

WASTEWATER INFRASTRUCTURE TASKFORCE AGENDA

Monday, September 15, 2008 4:30-6:30 PM
Kitsap Home Builders Association, 5251 Auto Center Way, Bremerton, WA

NOTE: The Home Builders Association of Kitsap County is allowing us to meet at their offices on the west side of Highway 3 south of Kitsap Way so we can use their large table to spread out maps. The following link shows the location:
<http://www.mapquest.com/maps?city=Bremerton&state=WA&address=5251+Auto+Center+Way&cat=Home+Builders+Association>

I. Welcome, Introductions & Agenda Review

II. Expediently Consider Our Prioritization Process

Here are a few facilitator-provided thoughts on how we can move forward:

At its August 14th meeting (see notes attached) the Taskforce decided:

1. The main task is deciding where to prioritize public funding for wastewater facilities within each UGA to most effectively enable orderly developer-funded new infrastructure
2. To work as a "committee of the whole" to prioritize infrastructure investments rather than meeting in groups assigned to specific areas
3. To consider both policy and geographic matters simultaneously
4. To identify low priority areas within a UGA first so as to clarify focus on high priority areas
5. To start our considerations with S. Kitsap County (*Unfortunately, our West Sound Utilities representative cannot attend this meeting. It is now recommended we begin with Silverdale and move next to Central Kitsap and take up South Kitsap when West Sound can attend.*)

The group also recognized that some UGAs have a "shorter clock" than others in light of the 2012 requirement set forth by the Growth Management Hearings Board. Also, for this part of our work, UGA boundaries and zoning are considered set.

It is important that we carefully note the reasons for the group's recommendations concerning prioritization in each UGA. These reasons may take the form of "principles" that may be generally applied throughout the county's urban areas. Examples of some possible principles include:

1. Health emergencies are the highest public expenditure priority
2. High priority should be assigned for repair existing infrastructure in danger of failing
3. Give strong priority for projects that enable infill of developed UGA locales that don't currently have sewers

For more information, please visit the project website at
http://www.kitsapgov.com/boc/Special_Projects_Division/WIT/wit.htm

4. Prioritize opportunities that both extend sewer service to new UGA development and encourage the earliest possible full utilization of the infrastructure

Our process steps for setting the prioritization of public investment in wastewater infrastructure (not necessarily in the sequence listed) should include the following:

1. Work first on the "shorter clock" UGAs
2. Agree on the geographic parts of a UGA that are unlikely to be developed in the next 15 or more years
3. Consider how to provide priority attention to "health emergency" locales in the most efficient, cost effective manner
4. Determine how/when to serve existing development
5. Find opportunities to use investment of specific public funds to maximize utilization of existing and new infrastructure in a rapid, orderly manner
6. Agree on a sequence or sequences of wastewater infrastructure development within the UGA, aim and specify public investment to encourage the sequence(s), and assure service levels are timely matched to estimated population
7. Record the recommendations and rationales and, if necessary, divergent viewpoints
8. Continuously develop and refine principles for determining and adjusting prioritization

We need to be prepared for our efforts to be somewhat iterative with possible reconsideration required as we develop and refine our prioritizing principles and steps. In any event, careful record keeping is critical. Projected type-written notes will be kept so that all can see and discuss what has been recorded.

III. Silverdale Prioritization Discussion

IV. Central Kitsap Prioritization Discussion

V. Agree on Order of Consideration for Remaining Areas and Continue meeting to Thursday, September 18th at 4:30 p.m. at the Home Builders Association Offices.

wastewater infrastructure taskforce

meeting notes – august 14, 2008

The meeting started at 4:35 p.m. with the following persons present:

Larry Curles	Jeff Rowe-Hornbaker	Art Castle
Tom Nevins	Ned Lever	
Tom Donnelly	Ken Attebery	
Richard Brown	Dave Tucker	
Angie Silva	Betsy Cooper	Karmen Martin
Barry Loveless	Ron Ross	Mike Sharar

Welcome and Agenda Review:

Overview of agenda

Funding Discussion (Continued from July Meeting)

Tax Increment Financing

Pros:

- No strings on funds
- Lowers total cost that is locally paid for
- Doesn't bind future incorporation efforts
- No downside in pursuing

Cons:

- Limited to CERB LIFT program (each jurisdiction can get only once)
- Can receive no more than 1 million
- Competitive process (somewhat of a long shot)
- State legislature has been reluctant to use this state financing tool
- State legislature would need to make this a high priority, but it could happen – this is something WIT would need to recommend to the legislature

Tax Municipal-Lease Financing

Pros:

- Rent-to-own option
- Design-to-build option

Cons:

- Extremely complicated
- Usually involves extensive legal review

Depreciation issues from investor perspective
Service life issues (provision of maintenance and lifespan of assets after lease)
Can be costly to public entity

Federal Tax Credit Program (introduced by Dick Brown)

Need more info:

Can it be applied in limited circumstances?
Is it applicable?
What are the limits?

Funding Summary:

- Leave no stone left unturned
- Some options are more attractive than others
- Concentrate on Tax Increment Financing over Tax Municipal-Lease Financing
- Legislative action is required for most – money is not available immediately

Prioritization Discussion

Prioritization/Phasing

- Facilitator says his use of the word “phasing” does not mean one phase must be entirely complete before another begins. So, we are using “prioritization” to be clear that various parts of a UGA could be under development at the same time provided there is an orderly sequence
- Mandatory Elements:
 - Basic requirements are in the GMA RCW (i.e., what is there, what is needed, where should it go, how big, cost).
 - Prioritization is one of the requirements – need orderly development of infrastructure as requirements are further specified in the GMA WACs
- Wastewater Infrastructure Plan Goals
 - Inventory (mapping all but done - available in September)
 - Cost estimates (These will be developed in slightly different ways depending on service provider’s approach. Annually revisit estimates. Likely will use unit costs for estimates, not site specific cost estimates until facilities are well within the six year window.)
- Flexibility in arrangements (any number of ways to set up prioritization “zones” within UGAs)
- Urban levels of service in UGA achieved over 20 years constitutes the “box” – can break down in any way as long as service is extended in an orderly manner
- Assumptions
 - The task is to prioritize public investment in wastewater infrastructure
 - Context is 10 UGAs and multiple jurisdictions

- UGA boundaries and zoning are set for the purposes of this prioritization work
- Original areas have 4 years remaining on the clock (not all 10 UGAs start their 20 years at the same time)
- Can get “most bang for the buck” by addressing geographically (Dick Brown)
- Should it be more policy-oriented instead of geographic?
- For existing residential areas, assign lower priority to areas that are underdeveloped
- Prioritization occurs only to the extent that public money is available – prioritize where we spend the public’s money
- Developer’s need predictability (Dick Brown)
- Planning changes (evolving target). Deal with things as they happen (Ron Ross)
- Some UGAs are constricted, some are expanded
- Need narrative of prioritization (Betsy Cooper)
- Some areas need to be addressed in 6-year CIP; some more out in the future (within the 20 year window)
- If another area is ready to go from development-funding perspective, then nothing implicit that says that shouldn’t happen (Mike Sharar)
- Prioritization will change if area that was previously identified as a low priority area is developed (Art Castle) – not a problem, revisit every 6 years (Mike Sharar)
- Recommend local action and legislation to extend maximum length for latecomers fee (developers need some reasonable certainty that they’ll get money back) and possibly include an interest component

Prioritization Process

- Use small group format to address geographic sub-areas and come up with prioritization plans – bring back to aggregate. Reasonable? (Mike Sharar)
- Makes more sense to develop as a group so that there is a homogenous solution. Group prefers this approach

Decisions Summary:

- Factors – use combination of geography and policy
- Identify low priority areas to get to high priority areas
- Prioritize areas as a whole group, not in geographic sub-area groups
- Address South Kitsap County area first

Miscellaneous

- Process suggestions (Dick Brown)
 - Need quarterly meetings
 - Staff should make initial decision
 - Committee should approve final draft before going public
- Process description (Mike Sharar)

- Report will be prepared based on staff input and decisions/review by the WIT, not by staff
- Report will go to Commissioners when WIT approves it
Results may be in the form of a recommended action plan

 - Reference documents handed out to group (Art Castle)
NAHB – Building for Tomorrow. Innovative Infrastructure Solutions
(handout)

Future Agendas/Additional Business:

Review of Accomplishments:

- Discussion of 2 remaining funding mechanisms
- Discussion of prioritization
- Decision on how to proceed with prioritization effort

Future Agenda:

- Two meetings in September (15th and 18th)
- Maps will be available from Kitsap County by end of August (will have for September meetings)

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