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*Commissioners*  
*Brian Sheldon – Gwen Brake – Glenn Ripley*

**April 15, 2014**

**Meeting Date:**

April 21, 2014

**Agenda Item:**

Resolution 10-2014 amendments to Customer Generated Infrastructure Policy

**Submitted By**

Bill Neal

**Recommended Action:**

Approval of Resolution

**Summary:**

The District has completed its first CGI project. There were some lessons learned and request from the Board that required modifications to the Policy.

The policy called for the General Manager to award the contract for the work provided the bids were not more than 10% more than the estimate provided in the report that the Board approved by motion at the Public Hearing. The Board requested the policy be changed so the Board awarded the contract for the work.

The General Manager is asking for several subtle changes to make the policy more consistent with its original intent.

**NORTH BEACH WATER DISTRICT  
PACIFIC COUNTY, WASHINGTON**

**RESOLUTION 10-2014**

**A RESOLUTION OF THE NORTH BEACH WATER DISTRICT OF  
PACIFIC COUNTY, WASHINGTON, AMENDING RESOLUTION 18-  
2013 CUSTOMER GENERATED INFRASTRUCTURE**

**WHEREAS**, the Board of Commissioners of the North Beach Water District adopted Resolution 18-2013 on July 22, 2013 establishing the Customer Generated Infrastructure Policy; and

**WHEREAS**, the Board of Commissioners of the North Beach Water District now desire to amend the Customer Generated Infrastructure Policy; now, therefore

**Be It Resolved**, by the Board of Commissioners of North Beach Water District, Pacific County, Washington, to approve the following changes to the Customer Generated Infrastructure Policy (Policy):

**Section 1.**

Section 1 of the Policy will be modified to include the following sentence after the first sentence, *"Undeveloped properties in the area may also benefit from this policy provided, the properties that initiate the Customer Generated Infrastructure are developed single family residences."*

**Section 2.**

The first sentence of section 4 of the Policy will be modified to read, *"The Board must proceed further with the request if it is supported by at least thirty percent (30%) of the owners of real property that will be served by the proposed project as shown on the records of the county assessor."*

**Section 3.**

The Term *"affected real property"* shall be changed to *"benefitted real property"*.

**Section 4.**

The third sentence in section 5 of the Policy will be modified to add the following; *"provided the property does not*

*currently have a District water main abutting a different property line through which they have access to water service."*

**Section 5.**

The first sentence in section 6 of the Policy will be modified to read as follows, *"After Board approval of the project, the General Manager will cause the project to be designed and obtain bids for the project, or at the General Manager's discretion, use the small works roster for projects that qualify."*

**Section 6.**

The second sentence in section 6 of the Policy will be modified to read as follows, *"If the General Manager receives at least one responsive quote or bid from a responsible bidder that is not more than ten percent (10%) greater than the General Manager's estimate, and the General Manager recommends a contract for the Project be awarded then, the Board will award the contract by motion at a regular or special meeting."*

**Adopted by** the Board of Commissioners of North Beach Water District, Pacific County, Washington at its regular meeting held on the 21<sup>th</sup> day of April, 2014.

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Brian Sheldon, Commissioner  
Position #1

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Gwen Brake, Commissioner  
Position #2

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Glenn Ripley, Commissioner  
Position #3

## **CUSTOMER GENERATED INFRASTRUCTURE POLICY**

### **1. Purpose.**

The Board of Commissioners may authorize construction and financing of water mains and facilities ("water extensions") to serve an area of existing single-family residences pursuant to this policy. Undeveloped properties in the area may also benefit from this policy provided, the properties that initiate the Customer Generated Infrastructure are developed single family residences.

### **2. Property owner request.**

One or more property owners, on which are located existing single-family residences, may request the District in writing to construct and install a water extension to serve the residences. The request must be through an application, in a form approved by the General Manager. The application must include the name, address, telephone number and email address of every property owner requesting water service. The application must be accompanied by a non-refundable Customer Generated Infrastructure Application Fee identified in section 1.01.390 of North Beach Water District's Rules and Regulations. For an application filed by the owner of one single-family residence to serve only that residence, the procedures and requirements of this chapter will apply; provided, that the Board of Commissioners ("Board") will not hold a hearing pursuant to Section 5 or a supplemental hearing pursuant to Section 6, but instead will send a letter to the requesting owner, inviting the owner to attend the meeting at which the project or the quotes for the project will be considered by the Board.

### **3. District review of request.**

Upon receipt of the request and payment of the Customer Generated Infrastructure Application Fee, the Districts General Manager or designee ("General Manager") will prepare a report on the request. The report will include the size and location of the water extension necessary to serve the property of the requesting owner(s), the estimated cost of the proposed project, the estimated pro rata share of the cost to be borne by all benefited real property owners, the amount of the Water System Connection Charge, a statement of whether the proposed project may be constructed pursuant to the small works roster, and any other information deemed relevant by the General Manager. The General Manager may consider whether the water extension should be larger in size ("oversizing") than is necessary to serve the benefited real property. If the General Manager determines that the water extension should have oversizing, the General Manager will also include in the report all relevant information related to the

oversizing, including but not limited to, the size and depth required for the water extension to serve the benefited real property, the size of the oversizing and the estimated cost of the oversizing, which will be paid for by the district. The General Manager will send a copy of the report to all requesting property owners.

**4. Property owner support for request.**

~~*The Board must proceed further with the request if it is supported by at least thirty percent (30%) of the owners of real property that will be served by the proposed project as shown on the records of the county assessor. The Board must proceed further with the request if it is supported by the owners of thirty percent (30%) of the real property that will be served by the proposed project, as shown on the records of the county assessor.*~~ The Board, at its discretion, may determine by motion to proceed further with a request that is supported by less than thirty percent (30%) of the real property that will be served by the proposed project. Each requesting owner must execute and submit to the district, prior to the setting of a hearing on the proposed project as provided in Section 5, a participation agreement for customer generated infrastructure ("CGI agreement") in a form approved by the General Manager. The CGI agreement must include a provision that the owner appoints the General Manager or designee as its "attorney-in-fact" to execute the contract amendment of Section 7 if the owner or its successors in interest fail to execute the installment payment contract of Section 10 within thirty days of a written request to do so by the General Manager. The District will establish the interest rate and Water System Connection Charge at the date of execution of the CGI agreement.

**5. Hearing and Board consideration.**

Following submission of the signed CGI agreement(s), the Board will set a Public Hearing on the proposed project. Notice of the Public Hearing must be sent by first class mail to the owners of ~~affected~~benefitted real property, as shown on the records of the county assessor, at least ten days (10) before prior to the hearing. The term "~~affected~~benefitted real property" means real property that will abut (front) the water extension; provided the property does not currently have a District water main abutting a different property line through which they have access to water service. The owners hereafter shall be referred to as the "requesting property owners" and the "non-requesting but benefited property owners." The notice must include, in summary form, the information described in Section 3. The notice for the non-requesting but benefited property owners shall include a statement that such property owners are not required to connect to the District water system upon completion of the project, and that connection to the District

water system thereafter is optional. The Board may approve the project by motion. The Board may approve oversizing of the project by resolution. If Board does not approve the project, the CGI agreement(s) will become void and the down payments will be refunded.

**6. Bids for project.**

~~After Board approval of the project, the General Manager will cause the project to be designed and obtain bids for the project, or at the General Manager's discretion, use the small works roster for projects that qualify. After Board approval of the project, the General Manager will design and bid the project, or at the General Manager's discretion, use the small works roster for projects that qualify. If the General Manager receives at least one responsive quote or bid from a responsible bidder that is not more than ten percent (10%) greater than the General Manager's estimate, and the General Manager recommends a contract for the Project be awarded then, the Board will award the contract by motion at a regular or special meeting. If the quotes or bids are ten percent (10%) or less above the General Managers estimate, the project will proceed to construction.~~ If the quotes or bids are more than ten percent (10%) above the General Manager's estimate, the General Manager must send a notice by first class mail to the ~~affected~~benefitted real property owners, which notice will advise the ~~affected~~benefitted real property owners of the General Manager's estimate and the quote or bid, and will request such owners to indicate their interest in proceeding at the actual cost of the project. Based on the answers of such owners, the general manager must advise the Board, at a meeting of the Board, of the reasons for recommending acceptance or rejection of the quotes or bids. If the bids are acceptable to the Board, the Board will, by motion, accept the quotes or bids, and the project will proceed to construction. If the Board rejects the quotes or bids, the Board must set a supplemental hearing on the proposed project, notice of which must be given to the same owners in the same manner as the original hearing. The notice must include a short explanation of the reasons for recommending rejection of the quotes or bids. After the supplemental hearing, the Board may authorize by motion continuation or termination of the project under such terms and conditions as are approved by the Board. If the project is terminated, the CGI agreement(s) will become void and the down payments will be refunded.

**7. Acceptance and final approval of project.**

After final acceptance of the project, the Board must by resolution approve the final cost and pro rata share of the project (without oversizing). The resolution must include the nature and extent of the project (without oversizing), the total costs, the method of determining the pro rata share, the pro rata share for each ~~affected~~benefitted real

property, the legal description of the affectedbenefitted real property, and any other information deemed appropriate by the Board. The final cost of oversizing, as determined by adoption of a resolution of the Board, will be considered a component of the District's Water System Connection Charge.

**8. Local facilities charge.**

The pro rata share of the project that is assessed upon the affectedbenefitted real property shall be deemed to be an equitable share of the cost of local facilities, and payment thereof will satisfy the District's local facilities charge.

**9. Segregation of local facilities charge.**

The owner of real property subject to a local facilities charge may submit a written request to the District to segregate the charge. The request must reference the Resolution establishing the local facilities charge, identify the original real property, contain a description of the proposed divided parts, and show the proposed amounts of the charge for the divided parts. The Board may by resolution segregate the local facilities charge. The owner must pay a Reimbursement Segregation Fee identified in Section 1.01.390 of the District's Rules and Regulations for this request.

**10. Payment of connection charges—installment payment agreement**

Within seven days after the Board adopts the Resolution approving the final cost and pro rata share of the project, the General Manager must send to all property owners who have signed a CGI agreement a copy of the Resolution and the final installment payment agreement, in a form approved by the General Manager. The General Manager also must send a notice to all such property owners, requiring them to sign and return the final installment payment agreement within thirty days of the date of the notice, and requiring them to submit an application and related filing fee for connection to the District's water system within the same thirty-day period. If such property owners have not returned a signed installment payment agreement within the thirty-day period, the general manager shall exercise the power of attorney granted in the CGI agreement to execute the installment payment agreement on behalf of the property owner. The general manager will cause all executed installment payment agreements to be recorded with the Pacific County Auditor. The Water System Connection Charge for the property covered by an installment payment agreement shall be the amount of such Charge in effect at the time the CGI agreement was executed, as long as the property owner connects the property to the project within thirty days of approval of the connection by the District, as provided for in section 11.

**11. Required connection.**

The property owners executing the CGI agreement must connect to the project. These property owners must submit the Water Service Application and Fee within thirty days of the date of the notice in Section 10. These property owners must complete connection to the project within thirty days of the District's approval of the Application. If these property owners fail to file the Application and pay the Fee by the deadline, or fail to connect within thirty days of the District's approval of the Application, the District shall commence water service charges against the property owner and the property in accordance with District's Rules and Regulations.



Note: Italicized bold words are changed or added language to the original policy. Italics will not be carried over to final policy.

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Section 10. These property owners must complete connection to the project within thirty days of the District's approval of the Application. If these property owners fail to file the Application and pay the Fee by the deadline, or fail to connect within thirty days of the District's approval of the Application, the District shall commence water service charges against the property owner and the property in accordance with District's Rules and Regulations.