

KITSAP COUNTY SEWER DISTRICT NO. 7

KITSAP COUNTY, WASHINGTON

RESOLUTION NO. 90-4

A RESOLUTION of the Board of Sewer Commissioners of Kitsap County Sewer District No. 7, Kitsap County, Washington, establishing connection charges.

WHEREAS, Kitsap County Sewer District No. 7, Kitsap County, Washington ("District"), owns and operates a sewer system that discharges partially treated sewage into Rich Passage; and

WHEREAS, the District is required by a consent decree entered in Kitsap County Superior Court, cause No. 86-2-01444-8, to upgrade its sewer system to include secondary treatment of sewage; and

WHEREAS, the District has adopted a comprehensive plan and engineering report dated July 5, 1990 for a system of sewers for the District ("Comprehensive Plan"), which plan consists of the construction and installation of all collection, transportation, treatment and outfall facilities necessary to meet the present and reasonably foreseeable future needs of the District, including construction of a secondary sewage treatment plant; and

WHEREAS, the Comprehensive Plan has been approved by Kitsap County and the Department of Ecology; and

WHEREAS, the Department of Ecology has determined that the District can be awarded grant funds to pay for a portion of the sewer facilities contained in the Comprehensive Plan; and

WHEREAS, the District must raise a portion of the funds for the sewage facilities through connection charges; and

WHEREAS, prior to the award of a contract for construction of the sewage facilities, the District must receive advance payment of connection charges in order to pay the non-grant portion of the costs of the sewer facilities, including but not limited to administration, property aquisition, easements, engineering, surveying and special site studies; and

WHEREAS, the Board of Sewer Commissioners has calculated the amount that owners of real property seeking to connect to the District's sewer system should pay so that their property bears an equitable share of the cost of the District's sewer system; now, therefore

BE IT RESOLVED BY THE BOARD OF SEWER COMMISSIONERS OF KITSAP COUNTY SEWER DISTRICT NO. 7, KITSAP COUNTY, WASHINGTON, as follows:

Section 1. An owner of real property that is located within the District and that is not currently connected to the existing sewer system of the District shall, as a condition of obtaining a commitment from the District to serve the real property, pay a connection charge as follows:

A. Where payment of the connection charge is made prior to the date of the contracts for construction of the sewer facilities contained in the Comprehensive Plan, \$5,605.<sup>00</sup> per equivalent residential unit.

B. Where payment of the connection charge is made after the date of the contracts for construction of the sewer facilities contained in the Comprehensive Plan, \$6,105.<sup>00</sup> per equivalent residential unit, plus interest from the date of the award of such contracts to the date of payment of the connection charge, or to a date ten years after the date of the award of such contracts, whichever is earlier, at a rate per annum equal to (1) the interest rate charged to the District for the District's interim or permanent borrowing to finance construction and installation of the sewer facilities contained in the Comprehensive Plan, whichever is applicable, or (2) if the District has not borrowed funds to finance such construction and installation, the Bond Buyer Revenue Bond Index plus 50 basis points for the date of the contracts for construction of the sewer facilities contained in the Comprehensive Plan.

The connection charge shall be in addition to any other fees and charges of the District applicable to the connection. For purposes of calculating the connection charge, an equivalent residential unit ("ERU") shall be equal to an average sewage flow of 259 gallons per day as determined by the District. The connection charge, as well as the sewer system contained in the Comprehensive Plan, is based upon 408 connections (ERUs).

Section 2. The connection charge established in Section 1 consists of each real property owners' pro rata share of the

cost of District sewer facilities which are of general benefit to the entire District. The connection charge does not include each real property owner's share of the cost of local sewer facilities, also known as collection sewers, which transport sewage from real property to interceptor sewers, pump stations, force mains and the secondary sewage treatment plant.

Section 3. Sewage disposal service charges shall be assessed against real property for which a connection charge has been paid from and after the date on which the secondary sewage treatment plant is placed in operation.

Section 4. An owner of real property who pays a connection charge to the District may transfer that connection charge to other real property within the District's service area upon written approval of the District, which approval shall not be unreasonably withheld.

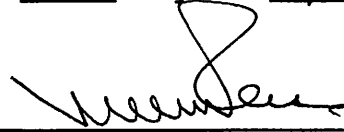
Section 5. An owners of real property who pays a connection charge to the District may, upon satisfaction of other applicable requirements, connect improvements on the real property to the District's sewer system from and after the date on which the secondary sewage treatment plant is placed in operation; provided, that where no improvements are constructed or installed on such real property within ten years of payment of the connection charge, the District may at its sole option purchase the connection at an amount calculated in accordance with Section 1(B).

Section 6. The connection charges authorized in this resolution are payments in aid of construction as defined in RCW 56.08.010 and contributions that represent a share of the cost of capital facilities as defined in WAC 458-20-179, which do not constitute taxable income in computing the public utility tax and the business and occupation tax.

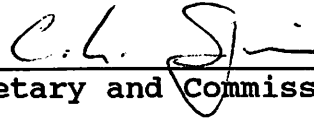
Section 7. Any acts made consistent with the authority and prior to the effective date of this resolution are hereby ratified and confirmed.

Section 8. In the event any portion of this resolution is hereafter determined to be unenforceable or portions thereof found to be violative of statutes or orders of court, then, in such event, only the portions of this resolution so voided shall be deleted and the rest shall remain in full force and effect.

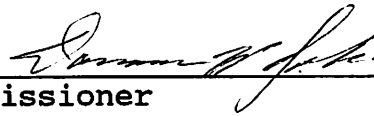
ADOPTED by the Board of Sewer Commissioners of Kitsap County Sewer District No. 7, Kitsap County, Washington, at a regular open public meeting this 11<sup>th</sup> day of December, 1990.



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President and Commissioner



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Secretary and Commissioner



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Commissioner

I, C.L. Spier, Secretary of the Board of Sewer Commissioners of Kitsap County Sewer District No. 7, Kitsap County, Washington, do hereby certify that the attached resolution is a true and correct copy of resolution No. 90-4 adopted on the 11<sup>th</sup> day of December, 1990, as that resolution appears on the Minute Book of the District.

DATED this 12<sup>th</sup> day of December, 1990.

C.L. Spier

