

FORMATION OF A LOCAL UTILITY DISTRICT (LUD)

Property owners within a defined area may petition the Asotin County Public Utility PUD (PUD) for formation of a Local Utility District (LUD) to finance the extension of water or sewer mains to serve properties. The formation of an LUD shall be subject to the following conditions and requirements.

1.1 Establishment and Definition

The PUD may establish and define the boundaries of LUD's to be known as Local Utility District (LUD) No. " " for the purpose of water or sewer distribution. The LUD shall be under the general supervision and control of the PUD. The PUD shall purchase, or otherwise acquire, or construct and equip distribution systems, and provide for extensions and betterments. To finance an LUD, the PUD may issue local improvement bonds or warrants and may levy and collect special assessments and reassessments on property benefiting from the LUD, to pay for associated costs and expenses.

1.2 Improvements, SEPA and Financing

The PUD will determine what work shall be done or improvements made at the expense in whole or in part of the property specially benefited by creating an LUD. The PUD is responsible for determining exemption from State Environmental Policy Act (SEPA) procedures. If not exempt, the PUD will prepare and issue an Environmental Checklist followed by either a Determination of Non-Significance (DNS) or an Environmental Impact Statement (EIS). The PUD will determine the appropriate approach for financing the project. Financing options include bonds or warrants secured by assessments against the property within the local utility PUD, or revenue bonds. For revenue bonds, no bonds or warrants shall be issued by the local utility PUD but assessments shall be levied upon the taxable property on the basis of special benefits up to, but not exceeding the total cost of the improvements. In such cases the entire principal and interest of such assessments shall be paid into a revenue bond fund of the PUD, to be used for the sole purpose of revenue bonds payment.

1.3 Petition and Resolution

Improvements shall be ordered by Commission resolution upon petition or by PUD resolution.

1.3.1 Petition

The Commission shall fix a hearing date when a petition signed by ten percent of the owners of land in the proposed PUD is filed, asking that a financially and economically feasible plan or improvement be adopted and ordered. At least two weeks public notice will be given for the hearing.

The commission may deny the petition or order the improvement, unless a majority of the owners of lands in the PUD file prior to twelve o'clock noon of the day of the hearing, with the secretary of the commission a petition protesting against the improvement.

1.3.2 PUD Resolution

The Commission shall adopt a resolution declaring intention of forming an LUD. At least two weeks public notice will be given for a hearing on PUD intent to form an LUD.

1.4 Establishing the LUD

If, after the hearing, the commission orders the improvement, it may alter the boundaries of the proposed local PUD and prepare and adopt detailed plans of the local improvement, declare the estimated cost, what proportion shall be borne by the LUD and what proportion, if any, shall be borne by the PUD. The PUD will create a fund to finance the LUD, acquire all lands and other properties, pay all damages, and commence in the name of the LUD the necessary eminent domain awards, and proceed with the work. The PUD shall file with the County Treasurer its roll levying special assessments for the amount to be paid by special assessment against the property in the LUD in proportion to the special benefits to be derived from the improvements.

1.5 Preliminary Notice

Before approval of the roll, a notice will be published for ten days stating: 1) the roll is on file and open to inspection in the PUD office, 2) a fixed time not less than fifteen nor more than thirty days from the date of the first publication of the notice within which protests must be filed with the secretary of the commission against any assessments, and 3) a time when a hearing shall

be held by the commission on the protests. After the hearing, the commission may alter any and all assessments shown on the roll and may by resolution approve it. If an assessment is raised, a new notice similar to the first shall be given and a hearing had thereon after which final approval of the roll may be made. Any person aggrieved by the assessments shall perfect an appeal to the superior court of the county within ten days after the approval in the manner now provided for appeals from assessments levied by cities. Engineering office and other expenses necessary or incident to the improvement shall be borne by the PUD, provided that when a municipal corporation included in the PUD already owns or operates a utility of a character like that for which the assessments are levied. All such engineering and other expenses shall be borne by the LUD.

1.6 Alterations to Assessments

The PUD will be responsible for only up to fifty percent of the cost of LUD improvements unless a majority of the electors of the PUD consent to or ratify a contribution of greater than fifty percent.

1.7 Final Notice and Payment

As soon as the assessment roll has been placed in the hands of the County Treasurer for collection, they shall publish a notice in the official newspaper of the County for once a week for two consecutive weeks. Within 15 days after the first publication, notice will be mailed to all property owners that the roll is filed for collection.

Any assessment may be paid within thirty days from the date of the first publication of the Notice without penalty, interest or cost. After thirty days, the remaining unpaid sum may be paid in equal annual installments extending over a period not to exceed twenty years. Interest on the whole amount unpaid at the rate fixed by the resolution shall be due on the due date of the first installment of principal and each year thereafter on the due date of each installment of principal. The first installment shall become due and payable during the thirty-day period succeeding a date one year after the date of first publication of the Treasurer's Notice and annually thereafter each succeeding installment shall become due and payable in like manner. If the whole or any portion of any assessment remains unpaid after the first thirty-day period, interest upon the whole unpaid sum shall be charged at the rate fixed in the resolution, and each year thereafter the installments

and interest due upon the whole of the unpaid balance shall be collected. Any installment not paid prior to the expiration of the thirty-day period during which the installment is due and payable shall become delinquent. All delinquent installments shall be subject to a charge for interest at the rate to be determined by the Commission.

1.8 Final Notice

Except as herein and otherwise provided, all matters and proceedings relating to the LUD, the levying and collection of assessments, the issuance and redemption of local improvement warrants and bonds, and the enforcement of local assessment liens, shall be governed by local improvement PUD laws.

1.9 LUD Administration

The formation of any LUD bond to be issued by the PUD shall be fixed by resolution.