

CITY OF NORTH BEND, WASHINGTON

ORDINANCE NO. 1780

AN ORDINANCE OF THE CITY OF NORTH BEND, WASHINGTON, ORDERING CERTAIN UTILITY LOCAL SEWER IMPROVEMENTS; CREATING A UTILITY LOCAL IMPROVEMENT DISTRICT; ORDERING THE CARRYING OUT OF THE PROPOSED IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF THE COST OF SUCH IMPROVEMENTS BY SPECIAL ASSESSMENTS UPON THE PROPERTY IN THE DISTRICT; AND PROVIDING FOR THE ISSUANCE AND SALE OF REVENUE BONDS AND INTERIM FINANCING WARRANTS OR NOTES.

WHEREAS, RCW 35.43.120 provides that “[a]ny local improvement may be initiated upon a petition signed by the owners of property aggregating a majority of the area within the proposed district. The petition must briefly describe: (1) [t]he nature of the proposed improvement, (2) the territorial extent of the proposed improvement, (3) what proportion of the area within the proposed district is owned by the petitioners as shown by the records in the office of the county auditor, and (4) the fact that actual assessments may vary from assessment estimates so long as they do not exceed a figure equal to the increased true and fair value the improvement, or street lighting, adds to the property”; and

WHEREAS, upon receipt of a properly executed petition, the legislative authority must hold a public hearing after publishing notice of such hearing as provided in RCW 35.43.125 and RCW 35.43.150 prior to the formation of such proposed district; and

WHEREAS, the City of North Bend, Washington (the “City”) operates a municipal sewer utility for the benefit of all residents and businesses within the City limits, and thereby provides an urban level of public sewer services; and

WHEREAS, currently there is no public sewer in the Meadowbrook area of the City, which includes most of the westerly portion of the City, west of the South Fork Snoqualmie River, as more particularly described in Exhibit A; and

WHEREAS, in 2021, the City Council received signed petitions from a majority of the private property owners by area of Meadowbrook petitioning the City to form a utility local improvement district (“ULID”) in the Meadowbrook area described in Exhibit A for the purpose of extending sewer service to such area; and

WHEREAS, on February 15, 2022, the City Council adopted Resolution No. 2009 authorizing the Mayor to execute a petition related to City-owned property within the Meadowbrook area petitioning the City to form a ULID in such area; and

WHEREAS, the Public Works Director has determined that the petition is sufficient and that the facts set forth therein are true; and

WHEREAS, at its regular City Council meeting held on April 5, 2022, the Council unanimously accepted the petitions reflecting more than 64% of the property within the proposed Meadowbrook area ULID, and scheduled a public hearing for May 17, 2022; and

WHEREAS, the Public Works Director caused an estimate to be made of the cost and expense of the proposed improvements and certified that estimate to the City Council, together with all papers and information in such individual's possession touching the proposed improvements, and a statement of what portion of the cost and expense of the improvements should be borne by the property within the proposed ULID; and

WHEREAS, public hearings were held May 17 and June 21, 2022, after notice was provided by law, and after discussion of the proposed improvements and due consideration thereof and of all objections thereto, the City Council has determined to order the local improvements described below and to create a ULID in the Meadowbrook area; and

WHEREAS, estimates of the costs and expenses of the proposed improvements, a description of the boundaries of the proposed ULID, a statement of what portion of the costs and expenses of the improvements would be borne by the property within the proposed ULID, and a diagram showing the lots, tracts and parcels to be benefited and other information pertaining to the proposed district, have been filed with the City Clerk and certified to the City Council;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1.** The City shall design, construct and install sewer service facilities to the properties located in the herein after defined Meadowbrook Sewer ULID, including a sanitary sewer collection system, sewer conveyance system, sewer lift station(s), a forcemain crossing over or under South Fork Snoqualmie River, and necessary appurtenances as described in Exhibit B attached hereto and incorporated herein by this reference (together, the "Improvements").

**Section 2.** The Improvements, when designed, shall be in accordance with the City's Public Works Standards, the provisions of this ordinance and any other ordinances as hereafter may be adopted in connection with such Improvements; provided, however, that changes in detail of such plans that do not significantly alter the scope or costs of the Improvements will not require further approval.

**Section 3.** There is hereby established a ULID of the City to be known as "Utility Local Improvement District No. 7 (Meadowbrook)" (referred to herein as the "Meadowbrook Sewer ULID"). The boundaries the Meadowbrook Sewer ULID shall be as described in Exhibit A attached hereto and incorporated herein by this reference. It is hereby found that the above-described boundaries embrace as nearly as practicable all the property specially benefited by the Improvements.

**Section 4.** The total cost and expense of the Improvements thereto is preliminarily estimated to be approximately \$7,500,000 (as of 2021), of which 100% shall be borne by and assessed against the property within the Meadowbrook Sewer ULID specially benefited by the

Improvements. Assessments shall be made against the property within the Meadowbrook Sewer ULID in accordance with the special benefits accruing to such property.

The entire cost and expense of the Improvements including all labor and materials required to make a complete improvement, all engineering, surveying, inspection, ascertaining ownership of the lots or parcels of land included in the assessment district, and all advertising, mailing and publication of notices, accounting, administrative, printing, legal, interest and other expenses incidental thereto, shall be borne by and assessed against the property specially benefited by such Improvements included in the Meadowbrook Sewer ULID embracing as nearly as practicable all property specially benefited by such improvements.

In accordance with the provisions of RCW 35.44.047, the City may use any method or combination of methods to compute assessments which may be deemed to fairly reflect the special benefits to the properties being assessed.

**Section 5.** Upon completion of the Improvements, an assessment roll shall be prepared and, after notice and hearing in the manner provided by law, an assessment roll shall be confirmed. Assessments not paid within the 30-day prepayment period provided by law shall be payable in installments, and the City shall issue bonds as provided below. The number of years said installments shall run, the dates of payment of the same and the rate of interest that the unpaid installments shall bear shall be as hereafter fixed by ordinance.

**Section 6.** There is hereby created a fund of the City to be known as the “Utility Local Improvement District No. 7 Project Fund” (the “Meadowbrook Sewer ULID Project Fund”) for the purpose of paying the cost of the Improvements provided for in this ordinance and into which there shall be paid all of the assessments collected in the Meadowbrook Sewer ULID as and when directed by the ordinance confirming the assessment roll. All moneys received from the sale of bonds, notes and warrants drawn on the Meadowbrook Sewer ULID Project Fund shall be deposited into the Meadowbrook Sewer ULID Project Fund, and applied solely in payment of the costs and expenses of the Improvements.

**Section 7.** Bond anticipation notes or other short term obligations may be issued in payment of the cost and expense of the Improvement, such notes or other obligations to be paid out of the “North Bend 1979 Water and Sewer Revenue Bond Fund,” previously created and referred to as the Revenue Bond Fund, and, until the bonds referred to in this section are issued and delivered to the purchaser thereof, to bear interest from the date thereof at a rate to be established in connection with the issuance of such obligations, and to be redeemed in cash and/or by revenue bonds herein authorized to be issued. In the alternative, the City hereafter may provide by ordinance for the issuance of other short-term obligations pursuant to chapter 39.50 RCW.

The City is authorized to issue revenue bonds for the District (the “Bonds”), which shall bear interest at the rates, and to be payable on or before such dates, to be hereafter fixed by ordinance. The Bonds shall be issued in exchange for and/or in redemption of any and all bond anticipation notes issued hereunder or other short-term obligations hereafter authorized and not redeemed in cash within 20 days after the expiration of the 30-day period for the cash payment of assessments without interest on the assessment roll for the District. The Bonds shall be redeemed by the collection of special assessments to be levied and assessed against the property within the

Meadowbrook Sewer ULID, payable in annual installments, with interest at a rate to be hereafter fixed by the ordinance authorizing issuance and sale of the Bonds. The exact form, amount, date, interest rate and denominations of such Bonds shall be fixed by ordinance of the City Council. Such Bonds shall be sold in such manner as the City Council shall hereafter determine.

**Section 8.** It is the intent of the City to reimburse a portion of the costs of the Improvements with the proceeds of bonds to be issued by the City (the "Reimbursement Bonds") the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

**Section 9.** The payment of an assessment levied for the Meadowbrook Sewer ULID on underdeveloped properties (as defined in this Section 9) may be made by owners of other properties within the Meadowbrook Sewer ULID, if they so elect, subject to the following:

a. The owner(s) of the underdeveloped property on whose behalf payments of assessments have been made, shall reimburse all such assessment payments to the party who made the payments when those properties are sold, developed or redeveloped, together with compound interest at a rate, if any, specified in the reimbursement agreement.

b. Reimbursement shall be made on a lump sum basis.

c. In the event the underdeveloped property has not been sold, developed or redeveloped before the date that is two years prior to the maturity date of the Bonds, reimbursement shall be made no later than the time of dissolution of the Meadowbrook Sewer ULID.

d. Underdeveloped property shall be those properties that are undeveloped or are not developed to their highest and best use.

e. Reimbursement amounts due from underdeveloped properties shall be liens upon the underdeveloped properties in the same manner and with like effect as assessments made under this ordinance.

The payment of an assessment levied for the Meadowbrook Sewer ULID may be made by others (guarantors) pursuant to the terms of a cost allocation agreement, if they so elect, without reimbursement, subject to the property owner's assumption of the Meadowbrook Sewer ULID payment obligation upon the occurrence of certain qualifying events in accordance with the terms and provisions of such agreement.

**Section 10.** Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

**Section 11.** This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five days after the date of publication.

**ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON,  
AT A REGULAR MEETING THEREOF, THIS 2<sup>ND</sup> DAY OF AUGUST, 2022.**

**CITY OF NORTH BEND:**

  
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**Rob McFarland, Mayor**

Published: August 12, 2022  
Effective: August 17, 2022

**APPROVED AS TO FORM:**

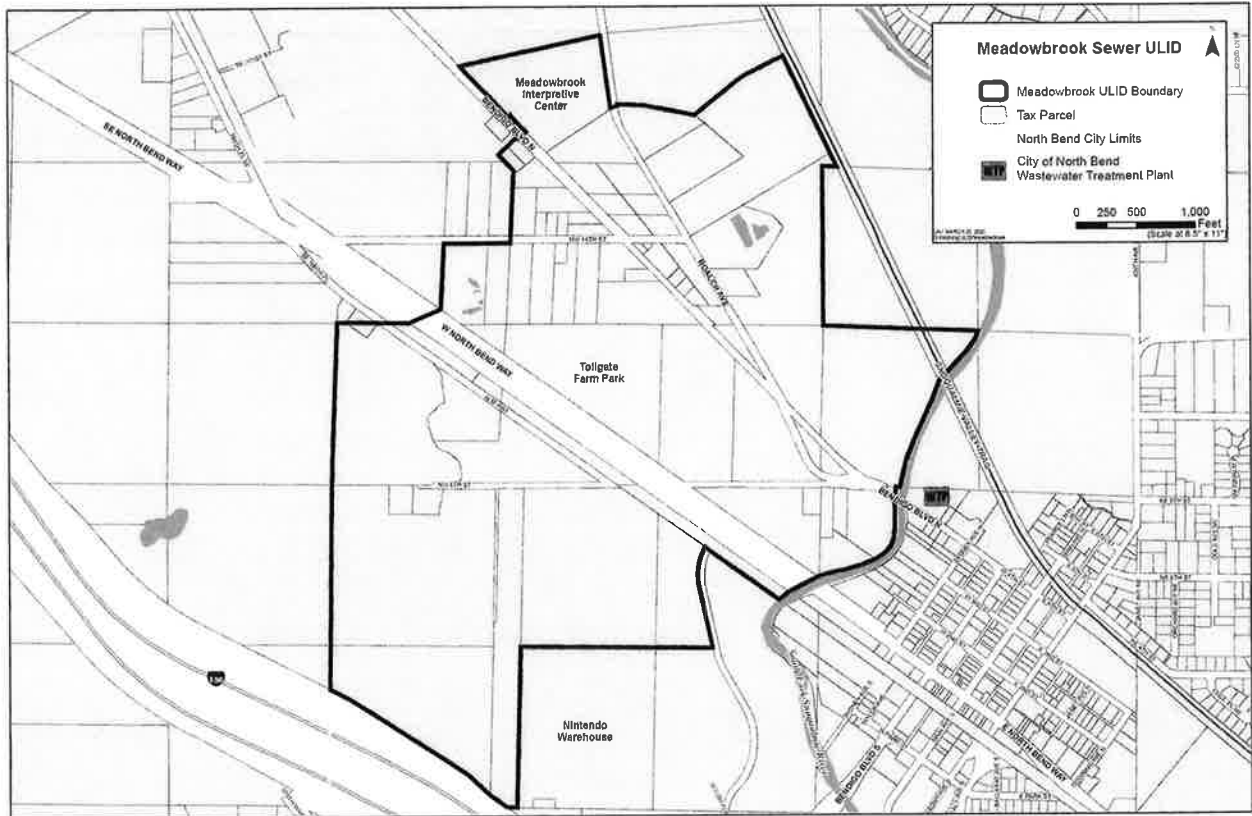
  
\_\_\_\_\_  
**Pacifica Law Group LLP, Bond Counsel**

**ATTEST/AUTHENTICATED:**

  
\_\_\_\_\_  
**Susie Oppedal, City Clerk**

**Exhibit A**

**ULID Boundary**



## **Exhibit B**

### **Improvements**

The Meadowbrook Sewer ULID comprises approximately 68 tax parcels in the northwest quadrant of the City of North Bend. The Meadowbrook Sewer ULID would provide public sewer to approximately 353 acres of City property that currently lacks public sewer. The area has lacked sewer for two primary reasons, both of which are addressed with certain components of the Improvements. First, the Meadowbrook Sewer ULID area is geographically isolated due to South Fork Snoqualmie River being located between the Meadowbrook Sewer ULID and the City's wastewater treatment plant ("WWTP"), thus the Meadowbrook Sewer ULID includes a pipe bridge. Second, the Meadowbrook Sewer ULID area is topographically lower in elevation than the WWTP, thus the Meadowbrook Sewer ULID includes lift stations and forcemains. Most of the proposed sewer system is not composed of gravity sloping pipes.

In addition to the pipe bridge, forcemains and lift stations, the Improvements also include sewer maintenance holes, sewer cleanouts, several gravity sewer pipes and a discharge into the City's existing WWTP lift station vault. Total cost of the Meadowbrook Sewer ULID has been estimated by Gray and Osborne to be approximately \$7.5 million (in 2021). Total benefits resulting from the Improvements as appraised by Sova Consulting are approximately \$11.6 million (in 2021).

The Improvements are expected to take 12-18 months to procure construction documents. To prepare the construction plans, the following professionals are expected to be used: Professionally Licensed Surveyor, Geotechnical Engineer, Civil Engineer, Structural Engineer, Electrical Engineer, Wetland Biologist, Cultural / Archaeologist. The Improvements are expected to take 9 to 12 months to permit, which includes a City of North Bend Grading Permit and HPA (hydraulic project approval) from Washington State Department of Fish and Wildlife. Construction of the Improvements is estimated to take 9 to 15 months, depending in part on what month of the year construction commences. The earliest construction could commence is estimated to be 2024 or 2025. The earliest possible completion year is estimated to be 2025.



# City Council Agenda Bill

SUBJECT:		Agenda Date: August 2, 2022	AB22-095
<b>Final Reading of Ordinance Regarding the Formation of the Meadowbrook Sewer ULID</b>	Department/Committee/Individual		
	Mayor Rob McFarland		
	City Administrator – David Miller		
	City Attorney - Mike Kenyon/Lisa Marshall		
	City Clerk – Susie Oppedal		
	Administrative Services – Dawn Masko		
	Comm. & Economic Development – Rebecca Deming		
	Finance – Richard Gould		
Cost Impact: Preliminary Assessment for City Owned Parcels = \$425,118	Public Works – Mark Rigos, P.E.		X
Fund Source: Sanitary Sewer			
Timeline: City payment would not begin for 3 - 4 Years and would be amortized over 20 years			
<b>Attachments:</b> Ordinance Forming ULID (with Exhibits A & B); Exhibit A – ULID Boundary Map, Exhibit B – Petitions, Exhibit C – Resolution 2009 (inclusion of City Properties), Exhibit D – ULID Petition Map, Exhibit E – G&O Cost Estimate, Exhibit F - SOVA Preliminary Feasibility and Special Benefits Analysis			
<b>SUMMARY STATEMENT:</b>			
<b><u>I. Tonight's Action:</u></b>			
Tonight's action is to take final action on an Ordinance which would authorize the formation of the Meadowbrook Sewer ULID (Utility Local Improvement District).			
<b><u>II. Recent Public Hearings:</u></b>			
There were two recent Public Hearings for the Meadowbrook Sewer ULID. Those occurred on May 17, 2022 and June 21, 2022. The purpose of the Public Hearings was to provide additional formal opportunities to hear from the public regarding the potential formation of the Meadowbrook Sewer ULID. On June 21, 2022 following the second Public Hearing, there was a 5-0 vote on the first reading of the Formation Ordinance.			
Currently, there is no public sewer in the Meadowbrook area, or anywhere west of South Fork Snoqualmie River inside North Bend City Limits. There are approximately 60 tax parcels located inside the proposed ULID boundary. Slightly more than half of those parcels currently include a structure and manage their sewage onsite with a septic system or use of onsite Honey Buckets. The other parcels are currently vacant.			
As required by State statute, the City provided notice for this Public Hearing by publication in the Snoqualmie Valley Record and individual mailings to all property owners within the ULID boundary. The City also provided a second mailing to all properties within the ULID boundary in an effort to best ensure that all such owners received actual notice of the Public Hearing.			
On May 17, 2022, the City held a Public Hearing where many public comments were provided regarding the ULID. A continued public hearing was held on June 21, 2022. On May 17, there was a fairly even mixture of support and opposition to the ULID. The end request from the Council meeting that night was for Puget Western to re-evaluate their Cost Reimbursement Agreement and update it to provide a more generous Agreement package to the approximate 18 residential property owners who live on NE 14 <sup>th</sup> and NE 8 <sup>th</sup> Streets who did not petition for the ULID and are opposed to the ULID. Subsequently, in late May and early June of 2022, Puget Western partnered with Peak View LLC to create an even more generous Reimbursement Agreement. The following is what Puget Western and Peak View LLC commit to City Council and the single-family residential property owners on NE 14 <sup>th</sup> and NE 8 <sup>th</sup> Streets who did not petition for the ULID.			
1. <i>Puget Western and Peak View LLC will carry the costs of the residences special benefit allocation fees in the form of a late comer's agreement that lasts for the entirety of the ULID term (approximately 20 years).</i>			



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2. *Within those 20 years, if a resident does either of the following, the resident or the new owner shall be required to begin paying for their remaining portion of special benefit allocations fees at that point:*
  - a. *Sell the residence to a new owner (new owner to begin paying fees owed at that time for the remaining portion of the ULID)*
  - b. *Owner renovates or builds on their property to the extent the renovation or development would require them to hook into sewer.*

*To provide specific examples:*

*For #1 – Joe Owner sells his home 5 years after the ULID has begun. Buyer Bob will be responsible for the monthly payments for the next 15 years to pay the property's proportionate share of the special benefit fee.*

*For #2 – Joe Owner decides to build a 5 bedroom, 4 bathroom house to replace his 2 bedroom 1 bath home on his 3 acres. The new house will require Joe Owner to install an upsized septic system which the city won't allow or provide the building permit for the new house unless they hook up to sewer. At permit issuance, Joe Owner will be responsible for the monthly payment for the remaining time of the ULID.*

*We find these two options are incredibly fair whereas the residences are not having to pay for anything until they end up monetizing or creating additional value to their properties. Let us know if you'd like to discuss further as we would obviously like to see the ULID passed and we feel this is fairly significant movement to protect the residences as the City Council has asked.*

City staff believes that Puget Western and Peak View are now going “above and beyond”. There are no ULID costs to those single-family residential property owners, if the property owner signs the Agreement, who choose to:

- sell their land;
- not develop their land for 20 years; or
- develop their land (property owner would be required to pay remaining ULID balance, but not reimburse for prior ULID payments made by Puget Western and Peak View).

### **III. Project Overview:**

In the summer and fall of 2021, a majority of private property owners by area inside North Bend City Limits within the Meadowbrook community signed and submitted petitions to the City of North Bend (City) with the hope and goal to form a Sewer Utility Local Improvement District (ULID). The Meadowbrook community currently lacks public sewer. A ULID would allow the City to design and build public sewer to benefit the Meadowbrook community. Specific ULID improvements would include a sanitary sewer collection system, sewer conveyance system, sewer lift station(s), a forcemain crossing over or under South Fork Snoqualmie River, and a discharge to the City's existing wastewater treatment plant.

Under RCW 35.43.120, the City Council has the authority to form a ULID upon receipt of petitions “aggregating a majority of the area within the proposed district.” Previously approved by City Council via Resolution 2009 on February 15, 2022 authorized the Mayor to execute the petition for City-owned property within the Meadowbrook Sewer ULID boundary. For the proposed Meadowbrook ULID, the combination of private properties and City-owned parcels includes signed petitions reflecting more than 64% of the ULID area. Attached is the ULID Boundary Map (Exhibit A). Signed ULID Petitions (Ex. B) have been received by the City of more than 64% by area within the Meadowbrook Sewer ULID area. Recently, City Council agreed by Resolution 2009 adopted on February 15, 2022 (Ex. C) to include City owned parcels in the ULID. Also attached is the updated, color-coded ULID Petition Map (Ex. D) that shows which parcels have petitioned for sewer.

### **IV. Project History and Public Outreach:**

As estimated in 2020, the total of soft service costs (surveying, environmental, engineering, archaeological / cultural, and permitting) and hard construction costs for the Meadowbrook Sewer ULID was estimated by engineering consultant firm Gray and Osborne (G&O) to be **\$7,452,000**. The estimate is attached as Exhibit E.



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In March 2021, SOVA Consulting (SOVA) prepared a special benefits study, appraising the properties within the proposed Meadowbrook ULID in order to determine (a) that the special benefits accruing to the properties within the proposed Meadowbrook ULID would exceed the estimated cost of the Meadowbrook ULID, and (b) if so, the proportionate shares (costs) that each property in the Meadowbrook ULID area would be assessed upon construction of the sewer utility facilities included within the ULID. The SOVA report was made available in 2021 to Meadowbrook property owners via letter and weblink and is attached as Exhibit F (Feasibility and Special Benefit Analysis). The SOVA report found that the total special benefit from the ULID (increased property value) would be **\$11,617,000** following construction of the new sewer facilities. Included in SOVA's Report at page 17 is a Property Matrix Table which provides a detailed summary of tax parcel numbers, property names, taxpayer names, property addresses, zoning, current uses, land areas, appraisal values of land (before and after public sewer) and a preliminary estimate.

Due to COVID restrictions, the City conducted a virtual (instead of in person) Town Hall Meeting on July 27, 2021, to receive public comment about the potential Meadowbrook Sewer ULID. Prior to the Town Hall, City staff mailed a letter to each property owner within the ULID boundary indicating the date and time of the Town Hall meeting. During the Town Hall, City staff provided descriptions of the sewer system being considered, the expected benefits of connection to public sewer, a description of the work that had been performed to that point, and possible next steps. At least seven members of the community provided public testimony.

Following the Town Hall, in late summer 2021, signed petitions by City property owners were submitted to the City from more than 50% of the private property owners by area in the Meadowbrook community. City staff subsequently recommended that City-owned parcels including developed properties currently on septic drainfield systems (or using Honey Buckets) also be included within the Meadowbrook Sewer ULID (e.g., Meadowbrook Farm Interpretative Center, Tollgate Farm Park, and Tollgate Historic House). The City Council authorized the Mayor to sign a petition including the City-owned parcels by Resolution adopted on February 15, 2022 (Exhibit B).

At the regular City Council Meeting on April 5, 2022, the City Council unanimously accepted petitions reflecting nearly 65% of the property within the Meadowbrook ULID boundary and scheduled a public hearing for May 17, 2022.

In April 2022, there were three separate correspondence letters mailed out. These included:

1. During the week of April 11-15, 2022, more than 30 days before the ULID Public Hearing on May 17, City staff mailed a letter to each affected property owner informing them of the public hearing and each of their assessment amounts. This letter was mailed to 60 plus property owners.
2. On April 25, 2022, the City mailed out a second letter to all ULID property owners further informing them. This was an additional notice that City staff felt was necessary. This letter was mailed to 60 plus property owners.
3. In late April 2022, Puget Western mailed individual customized letters to each of the 18 or 19 property owners, that contain single-family homes, to offer an agreement whereby Puget Western would pay upfront Sewer ULID cost for each parcel with provisions for reimbursement by the property owners in certain circumstances.
4. After hearing concerns from the property owners, Puget Western and Peak View, LLC (another commercial property owner within the proposed ULID area), revised the draft agreement to relieve current property owners from any reimbursement obligation. In early July 2022, Puget Western/Peak View mailed the revised agreement to all impacted residential property owners with an explanatory cover letter. The cover letter specifies that the property owners have until October 3, 2022, to make their decisions whether to sign the revised agreements. A copy of the PWI/Peak View transmittal to the property owners was provided to all Councilmembers on July 6, 2022.

### V. Bond Financing – Next-Steps

The proposed ULID formation ordinance contemplates that the City will issue bonds to finance the improvements within the ULID. ULID financing customarily occurs in two steps – short-term interim financing during construction



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and long-term take out financing after construction is complete and the assessment roll is finalized. Under the City's current water/sewer utility revenue bond borrowing program, the long-term bonds will be payable from assessments collected from property owners within the ULID, and (as a back-up pledge), net revenues of the water/sewer utility. The bonds will not be general obligations of the City and will not be payable from property taxes. The specific approval for the issuance any financing will be done by separate ordinance of the Council.

Municipal bonds can be issued on a taxable or a tax-exempt basis (for projects that fit within parameters of the federal tax code). If the proposed project does not fit within the parameters of the federal tax code for tax-exempt bonds or if the municipality desires greater flexibility with respect to use of the assets financed, municipalities routinely issue taxable bonds to finance public projects. For ULID financings, guarantee agreements (such as the proposed PWI/Peak View agreement) and similar arrangements with individual property owners may impact whether the City can issue tax-exempt bonds for the proposed ULID improvements. As a result, all or a portion of the proposed bonds may be issued as taxable obligations. Taxable bonds historically have had a higher interest rate over tax-exempt debt (generally 1-2%), however interest rates will not be known until closer to bond issuance. If Council approves formation of the ULID, City staff will continue to work with the City's bond counsel, Pacifica Law Group, and its financing team on the proposed financing.

### **VI. Staff Recommendation:**

City staff's recommendation is to move forward with the Meadowbrook Sewer ULID. Staff believe a sewer ULID is consistent with the City's obligations under the Growth Management Act and the North Bend Comprehensive Plan (and related planning documents) and will afford many benefits to the public such as:

1. It's an opportune time to provide needed infrastructure in this area of the City, which is consistent with the City's Mission Statement of "Build and Maintain Healthy Infrastructure".
2. Property owners will be able to pay their sewer ULID assessments over 15-20 years at a low interest rate. Assuming the ULID moves forward, the City will sell bonds resulting in sufficient funds to pay for the engineering, construction materials, construction labor, and associated ULID pre-formation costs.
3. In a more general sense, many City residents have been requesting the City to improve its own infrastructure. In staff's opinion, this ULID is a perfect example of how the City can respond to the public in a positive and tangible manner, and improve its infrastructure.
4. The ULID provides the opportunity and option for property owners to remove their existing septic drainfields and connect into a newly available public sewer system. While property owners within the ULID boundary will be required to make ULID payments, they are not required to actually connect to the sewer system. If they choose to do so, then they would be responsible for the "side sewer" construction necessary to connect their homes or buildings on private property to the new City sewer facilities installed in the public rights-of-way. The new sewer system will be managed by certified professionals. Over time, septic drainfields can contaminate the groundwater table, wetlands, and streams, which becomes a public health concern due to the number of private and public wells used for drinking water in the Upper Snoqualmie Valley. Currently, property owners in the area of the Meadowbrook ULID do not have the option for public sewer.
5. The total special benefits being added to the properties as determined by the SOVA report (\$11,617,000) exceed the total project costs (\$7,452,000) by approximately \$4,000,000, a fairly significant amount.
6. The City's Sewer Comprehensive Plan approved by Washington State Department of Health and Ecology back in 2017 forecasts public sewer for the Meadowbrook area.
7. There is a generous Cost Reimbursement Agreement being provided as an option to approximately 18 single-family residential property owners who wish to take advantage of such an opportunity. Each property owner can later choose to accept or not accept this private Agreement.



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### **VII. Next Steps:**

City Council's next step is to vote as a final reading on the ordinance which would authorize the formation of the proposed Meadowbrook Sewer ULID.

**APPLICABLE BRAND GUIDELINES:** Consistent delivery of quality basic professional services.

**COMMITTEE REVIEW AND RECOMMENDATION:** This item was reviewed by the Transportation and Public Works Committee at their March 22, 2022 and April 26, 2022 TPW meetings and was recommended for approval and placement on the Main Agenda.

**RECOMMENDED ACTION:** **Motion to approve AB22-095, an ordinance authorizing the formation of the Meadowbrook Sewer ULID, in a form and content approved by the City's bond counsel, as a final reading.**

### **RECORD OF COUNCIL ACTION**

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
May 17, 2022	Passed AB22-066 ULID Public Hearing	7-0
June 21, 2022	AB22-078 - Passed in 1 <sup>st</sup> Reading	5-0
July 19, 2022	AB22-090 – Postponed to 8/2/22 CC Meeting	4-3 (Koellen, Joselyn & Loudenback)
August 2, 2022	Passed Ordinance 1780	5-0