	ODT to Business Park Loop	\$ 19,730.00
RID #2: Carlsborg Rd. (West Side)	ODT to Spath Rd.	\$ 15,322.00
RID #3: Carlsborg Rd. (West Side)	Spath Rd. to Streit Rd.	\$ 7,652.00
RID #4: Carlsborg Rd. (East Side)	Business Park Loop to Hwy. 101	\$ 40,012.00
RID #5: Carlsborg Rd. (West Side)	S. Streit Rd. to Hwy 101	\$ 43,542.00
RID #6: Business Park Loop Rd.	All	\$ 45,300.00
RID #8: Smithfield Rd.	All	\$ 35,400.00
RID #9: Carlsborg Commercial Access	Carlsborg Rd. to Matriotti Crk.	\$ 24,612.00 *
RID #10: Gupster Rd.	All	\$ 32,048.00
RID #11: Gilbert Rd.	All	\$ 14,880.00
RID #12: Hwy 101 (Northeast Side)	Mill Rd. to Gilbert Rd.	\$ 45,300.00
RID #13: Hwy 101 (Northwest Side)	Carlsborg Rd. to Mill Rd.	\$ 46,168.00 **
RID #14: Valley Center Place	Parkwood Blvd. to Hooker Rd.	\$ 22,800.00
RID #15: Hwy 101 (Southwest Side)	Parkwood Blvd. to Hooker Rd.	\$ 25,000.00 **
RID #16: N. Hooker Rd.	Valley Center Pl. to Hwy 101	\$ 9,054.00
RID #18: Mill Rd.	Hwy 101 to Smithfield Rd.	\$ 16,558.00

* Costs shown include sidewalk facilities only. For more information regarding road improvement costs, please see General Report.

** Includes costs for community landscaping.

Funding an RID over a period of time (5, 10 or 20 years), requires that interest be paid to the bond purchaser in return for investment and to ensure against risk. There are also costs associated with bond preparation and marketing. These costs have been evaluated and estimates provided for in the Consultant's Report, included as Attachment A. The attached reports also breaks down these costs in terms of estimates for individual properties included in the RID's.

Strategies to Reduce Costs to Individual Property Owners: Attachments A provides preliminary estimates on costs for the construction of sidewalks in the UGA under the RID process, including bond preparation, financing and management costs. While these assessments may in most cases be reasonable, there are those properties which cost estimates are high. Those properties subject to Road Improvement projects listed in the CFP as "UGA Funded" show exceptionally high assessments. Issues related to RID's for specific road improvements are analyzed in the General Report to the Board of County Commissioners; however, it is the intent of this Sidewalk Plan to ensure that future RID's for proposed sidewalk facilities are implemented in the most equitable, least costly manner possible.

Generally, the CCAC has found that the RID process will provide a fair and equitable approach to funding necessary sidewalk improvements throughout the UGA. In cooperation with the County's commitment to other regional transportation issues and other capital facility and service needs in the UGA (see General Report), the CCAC finds that the funding of proposed sidewalk facilities through the RID process is an acceptable means of meeting local obligations to community infrastructure and completing the cooperative effort between the County and the citizens of the UGA for a livable, vibrant community.

However, the CCAC also recognizes that the preliminary analysis for RID's provided under Attachments A and B does show notable variations in estimated costs between the various proposed RID's. In response, the CCAC recommends that, as an alternative, the Board of County Commissioners could consider supplementing one or more of the proposed RID's- with supplemental funding to offset assessment charges of RID's that have been identified as too costly. County-supplied,

supplemental funding, if found to be appropriate by the Commissioners, would be recommended in the form of a Limited Tax General Obligation Bond (LTGO) with repayment of the LTGO to come from earmarked Real Estate Excise Tax (REET) funds, Opportunity Fund, developer contributions or incremental growth of property tax revenues. These sources can provide a means of offsetting costs that might otherwise prove too burdensome to the property owners within a specific RID. The use of these funds by the Board is discretionary, and while it may not be realistic that such sources would be sufficient to cover significant portions of the over-all project, they would be more than sufficient to ease the burdens that may be experienced by property owners in specific RID's.

The justification for use of these funding sources lies in the fact that with the designation of the UGA, the County tax base will increase proportionate with new development. It is the belief of the CCAC that a fair portion of such County revenue increases should be returned to the community in the form of assistance in infrastructure development, including implementation of this plan.

It should be noted that while growth is anticipated and these identified sources should be able to create a substantial revenue flow, care should be taken to ensure identified revenue sources are sufficient enough to cover the bond. Expert advise would be required to determine what levels of revenue could be expected as reliable. In addition, the Board of Commissioners would have to be willing to secure the bond with other County resources if revenues fall short of expected levels (i.e. County General Fund). The CCAC recommends that in such a case, the Board utilize the County's Opportunity Fund as a security source. This fund was created through a diversion of state sales tax revenues to rural counties for infrastructure and other local projects intended to stimulate economic growth. The CCAC believes infrastructure improvements in the Carlsborg UGA meets this intent.

Another source of revenue for the repayment of an LTGO bond debt could include a Business Improvement Area (BIA). As a primary source of repayment, BIA's are very poor sources in that there is no lien option or other mechanism for ensuring participation. Consequently, the high risk factor translates into high bond rates

and difficulty in selling the bond. It may also be difficult to foster the necessary support to create the district. But it is a one-time obligation and could be very beneficial in this situation. The problem with relying solely on incremental growth tax revenues is it takes a while (maybe a few years) before such revenues are substantial enough to cover the debt obligation. A BIA could bridge the gap between the initial debt and the time at which tax revenues could assume their proportional share of repaying the debt.

Another revenue source could include an impact fee structure. A BIA would likely only assess existing businesses. Unless some type of late-comer arrangement was made, those who constructed after the BIA was formed would benefit from the improvements but not be assessed for the BIA district. An impact fee could supplement the debt revenue and equitably share the financial burden already experienced by those subject to the BIA. It would only apply to new construction and would supplement the debt revenue into the future, until full buildout was achieved or the debt was fully paid. Like a BIA, an impact fee structure is not a reliable source of revenue for bond security purposes, but as a supplement to the debt revenue and in conjunction with a BIA, it is a means for having development share in the cost of infrastructure.

An MAI appraiser is suggested to ensure an equitable assignment of benefit and assessment resulting from future RID's. Such a specialist could also evaluate estimated incremental growth in the above identified tax revenues, their reliability, and what additional funds would be necessary (through a BIA and impact fee

structure) to cover the obligation of an LTGO bond.

Project Participation - No-Protest Agreement: Project success depends on a cooperative effort by the property owners of Carlsborg and the Board of County Commissioners in providing and funding those facilities needed to serve the pedestrian needs of the UGA. Participation in funding programs is an essential component to this effort. To ensure full participation in reasonable funding programs, the Council recommends that the Board implement a No-Protest Agreement requirement for all new development permits in the UGA. The Agreement should be designed to require participation in future RID's established by this plan, unless identified facilities are installed by the developer.

Six and Twenty-Year Projects: While there is fiscal savings by consolidating all RID's under one finance effort through reduced interest rates and costs of bond preparation, The CCAC also recognizes the potential impact implementing all infrastructure improvements at one time could have on area residents and business owners. Therefore, the CCAC recommends that sidewalk improvement costs be broken down into a Six Year Financing Plan and a Twenty Year Financing Plan. The Six Year Financing Plan would fund those RID projects identified as six-year projects (see Map 2). In the seventh year of the planning period a second bond would be initiated to fund the remaining RIDs. Both bonds would likely include a 20 year repayment schedule for the financing. Table 2 provides a summary of those costs associated with the six and twenty-year projects.

Six Year Projects	\$ 332,476.00
20-Year projects	\$ 110,902.00

This report notes the possibility of using grant funding to help with the financing of projects under consideration. The CCAC considers this a priority objective and respectfully requests that the Director of the Department of Community

Development and/or the Board of Clallam County Commissioners assign planning staff to prepare grant-applications for this and other Carlsborg projects. The assigned staff member(s) should be allocated suitable hours to

devote to this effort and should further be requested to consult with the CCAC during the grant writing process.

Map 2

Six and Twenty Year
Sidewalk and Trail
Improvement Projects

Legend

 Proposed Bicycle Route

 Existing Bus Stop
 Proposed Bike Storage

 Six Year Project
 20 Year Project

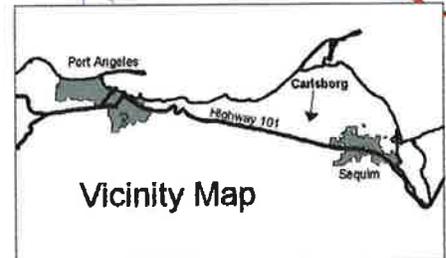
 UGA Boundary

 Olympic Discovery Trail

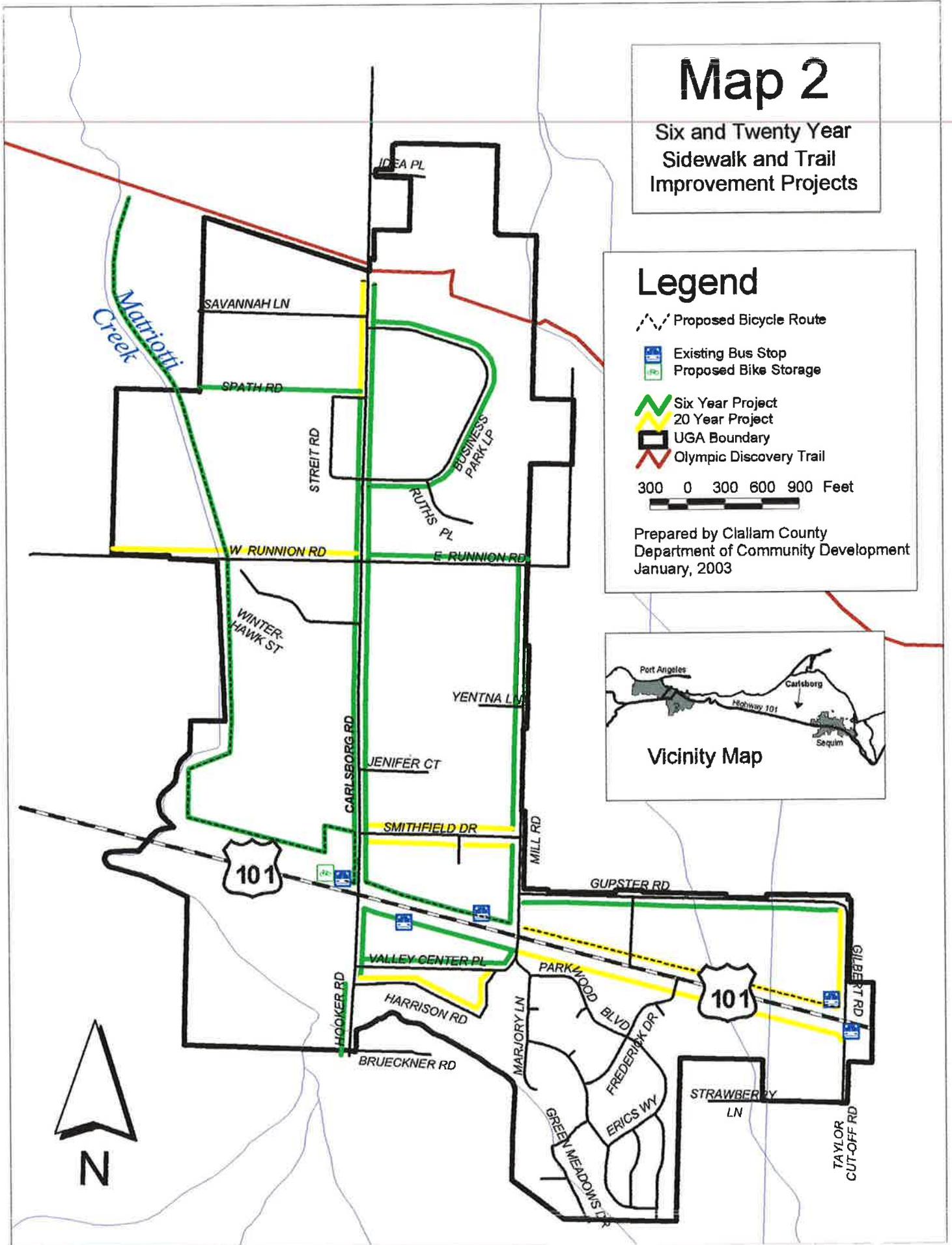
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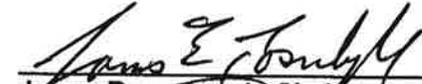
Prepared by Clallam County
Department of Community Development
January, 2003



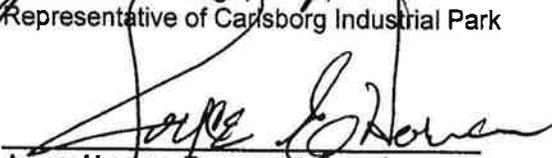
Vicinity Map



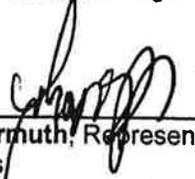
PASSED AND ADOPTED THIS 29th DAY OF April, 2003.
CARLSBORG COMMUNITY ADVISORY COUNCIL


James Rosenburgh, Chair,
Representative of Carlsborg Industrial Park


Mark Smith, Vice Chair,
Representative at Large


Joyce Horner, Representative of
Carlsborg Historic Village

(Position not Presently Filled)
Representative at
Large


Troye Jarmuth, Representative of UGA
Residents


Judith Duff, Representative of
Highway Corridor Business Owners


Jerry Walker, Representative of Parkwood
Manufactured Home Community

**CARLSBORG UGA
INFRASTRUCTURE FINANCING OPTIONS**

STEVE GAIDOS CONSULTING, LLC

**Carlsborg UGA
Infrastructure Financing Options**

**Dated April 2, 2002
(Updated August 23, 2002)**

Prepared by: Steve Gaidos Consulting, LLC

Forward: This report was originally intended to provide information on funding options for water supply and infrastructure, septic maintenance and sewerage improvements, road and sidewalk improvements and trail development. Since the inception of the process and the development of draft reports, the focus of the projects have been narrowed to include only the sidewalk and road improvements and a consideration of the sewerage needs of the Carlsborg UGA. The report was substantially complete in September 2001 except for the inclusion of project cost revisions requested by the County DCD. Subsequently, several issues changed including the resolution of the water supply issues. The DCD also altered the nature, timing and costs of the road and sidewalk improvements.

The original information regarding funding for water improvements and some of the information regarding sewerage funding remains essentially as presented in the September draft rather than rewriting the entire report. This information may prove useful to the County in subsequent discussions regarding water and sewerage improvements in Carlsborg or other areas of the County. The changes to the report relative to the draft completed in September are limited to the changes in the nature, timing and costs of the road and sidewalk improvements made by the DCD. The information concerning state and federal grant and loan sources has also been updated and the focus narrowed to road improvements.

Introduction: This report focuses on the permanent, long term financing as opposed to construction loans or short term financing. Most of the financing methods discussed will use short term funding of one form or another to complete construction of the proposed improvements, however construction financing will depend on the ability of the County to obtain long term financing as a “take out”. When the appropriate long-term financing decision is made and a commitment from a lending institution secured, short term funding will to a large degree, take care of itself.

The ability to obtain long term financing will depend on the revenues used for repayment and the predictability of those revenues. The more reliable the revenue source the lower the issuance costs and interest rates will be for the long-term financing. Issuance costs include the loan fees or discounts charged by the lending institution to provide the financing. Issuance costs also include attorneys costs, printing costs, consultant’s costs and advertising, all of which are less influenced by the credit quality of the financing.

Within the Carlsborg UGA, the revenue sources available for debt payment and their predictability is not currently known with a high degree of certainty except for property taxes collections and rates and charges paid to the Clallam County PUD for water service. Other revenue sources such as sales taxes, real estate excise taxes, assessment district assessments, development charges, late comer payments, marginal tax increases and grant funding are subject to availability and volatility resulting from changing economic conditions both locally and nationally.

Other factors that can affect the availability and cost of financing include the nature of the project financed. If the project is not perceived as essential to the businesses and residents of the Carlsborg UGA by the lenders, the cost of the financing will be higher. For example, water service is considered essential in nearly all cases. Non-payment of water rate charges can result in the discontinuance of service, an occurrence that will unlikely be allowed by the property owner. Consequently, the property owner will pay the charges to maintain service assuring a reliable revenue source for the payment of debt. Conversely, tree plantings in a

business improvement area may not be perceived by all businesses concerned to be essential for improved sales for their businesses. Assessments levied for such plantings may be resisted and not paid. Lenders are likely to assume from experience that non-essential projects have more difficulty collecting revenues and will reflect their risk in lending in higher fees and interest rates. The availability and reliability of the revenue source(s) is commonly referred to as the “security” for the financing.

Improving the security of the revenue stream for repayment can reduce the cost of financing any project and may mean the difference between finding a willing lender and not finding one. Using the tree example, if the debt is to be repaid by property taxes, the revenue source is predictable and reliable due to the foreclosure action that can result from non-payment. The same can be said for assessments payments if the assessments carry a lien against the property that will allow for foreclosure for non-payment. Reliance on a portion of sales taxes collected or perhaps development charges or business area assessments, all of which are subject to fluctuating economic conditions and other variables, will likely not find a willing lender unless additional revenue sources are pledged or a lien position can be established.

The preceding discussion forms a framework for the development of pros and cons related to funding availability and cost for the following financing options. The options are presented more or less in order of security for the purchaser or the lender and in decreasing financing cost. Throughout this report the term bond or loan may be considered interchangeable as most financing methods may be publicly sold as bonds or through private placement or a competitive process as a loan or bond.

Section 1:

Voted General Obligation Bonds issued by the County

Authority for Issuance: The authority is obtained through countywide voter approval at a regular or special election held for that purpose. Voter approval requires a 60% “yes” vote and a voter turnout of 40% of those voting at the last general election.

Financing Purposes: Any public purpose capital project. This could include all of the capital projects within the UGA.

Repayment Source: Excess tax levies on all of the taxable property in the County are the repayment source for Unlimited Tax debt. The authority for issuance by the voters allows for an annual tax levy in any amount without limitations as to rate or amount, necessary to repay the bonds when due. Typically the bonds have principal amounts maturing each year plus interest on the unpaid balance such that the total annual payment is nearly equal from year to year throughout the life of the issue. As a result, as assessed valuations rise on properties, the tax levy rate on an individual property will decline over time.

Pros and Cons: It is unlikely that the County would be willing to place a proposition before the voters of the County as a whole to finance the project needs within the Carlsborg UGA. It is also unlikely that a vote will be sought for a project of small size. This financing method could finance all of the proposed improvements under one authorization sold as a single or as multiple bond issues. The cost of the financing would have minimal impact on

the property owners in the UGA since the cost would be spread among all of the taxpayers of the County. Because the financing is repaid by an excess tax levy, the repayment would have no potential impact on the level of County services. Due to the high quality of the security (repayment sources) for these bonds, this form of financing can be rated by the municipal bond rating agencies resulting in the lowest interest rates available and typically the lowest issuance costs. A \$1 million voted unlimited tax bond with a 20-year term would carry a current interest rate of approximately 5.15%, if insured and rated.

Combination with other financing methods: Unlimited tax bonds can be combined with other loans, bonds and grants to complete a project, however a stand-alone project must result. Voter approved bonds can be issued in any amount up to the authorized amount. The authorized amount, together with other similar debt of the County outstanding, cannot exceed the legal limitation for the County for the issuance of such debt. If after the bonds are approved, grants or other low cost financing sources are preferred and available for a portion of the project, voted bonds for the remaining amount necessary to complete the project(s) could then be issued. It is not necessary to issue the entire amount authorized or issue the bonds immediately after approval.

Section 2

Limited Tax General Obligation Bonds issued by the County

Authority for issuance: These bonds are often also called “Commissioner Bonds”, “Councilmanic Bonds”, “Non-Voted Bonds” and “Inside Levy Bonds”. Limited Tax General Obligation Bonds (LTGO) can be authorized by resolution of the County Commissioners in any amount up to an amount which, together with other outstanding Limited Tax debt, would be equal to or less than 1 ½% of the valuation of taxable property in the County.

Financing Purposes: LTGO bonds can be issued for any public purpose capital project. Most of the loans and financings of the County other than road improvement districts are classified as limited tax general obligations.

Repayment Source: These bonds are repaid from any source of money available to the County general fund and legally available for the payment of debt. The County’s regular property tax levies within the limitations imposed by law, sales tax revenues, intergovernmental funds, charges for services (other than for utilities and enterprise funds), are among the money the County could use to repay the debt. These bonds are also general obligations of the County meaning the full faith, credit and resources of the County are pledged to the payment of the bonds. Consequently, if projected revenues (i.e. property taxes, sales taxes, charges, real estate excise taxes) do not reach projected amounts, the County will have to pay the debt at the expense of other County services.

Pros and Cons: This financing method can finance all of the proposed improvements under one authorization sold as a single or multiple bond issues. Property taxes, sales tax, real estate excise taxes or other revenues generated within the UGA as a result of improvements constructed with bond proceeds could be calculated and allocated out of total County revenues in each year’s budget for the repayment of the debt, if approved by the County Commissioners. Financing can be obtained by Commission action, without hearings or a

vote. The timing of the financing is not subject to approval of the voters or a hearings process. The financing can be combined with any other financing method to complete the capital project needs of the UGA. If the revenues assumed available to service the debt are insufficient to retire the debt, County services may suffer. Limited tax general obligation financings are subject to the affects of tax initiatives, which have resulted in a significant reduction in the numbers of institutional and individual investors willing to purchase such financings of State of Washington municipalities.

Due to the relatively high quality of the security (repayment sources) for these bonds, this form of financing can be rated by the municipal bond rating agencies. However, the taxes and other revenues are subject to legal limitations as well as economic limitations. As a result the interest rates and cost of this financing method is higher than that of the unlimited tax general obligation bond. It will be necessary to clearly identify the revenue sources the County intends to use to repay the debt to the lender. Identifying the revenue sources is important to the annual budget process of the County as well. A comparable rate for a \$1 million, 20-year tax-exempt bond is approximately 5.20%

Combination with other financing methods: Limited tax general obligation bonds can be issued in any amount up to the County's debt limit for limited tax financing. As with unlimited tax debt, the issuance could be delayed to wait for grants or low cost lending sources before issuing the remaining amount necessary to complete the project(s). Limited tax obligations, as with voted general obligations, should not be issued unless a stand-alone project results.

Section 3

Limited Tax General Obligation Community Revitalization Financing

Authority for Issuance: This financing method has been recently enacted and signed into law by the governor. It has not yet been used or tested by the courts so there is no assurance that this method can be used by the UGA.

To authorize a Community Revitalization Financing the County Commissioners must hold a hearing regarding the establishment of a boundary, the project and the repayment sources. Written permission must also be obtained by those taxing districts representing 75% of the taxes subject to reallocation under the act.

When authorized, the marginal increase in taxes that would have gone to the other taxing districts will go instead to the payment of the bonds issued by the County for the Community Revitalization financing.

Financing Purpose: These bonds were authorized by the legislature to allow for infrastructure improvements related to promoting business development.

Repayment Source: The debt will be a limited tax general obligation of the County that will be repaid in part by 75% of the marginal increase in taxes resulting from valuation increases to properties due to the improvements constructed with the financing. The balance of the repayment, if the marginal tax revenue is insufficient, will come from the general revenues of the County as with any limited tax bond. It is still a full faith and credit obligation. This

method of financing is intended to provide the tax revenues resulting from the increase in valuations created by the improvements constructed and the subsequent new valuations resulting from new business and homes attracted by the improved services, to pay for the financing.

Pros and Cons: The financing rates should be nearly in line with those of other limited tax general obligations of the County. The other districts that will lose tax revenues as a result of the increment district financing will not have use of those taxes as long as the debt is outstanding and perhaps longer. The incremental taxes will not likely be enough to satisfy the debt service requirements and projected future tax revenues may be far less than realized, creating political and financial difficulties for the County. As a limited tax general obligation, the issue would be subject to the impact of the tax limitation initiatives. The formation of the district will require the approval of the other districts. The port, public utility district and school district are exempt from reallocation of their portions of the marginal tax increase. The County can essentially accomplish the same objective by issuing limited tax obligations and dedicating through the budgetary process a portion of each year's tax levies and other revenues generated from the area of the UGA to repay the debt. This can be accomplished without hearings and written permission of other districts. A tax increment-financing bond would likely have an interest rate for a \$1million, 20-year bond equal to that of a standard LTGO. Caution should be taken when planning for such financings. Special attention needs to be paid to the anticipated revenue stream as the rate at which the development occurs can drastically impact the marginal tax revenues received each year. Changes in economic conditions can also affect the rate of valuation growth from development.

Combination with other financing methods: This financing method could be combined with other financing methods. However, this method of financing is intended for economic development purposes and so the projects financed may be restricted. If the intent is to pay the loan with the marginal tax revenues, the size of the financing will have to match the anticipated revenue stream.

Section 4

Road Improvement Districts

Authorization: Road improvement districts are formed by resolution of the County either by County action or by petition by the owners of properties to be benefited by the improvements. A hearing is held to establish the preliminary assessment roll, which is an estimate of the final cost of the improvement and the anticipated assessments against the benefited properties within the Road Improvement District (RID). If a sufficient number of property owners do not protest the formation of the District, the County Commissioners form the district and allow for the construction of the improvements. The approved improvements can include all of the necessary improvements to the road, including sidewalks, utility locating and landscaping. The costs of financing are also included in the assessment roll.

When the project is completed, the final costs are tallied and a final assessment hearing is held to "confirm" the assessment roll. Property owners can challenge the amount of their assessments and their proportionality to other assessments of but cannot opt out of the district at that point. The Commissioners act as a quasi-judicial body to rule on the challenges. A property owner whose challenge is rejected can take legal action through the

courts as prescribed by statute. By statute, the principal amount of the assessments against a property cannot exceed the increase in market value realized as a result of the constructed improvements.

Once the final assessment roll is confirmed, the County can sell bonds to pay off the short term construction financing. Assessments are then levied against the benefited properties. The assessments are not a tax. They do have a lien against the property superior to all liens except general taxes.

The County is not responsible for the repayment of the debt, only for the collection of the assessments including foreclosure of the liens, if necessary.

Repayment Source: Since the County is not responsible for the repayment of the debt; the assessment and the value of the property at foreclosure technically represent the only source for repayment. The assessment is a lien against the property itself, not the owner. Consequently, banks will not finance the purchase of property with an assessment lien without paying off the assessments and eliminating the lien. The assessments are collected once per year and used to redeem as many bonds as possible with the assessments collected. This process continues until the debt is paid.

As the bonds issued have a charge for payment only from assessments against the properties of the road district, the bonds do not carry as favorable rate as those of unlimited tax or limited tax general obligation bonds. A comparable rate for RID bonds of \$1 million with a 20-year term is 6.30%.

Pros and Cons: Road improvement districts assess the cost of the improvements constructed directly to those properties benefited. An agreement may be made by property owners in the district to pay assessments of other property owners. Once the property owner whose assessments have been paid sells or develops the property he or she must then reimburse the owners who paid his or her assessments, plus interest. For a RID to be completed there must be sufficient support within the district to form the RID. An RID project is not dependent on the acceptance of the County, only on the passage of the formation resolution by the County Commissioners. If property owners wish to promote an RID to the County, they can agree with the County to pay the engineering and design costs necessary to form the RID. Those costs can then be reimbursed from RID financing proceeds. A property owner can prepay all or part of his or her obligation, reducing his or her total cost of repayment. That cannot be done with general obligation bonds. The RID process can be time consuming potentially increasing the cost of the improvements. Since the interest cost is higher for an RID than for general obligation bonds the total cost of the RID repayment is also higher. Financing of RIDs typically requires the establishment of a reserve for payments that also adds to the cost of the RID. This reserve is normally 10% of the total loan amount. Since RIDs are an obligation of the property and not the County, there is little if any potential impact on the County's level of service.

Combination with other financing methods: The RID is suitable for all of the road projects if the benefit accruing to the properties will support the total cost of those improvements. Otherwise, it would be necessary to limit the size of the RID to those road costs and project improvements that would be justified by market value increases in the properties benefited. The RID would necessarily be sold as a separate financing from any other project financings

even if the other financings were necessary to complete the desired road improvements. RIDs will not be available for water improvements or trail improvements. Non-contiguous RIDs can be combined for a single financing.

Section 5

Local Improvement District

Authorization: The authorization for a local improvement district (LID) is very similar to that of an RID. Counties can form LIDs for water and sewer purposes among other public purposes that result in valuation increases to properties that match or exceed the amount of the assessments charged. If an LID is to be formed in the County for water and/or sewer purposes, the County must own, maintain and operate the water and/or sewer system created, charging rates and charges for the service.

Repayment Source: The repayment source for LIDs is the same as for RIDs, assessments against the benefited properties. The assessments are charged on an annual basis and bonds are paid the same way as with RIDs. LIDs and RIDs have a “Guaranty Fund”, as an additional source of security for debt issued. It is a reserve account that pays the debt when there is insufficient collection of assessments from the property owners to make the required debt payment. The guaranty fund also has a mechanism established to replenish the fund if draws are made from the fund.

Pros and Cons: In addition to the pros and cons of RIDs, the LID for water and/or sewer require the County to get into the utility business. This may not be desirable for the County because of the cost of initiating a utility, particularly for a small area or in an area remote from other County utility districts. The cost to benefit ratio may be too high for a new utility resulting in rates and charges for service that are significantly higher than those of comparable utilities in existence in the County. A comparable rate for a \$1 million, 20-year LID bond would be 6.30%

Combination with other financing methods: As with RIDs, the LID is related to a specific project type. Unless other funding is in place for part of the project not funded by the LID, it is not practical to form an LID. If funding is in place such as grants, loans or contributed funds, an LID can complete the funding need. Municipalities sometimes use a combination of funds when the benefit to the properties will not support the full project. It is possible to do an RID for road improvements and an LID for water improvements within the road right of way at the same time. However, the property must benefit in an amount equal to or greater than the combination of the cost of the two improvements, even though they are part of the same total project plan.

Section 6

Local Utility District

Authorization: Formation of the Local Utility District (LUD) is accomplished through the hearing process and established by resolution of the Public Utility District (PUD). The operation of the district, the assessments and collection of assessments is under the direction of the PUD. Except as provided by resolution, the process for the formation and

establishment of the final assessments, their collection and the financing of the LUD is strictly governed by the statutes.

Repayment Source: As with RIDs and LIDs the assessments against the benefited properties can be the sole source of repayment for debt issued. Unlike RIDs and LIDs, the LUD may also contain a pledge of the revenues of the PUD as an additional source of repayment for the debt. This pledge significantly increases the credit quality for the debt. The multiple sources of revenues available for debt repayment are often referred to as a double-barreled bond or loan.

Pros and Cons: LUD financing may, because of the double-barreled repayment source, carry lower interest rates than either LIDs or RIDs. The Clallam County PUD is in the water utility business, which avoids the initiation costs for an LID of the County. The PUD has other LUDs within the UGA, which will also serve to keep costs down for maintenance and service of the districts. The formation process is similar to the LID and RID process affording the property owner the opportunity to provide input and control as well as the ability to challenge the process. The PUD can construct water sources and storage that are amortized with rates and charges to all of its water customers within the system over a longer period than the term of the LUD financing. The PUD may not be willing to perform the preliminary engineering necessary to estimate the cost of the project and bring the project to the point of formation. However, these costs can be paid by property owners desiring the improvements and can be reimbursed from proceeds of financing of the project once the project is approved. The guaranty fund or debt reserve of the PUD may not be funded to the levels necessary for the project financing. This may necessitate an assessment increase or increase in rates and charges to fund the reserve to the appropriate level. That level will not exceed 10% of the principal amount of debt issued. Timing of the LUD process relative to the project funding as a whole will be under the direction of the PUD commissioners and not the County or the property owners. A \$1 million 20-year LUD bond with a revenue backing would carry a rate of approximately 5.80%. As with LIDs and RIDs, the LUD assessments cannot exceed the benefit to the properties and a stand-alone project must result.

Combination with other financing methods: It will be necessary to try to coordinate the timing of the PUD financing with other project financings, such as road construction, if the water service is to be constructed under portions of the road or along the right of way. If other sources of funds are available for the project, the LUD can be issued as a companion financing. It is not necessary to issue the LUD in the amount approved at the formation hearing if grant or other low cost funding sources are found and utilized. LUD funding will be limited to water and or sewer capital purposes.

Section 7

State Local Option Capital Asset Lending (LOCAL) Program

Authorization: Application to the LOCAL program is made through the County for capital equipment or for the purchase of real property. The state has a series of forms including an authorizing resolution that must be passed by the County as part of the lending process. The funding is established as a lease purchase by the County of equipment or real estate. The State pools several of the lease purchase agreements of other municipalities together

with that of the County and then sells certificates of participation (COPs) at a competitive sale several times a year on specified dates. Repayments made by the County are in terms of a lease payment to the State that are in turn paid to the certificate holders. The financings are limited to 10 years. The loan is considered a limited tax obligation of the County but is backed by the full faith and credit of the State.

Repayment Source: Though the repayment is considered a lease payment with respect to the program, from the point of view of the County the repayment is the same as it is for any limited tax general obligation. Therefore, the comments that relate to a limited tax general obligation applies to this financing.

Pros and Cons: The LOCAL program enjoys the credit rating of the State of Washington for COPs. That rating is AA2, which is one credit category lower than that of the highest investment rating range. As a result, the interest rate on the loan will be very attractive relative to similar types of financing. The program is refined to the point that the process is less stressful than issuing bonds to the public and the resulting cost of issuance is also lower. Since the State's COPs are issued on specific dates during the year care must be taken to match project timing to the receipt of funds. The COPs and the loan are limited to 10 years are not as flexible as to term and structure as limited tax bonds or assessment issues. As a result, the annual repayment will be more for a given size financing through the LOCAL program than for a longer termed bond of other financing methods. The State's LOCAL package cannot be paid off or called early by the County. The LOCAL program is designed for equipment purchases and buildings and is not suited for roads or well suited for water systems. The State LOCAL program loan would be approximately 4.90% for the 10-year loan.

Combination with other financing methods: The LOCAL program can be combined with other financing methods as long as the State can take a security interest in the project constructed which will satisfy the legal requirements of the lease structure used. If used for part of a total project, the timing of the financing may be an issue as well as the collateral. However, the process period for acceptance into the program is relatively short.

Section 8

Public Works Trust Fund

Authorization: The Public Works Board (Board) is authorized by state statute to loan money to counties and special purpose districts to repair, replace, or create domestic water systems, roads and streets.

The Board recognizes that projects of this nature can usually be broken into pre-construction and construction activities. Pre-construction activities include right-of-way acquisition, design work, engineering, permit acquisition, environmental review, and public notification. Construction activities focus on the activities that repair, replace, or create a facility. The Board offers pre-construction and construction loans and encourages jurisdictions to choose the one that best suits their specific needs.

The Construction Planning Loan Program application closing date is at the end of the year. Pre-Construction loans are available year-round beginning on July 1. Applications closing

dates are December 31 for loans for the following year. The same application form is used for both the Pre-Construction and Construction Loans. For the Construction Loan program, call for projects are on the 1st of February with application submittal due 1st week of June. ~~Since the Pre-Construction applications can be made year round, the application for Pre-Construction could be made in 2002 followed by the Construction loan application by June 1, 2003.~~ The chances for acceptance of the construction loan are significantly improved if the County is in the “ready-to-go” position, which the Pre-Construction financing will provide.

If an application is approved for funding, the County must pass the appropriate resolutions to authorize entering into the financing and to validate the issue.

Repayment Source: The Public Works Board allows voted and limited tax general obligations, utility revenues and assessments of assessment districts as payment sources for these loans. Each repayment method is subject to the statutes that govern such issues. The loans available from the Board range in rate from 0% to 5%, depending on the amount of “match” the local government provides.

Pros and Cons: The Public Works Board loans under the Public Works Trust Fund (PWTF) carry lower rates than can be obtained from publicly issued bonds or bank loans. The provisions and the covenants of the loans are designed as much as possible not to interfere with the borrowers other lending practices. The borrower must go through an application process and be ranked high enough to qualify for the funding. The borrower must also contribute to the project through its own funds or other financing as a local match in order to get loan rates as low as 0%. Repayment sources must be matched to the repayment dates for the loans or cash flow difficulties may arise. From the application process to funding is often more than a year. Projects must be in the ready-to-go state to have the best chance of success for approval by the Board for a loan.

Combination with other financing methods: PWTF loans can be combined with other funds and financing methods for project completion. The other funding sources must be in place in order for the PWTF lending to be approved. If grant funding should be approved after the process has begun, the grant is not considered part of the local match. The PWTF will finance nearly all of the types of projects contemplated in the UGA however; the timing of the funding with other sources may produce some delays.

Section 9

USDA Community Facilities Loan Program

Authorization: Authorization by the County to enter into the loan agreement with the Community Facilities Loan Program provides below-market interest rate direct and guaranteed loans for the development, construction, enlargement, improvement, and operation of essential community facilities for public use in rural areas. Eligibility is determined within 60 days, and approval determinations are made by the end of that fiscal year. There is no designated maximum Community Funds Loan amount, although each state may set such limits based on their allocations. However, the maximum term on all loans is 40 years. No repayment period will exceed any statutory limitation of borrowing authority or the useful life of the improvement or the facility. All loans are secured to

adequately protect the interest of the federal government. Bonds or notes pledging taxes, assessments, or revenues will be accepted as security if they meet statutory requirements.

Repayment Source: The project must be based on taxes, assessments, revenues, fees, or other satisfactory sources of revenue sufficient for operation, maintenance, and reserves, as well as to retire the debt.

Pros and Cons: If qualified, the program offers extended term loans at low interest rates. The approval process for the loans is faster than other low interest rate loan programs. No match is required to finance a project. All of the contemplated projects within the UGA except for the trail project are acceptable projects for the program. The PUD may also qualify for the loan program for the water system. The credit threshold for acceptance by the program may be higher for some of the Carlsborg UGA projects than can be provided. The program may require County participation and lien positions that the County may not accept.

Combination with other financing methods: The loan program can be combined with any other of the financing methods discussed. Like the other methods, a project must be stand-alone to be financed.

Section 10

Business Improvement Area

Authorization: To aid general economic development and neighborhood revitalization, and to facilitate the cooperation of merchants, businesses, and residential property owners which assists trade, economic viability, the County can establish parking and business improvement areas after a petition is submitted by the operators of businesses responsible for sixty percent of the assessments within the business area. The levying of assessments may be authorized in the business area for construction and maintenance of parking areas, management and promotion of the area, beautification and several other purposes for the improvement of the area. However, there is no authorization under the statutes for the issuance of debt of a business improvement area. It appears that all construction is on a pay as you go basis.

Pros and Cons: A business improvement area (BIA) established for the purpose of improving the appearance, construction of sidewalks, landscaping and other amenities could provide benefit to the businesses of the area. The projects and or maintenance for which assessments are levied must be paid by assessments that can be levied and collected within a year. Collection and enforcement of the collection of assessments is problematic since the assessments do not constitute a lien against the properties. Agreement and cooperation among the businesses to be assessed would have to be or nearly be unanimous for the area and collections to be successful.

Combination with other financing methods: Improvements through a BIA could be made independently or in combination with financings for projects. If combined with a RID or LUD assessment area, the business area improvements could not be considered part of the market value benefit as justification for the assessments of the RID or LUD. In addition, the success of the project funding could not be dependent on the assessments collected within the BIA.

Section 12

Grant and Loan Programs

The following is a listing of grants and loan programs that are available to assist with the planning and construction costs of transportation infrastructure for rural counties. A brief description of the program and the contact is listed to give an indication of the applicability to the Carlsborg UGA's needs. Some of these sources have already been mentioned within this report.

The first section contains the organizations or agencies that administer currently available grant and loan programs and the main contact name and number. The second section contains the grants and loans for most of the programs that are listed by the Infrastructure Assistance Coordinating Committee that have characteristics which appear to match the needs of the UGA. Funding timing and application periods for these programs may not all be appropriate for the needs within the Carlsborg UGA. The funding timing has not yet been updated from 2001 but since most if not all of the programs are ongoing, it can reasonably be assumed that the application periods could be moved to dates that would correspond for the year 2002. To determine the actual dates contact should be made with the respective agency contact person listed in the first section or in the program table.

PROGRAM	CONTACT	PHONE	DATE OPEN	DATE CLOSED	ONGOING?
Community Facility Loan and Grant Program	Joanne Rosenthal, State Loan Specialist -or- Sandi Boughton, CP Program Director	(509) 664-0200	1/1/2001	12/31/2001	YES
Emergency Community Water Assistance Grant Program	Joanne Rosenthal, State Loan Specialist OR Sandra Boughton, RUS Program Director	(509) 664-0200	1/1/2001	12/31/2001	YES
Guaranteed Business and Industry Loans	Randy Baird, RBS State Loan Specialist -or- Chris Cassidy, RBS Program Director	(509) 454-5743	1/1/2001	12/31/2001	YES
Guaranteed Water and Waste Disposal Loans	Joanne Rosenthal, State Loan Specialist OR Sandra Boughton, RUS Program Director	(509) 664-0200	1/1/2001	12/31/2001	YES
Intermediary Relending Program	Randy Baird, RBS State Loan Specialist -or- Chris Cassidy, RBS Program Director	(509) 454-5743	1/1/2001	12/31/2001	YES
Public Participation Emergency Grants	Kathy Seel	(360) 407-6061	7/1/2001	6/30/2003	YES
Public Works Trust Fund Emergency Loan Program	Cecilia Gardener	(360) 725-5006	1/1/2001	12/31/2001	YES
Public Works Trust Fund Planning Loan Program	Cecilia Gardener	(360) 725-5006	1/1/2001	12/31/2001	YES
Public Works Trust Fund Pre-Construction Loan Program	Cecilia Gardener	(360) 725-5006	1/1/2001	12/31/2001	YES
Route Jurisdiction Program	Omar Mehyar	(360) 705-7590	1/1/2001	1/1/2001	YES
Rural Arterial Program	Randy Hart	(360) 664-3299 ext 232	1/31/2002	9/1/2002	
Rural Community Assistance	Sheila Walker	(360) 725-4059	10/1/2000	7/1/2001	YES
Water & Waste Disposal Loans and Grants	Joanne Rosenthal, State Loan Specialist OR Sandra Boughton, RUS Program Director	(509) 664-0200	1/1/2001	12/31/2001	YES
Watershed Protection and Flood Prevention Program	Larry Johnson	(509) 323-2955	4/12/2001	9/30/2001	YES
WaterWorks, RCPG, NRSN Grants	Ken Pritchard	(206) 296-8265	1/1/2001	12/31/2001	YES

Transportation & Community & System Preservation Pilot Program	Department of Transportation	to plan and implement strategies that improve the efficiency of the transportation system; reduce environmental impacts of transportation; reduce the need for costly future public infrastructure investments; ensure efficient access to jobs, services, and centers of trade; and examine private sector development patterns and investments that support these goals.	Kathleen Davis	(360) 705-7377
Urban Pedestrian Safety and Mobility Program	Transportation Improvement Board	The Pedestrian Safety and Mobility Program provides funds to enhance and promote pedestrian mobility and safety as a viable transportation choice. The funds are distributed by the Transportation Improvement Board through a competitive project selection process. Of the funds obligated to the urban pedestrian safety and mobility projects within urban areas, forty percent will be allocated to projects on a statewide basis and then, at least fifteen percent will be allocated to projects in the east region, at least fifteen percent to projects in the west region and approximately thirty percent to projects in the Puget Sound region. Pedestrian Safety and Mobility Program projects in urban area are reimbursed in the same manner as Arterial Improvement Program projects.	Fred Brower, P.E.	(360) 705-7898
Community Development Block Grant General Purpose	Department of Community, Trade and Economic Development	Financial and technical assistance for infrastructure projects to benefit low and moderate-income persons. Eligible projects: Water pollution control (domestic wastewater and storm water), drinking water, housing, road, street and bridge projects.	Bill Prentice	(360) 725-3015
Community Economic Revitalization Board Traditional Program	Department of Community, Trade and Economic Development	Assist in financing growth-related infrastructure in economically disadvantaged communities that will result in specific private development or expansions in manufacturing, industrial assembly/distribution, processing, or warehousing.	Kate Engle Rothschild	(360) 725-4058
County Arterial Preservation Program	County Road Administration Board	Provide pavement preservation activities on paved county rural and urban arterials. Must use a pavement management system.	Randy Hart	(360) 664-3299 ext 232
Local Government Traffic Engineering Services	Washington State Department of Transportation	For all aspects of traffic and transportation engineering, focusing on safety problem areas, signing/signal application, flow problems, speed limits and agency responsibilities. Provide assistance with microcomputer application programs for traffic engineering services.	Ed Lagergren	(360) 705-7986
Public Works Construction	U.S. Economic Development Administration	Construct facilities to attract new industry, encourage business expansion, diversify the economy, and generate long-term private sector jobs. Eligible projects: Water and sewer facilities primarily serving industry and commerce; access roads to industries.	Lloyd Kirry	(206) 220-7682

Public Works Trust Fund Capital Facilities Planning Program	Department of Community, Trade, and Economic Development	Provides low-interest loans to finance capital facilities plans (CFPs). Eligible projects: Bridges, roads, domestic water, sanitary and storm sewer, and solid waste/recycling systems. Prefer comprehensive plans (which include a CFP or multi-system CFP),	Cecilia Gardener	(360) 664-2856
Public Works Trust Fund Construction Loan Program	Public Works Board	Revolving low interest (0.5%-2% depending on local match) loan fund to help local governments finance critical public works needs. Eligible projects: Repair, replace and improve bridges, roads, and systems for domestic water, sanitary and storm sewer, and solid waste/recycling.	Cecilia Gardener	(360) 725-5006
Public Works Trust Fund Planning Loan Program	Public Works Board	Provides low-interest loans to finance long-term capital facilities plans (CFPs).	Cecilia Gardener	(360) 725-5006
Public Works Trust Fund Pre-Construction Loan Program	Public Works Board	Low interest loans for the pre-construction phase of infrastructure projects.	Cecilia Gardener	(360) 725-5006
Rural Arterial Program	County Road Administration Board	Provide reconstruction and major rehabilitation of county rural arterials and FA-funded off-system bridges only. Arterials must be a federally classified rural minor or principle arterial, rural major or minor collector. Counties must not divert road levy except for traffic policing to be eligible.	Randy Hart	(360) 664-3299 ext 232
Rural Community Assistance	USDA Forest Service	Emphasis on comprehensive planning and partnerships that enable communities and Tribes to work towards economic diversification, long-term job creation, capacity building and sustainability. Grants are often used as seed money to help achieve readiness for the next step of development.	Sheila Walker	(360) 725-4059
Rural Mobility Grant Program	Washington State Department of Transportation - Public Transportation and Rail Division	Increase and improve rural communities' access to basic services. Accomplished by encouraging partnerships. Eligible projects: Three types of grant projects available: capital, planning and operations.	Valerie Rodman	(360) 705-7979

Section 13

REET funds, Development Charges, Impact Fees, Local Option Sales and Use Taxes As Sources of Revenue for Funding

REET funds: Real Estate Excise Taxes levied on real estate sales in counties planning under the Growth Management Act (GMA), can be used for needs described in the County's capital facilities plan. The proceeds of the tax are placed in the County's capital improvements fund. The REET funds collected may be used for the repayment of debt.

Development Charges: These charges are fees charged to developers for a proportionate share of the cost of infrastructure constructed to handle current and future capacity needs. The charges are typically used by water and sewer utilities to cover the cost of creating water sources, storage, treatment facilities and distribution mains to service excess capacity needed to meet the growth needs of the system. The charges serve to maintain the monthly rate structure at lower levels than would otherwise be the case. These charges are also referred to as "capacity charges", "capital improvement charges", "facilities charges" and "hook-up charges".

Impact Fees: Counties that are required or choose to plan under the GMA are authorized to impose impact fees on development activity as part of the financing for public facilities, provided that the financing for system improvements to serve new development must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. Impact fees may be collected and spent only for the public facilities defined in the statutes which are addressed by a capital facilities plan element of a comprehensive land use plan adopted by the county.

"Impact fee" means a payment of money imposed upon development within a service area as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee. Impact fees for system improvements are to be expended only in conformance with the capital facilities plan element of the comprehensive plan.

Local Option Sales and Use Taxes: In an effort to stimulate the local economy and increase employment in rural distressed areas, the 1997 Legislature enacted RCW 82.14.370 authorizing counties the option of passing a new local sales and use tax. Additionally, the legislation specified that the moneys collected should only be used for the purpose of financing public facilities in rural counties.

As a result, effective July 1, 1998, economically distressed counties were allowed to levy a new local sales/use tax of up to .08 percent. This new local tax option shall be deducted from the state's sales tax. Consumers will not bear an additional tax burden since the sales tax rate charged by retailers will remain the same.

Under this statute, a distressed county is a county in which the average level of unemployment for three years before the year the tax is first imposed exceeds the average state unemployment by 20 percent. Clallam County is currently listed as a distressed county.

Qualifying distressed counties must pass a resolution or ordinance levying the tax and notify the Department of Revenue 30 days prior to imposition of the tax. Notification should consist of a copy of the ordinance or resolution along with a brief cover letter explaining the rate change and the effective date of the new local tax option.

The public facility constructed or financed with the proceeds of the tax must be listed as an item in the officially adopted county overall economic development plan, or the economic development section of the county's comprehensive plan.

Recommended Financing Options

Those projects that directly benefit the property owners of the UGA in terms of market value increase, health and safety can equitably be the direct obligation of the properties and property owners that receive the benefit. Those projects or portions of projects that are of regional interest and of undeterminable direct benefit to the residents and businesses of the UGA can be equitably charged to the residents of the County as a whole and perhaps an additional marginal charge to the UGA inhabitants.

Section 1:

Water System Improvements

It appears clear that improvements to the water system that will serve properties not currently being served and that will provide for the future development of undeveloped properties, will directly benefit those properties and is best suited to the use of assessment district financing of the PUD. Additionally, the PUD has the capability to issue revenue debt that can be used to construct storage and pumping facilities that benefit all of the area residents and businesses with appropriate flow for peak demand periods and fire flow. The revenue debt will be repaid by water rates and charges, including capital facilities charges, on all of the ratepayers within their system.

The revenue project debt and assessment project debt can be combined into a single issue, improving the credit quality and lowering the interest cost for both. This combination can also be used as the repayment source of most low cost lending programs available for water system improvements.

The six-year Carlsborg Capital Facilities Plan estimates a total cost of \$1,230,483 for the water improvements. All or nearly all of the pipeline cost may be directly related to the properties not currently served. Additionally, A portion of the well and reservoir may also be attributed to provide a direct benefit to the properties not currently served.

Assuming an estimated cost of direct benefit equal to 100% for the pipeline, 20% for the well and reservoir, an assessment district financing backed by \$575,000 principal amount of assessments could be created. There are approximately 196 parcels that may be assessed resulting in a average assessment per parcel of \$2,933. The assessments are spread equally over 10-20 years depending on the final term selected for the debt. Interest is paid on a declining balance basis. LUD bonds are then sold by the PUD for the total amount of the project or \$1,230,000, with the assessment payments providing part of the revenue needed for repayment. The balance of the annual repayment is received from rates and charges of the water utility. An example of the debt repayment is demonstrated in Exhibit 2.

This is only an estimate of an average assessment. Some properties will carry larger assessments than others. It may be determined that more or less of the cost of the improvements are a direct result of the projects and benefit the properties which will increase or decrease the average assessment. The limiting factor for the assessment method is the amount of market value increase in the property resulting from the improvements

constructed. It is reasonable to assume that water improvements will result in a market value increase at least equal to the assessment charged.

An additional limitation on the assessments charged may result from assessments of other districts formed to construct other improvements such as the transportation improvements. If the assessments against properties in an assessment district become equal to too great a percentage of the total market value of the properties, lenders may be unwilling to invest in the financing. Should this happen, the option of the PUD is to attribute more of the total project cost to the revenue portion of the debt. However, this too may have a limitation because of the effect it may have on rates and charges for all of the customers of the PUD's water utility.

Section 2:

Transportation Improvements

Road widening and sidewalk improvements may require the use of an MAI appraiser to determine benefit to properties prior to the formation of an assessment district to construct the improvements. It is recommended that districts be formed for those improvements desired by the property owners abutting the improvements. Property owners not abutting the improvement but directly benefiting should also be included. To the extent that the cost of the desired or required improvements of the County, as well as those desired by the property owner cannot be included within an assessment district (RID), it is recommended that an LTGO of the County complete the funding requirement.

The revenue sources generated within the UGA including impact fees, REET funds, local option sales tax and incremental property tax revenues resulting from development spurred on by the improvements constructed, can be designated for repayment of any LTGO funding required.

It is not recommended that the County use the newly authorized Community Revitalization Financing statute as a financing vehicle, if the County desires the incremental tax revenues to be the sole source of payment of the debt. The incremental taxes generated in accordance with the statute will not likely be enough to support a significant level of debt. Additionally, the process is cumbersome and loss of tax revenue by the junior taxing districts may be politically charged.

The assessed valuation within the UGA is approximately \$93.4 million. For the purpose of an example, the annual debt cost of a twenty year \$632,000 loan would be in the order of \$54,000. A valuation increase within the UGA would have to be greater than \$108 million at an available levy rate of \$.50/\$1,000 assessed valuation to generate the required debt service. Those taxing districts that would be giving up their levy, have a combined levy rate in the UGA that would be available to the payment of debt of approximately \$1.88/\$1,000 assessed valuation.

If, for example the growth in valuation in the first year were \$5,000,000, 75% of that number would be available for the tax allocation. With the \$3,750,000 remaining amount it would take a levy of \$14.40/\$1,000 assessed valuation to generate the needed \$54,000. That is approximately 7.6 times the available levy. In other words, the \$1.88 levy would raise \$7,050.

The balance of funds required to pay debt would have to come from other County sources. Additionally, there is no assurance the growth in valuation will be over 5% per year.

As an alternative, we recommend the County determine likely annual revenues generated from several revenue sources within the UGA by examining the revenues currently received and which will likely be received as a result of projected growth. Using that figure, the County can then project the funds that will be available from the UGA each year and budget to dedicate those revenues necessary to pay the debt. The sources may include incremental increases in County tax revenues and sales taxes resulting from growth, REET and local option sales taxes, impact fees, if usable, and other charges made within the UGA by the County. The debt may be structured to match the expected revenue stream further mitigating any effect the debt repayment might have on revenues available for other County services.

As an alternate recommendation to the above designation of revenues, the County may entertain the possibility for forming a Business Improvement Area (“BIA”) that would encompass the businesses benefited by the improvements. An assessment, fee and/or charge structure for the BIA could be developed within the area and charged to the businesses, providing funds necessary to support all or a part of the debt for improvements within the area.

As with any limited tax obligation, the BIA financing would be an obligation of the County and any insufficiency of assessment, fee or charge revenue collections to pay the debt would have to be supplanted by other County revenues. Since there is no lien on the property for the assessments the County should use any legal means available under the laws of the BIA statutes to enforce payment. We recommend the County obtain the services of qualified bond counsel to explore the BIA revenue source alternative.

Attention to the repayment sources will also prepare the County for loan applications to the State agencies and federal programs for low interest loans.

Section 3

State and Federal Program Grants and Low Interest Loans

Grant and low interest rate funding options available from State and federal programs represent the most favorable means of financing the infrastructure needs of the Carlsborg UGA at the lowest possible cost and should be pursued for pre-construction and construction funding of the projects. However, grant and loan programs are intensely competitive particularly for grants and should not be relied upon during the planning process as a source of funds. Instead, the planning should assume traditional means of funding and other creative funding solutions to assure the success of the projects.

Many of these sources are designed to provide assistance for smaller community infrastructure needs within the context of the capital facilities plans of the governing municipal corporation. However, some of the loan programs do not provide for a means of repayment best suited to reflect the benefit to the property owners resulting from the improvements constructed. Consequently there are limits to the use of assessments as a means of repayment for such programs. Assessment districts can however, be used as

matching funds for the loan programs to qualify the project and to achieve the lowest interest rate level within the desired program.

When the facilities plan includes multiple needs, low interest loan programs are changing their focus towards funding requests that include multiple project requirements instead of individual project requirement applications. Additionally, the programs are more receptive to projects that are in the “go” position or ready to proceed immediately. Redundant costs are then avoided and a commitment to the success of the entire plan is recognized.

Section 4

Septic Monitoring

Although the Septic Monitoring program is not an issue for debt issuance, it is a related credit issue and is important to the success of the UGA. It is our feeling that funding for the payment of the annual costs of the program is best collected by the PUD as part of its utility business. The amount charged to each of the participants could then be part of the utilities rate structure and used to pay the cost of the service and the collection of the charges. Additionally, the PUD utility has the billing structure in place for the collection process. Any additional requirements of the PUD could be built into the rate structure.

The County could enter into an interlocal agreement with the PUD to provide the inspection team and for the PUD to provide the other services mentioned. The agreement could also provide that non-compliance of property owners with the program would result in the discontinuance of water service and whatever additional enforcement procedures are legally available to water utilities.

With an enforceable collection process, it would be possible to structure and obtain financing that could be used as a pool of funds to provide incentive property owners to make required improvements to their onsite systems. The fund could be set up as a revolving loan fund for this and similar programs of the County.

Appropriate counsel has not examined the legality of this suggestion.