

AGENDA REQUEST FORM

**Return completed form and complete agenda item to the Clerk of the Board
Yakima County Commissioners' Office, Room 232**

Prepared by:
Joe Stump

Department: Public Services

Requested Agenda Date: 01/19/2021

Presenting: Lisa Freund

Document Title:

Board of County Commissioners Record Assigned

016-2021

APPROVED FOR AGENDA:

Consent Regular

Board of County Commissioners Determined

In the matter of ordering certain local improvements and creating a local improvement district; providing for the payment of the cost of such improvements by special assessments; creating a local improvement district fund; and providing for the issuance and sale of local improvement district bonds and interim financing warrants or notes.

Action Requested: *Check Applicable Box*

PASS RESOLUTION EXECUTE or AMEND **AGREEMENT** CONTRACT or GRANT

ISSUE PROCLAMATION PASS ORDINANCE OTHER _____

Describe Fiscal Impact:

None. The purpose of the local improvement district is to provide a means of repaying loan funds if project costs exceed available grant funds. The Washington State Department of Health is providing \$700,000 in grant funds towards the project, and the estimated project cost, including contingencies is \$700,000.

Background Information:

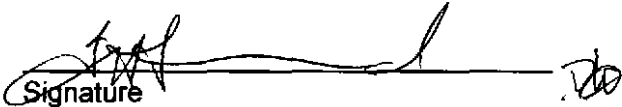
The Treneer Water Systems requested assistance from Yakima County in providing water service to their customers. The two systems are experiencing water outages due to declining water levels in their wells. DOH is providing grant funds to extend water mains from the County's Terrace Heights Water System to the Treneer Systems. The grant funds are expected to cover the full cost of the project. The local improvement district is only needed if cost overruns occur. A public hearing on the formation of the local improvement district was held December 8, 2020

Summary & Recommendation:

The resolution orders water system improvements, creates Local Improvement District (LID) #5, provides for the reimbursement of cost overruns by special assessments, creates an LID fund, and provides for the potential issuance and sale of local improvement district bonds and interim financing warrants or notes. Public Services recommends approval of the resolution.

Motion:

Department Head/ Elected Official


Signature

AGREEMENT Attached Is Approved as to Form
Corporate Counsel Initial

Late Agenda Requests Require BOCC Chairman Signature:

**BOARD OF YAKIMA COUNTY COMMISSIONERS
RESOLUTION**

**IN THE MATTER OF ORDERING CERTAIN
LOCAL IMPROVEMENTS AND CREATING
A LOCAL IMPROVEMENT DISTRICT;
PROVIDING FOR THE PAYMENT OF THE
COST OF SUCH IMPROVEMENTS BY
SPECIAL ASSESSMENTS; CREATING A
LOCAL IMPROVEMENT DISTRICT FUND;
AND PROVIDING FOR THE ISSUANCE
AND SALE OF LOCAL IMPROVEMENT
DISTRICT BONDS OR INTERFUND LOAN,
AND INTERIM FINANCING WARRANTS
OR NOTES**

016-2021

WHEREAS, on November 17, 2020, the Board of County Commissioners of Yakima County, Washington (the "County") adopted Resolution No. 339-2020 declaring its intention to order certain local improvements within the County and to create a local improvement district; **and**,

WHEREAS, the proposed improvements are within the comprehensive water system plan for Yakima County's Terrace Heights Water System, as amended; **and**,

WHEREAS, an environmental review of the proposed improvements has been undertaken; **and**,

WHEREAS, a hearing was held on December 8, 2020, after notice as provided by law, and after discussion of the proposed improvements and due consideration thereof and of all objections thereto, the Board has determined to order the local improvements described below and to create a local improvement district; **and**,

WHEREAS, estimates of the costs and expenses of the proposed improvements, a description of the boundaries of the district, a statement of what portion of the costs and expenses of the improvements would be borne by the property within the proposed district, 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 Clerk of the Board of County Commissioners and certified to the Board of County Commissioners; **now, therefore**,

BE IT HERBY RESOLVED by the Board of Yakima County Commissioners; as follows:

Section 1. The County shall acquire, construct and install the following improvements within the following described areas of the County: Approximately 2,000 feet of 8-inch and 12-inch water main in Kroum Drive, E. Henning Street, S. 43rd Street, S. 42nd Street and S. 41st Street, along with fire hydrants and metered service lines to the homes.

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The foregoing improvements are hereafter referred to as the "Improvements." The above-described improvements shall be installed complete with all necessary side connections and other appurtenances necessary to the proper operation of the domestic water system.

Section 2. That the Yakima County Utilities Manager be, and hereby is, directed to proceed with the said improvements.

Section 3. There is hereby established a local improvement district of the County to be known as "Local Improvement District No. 5" (herein referred to as "LID No. 5"). The boundaries of LID No. 5 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 estimated to be \$700,000, of which up to \$700,000 will be paid by the County with Washington State Department of Health grants, and cost overruns shall be borne by and assessed against the property within LID No. 5 specially benefited by the Improvements. Assessments shall be made against the property within LID No. 5 in accordance with the special benefits accruing to such property.

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 County may issue improvement district bonds payable from such unpaid installments. 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 resolution.

Section 6. There is hereby created a fund of the County to be known as the "Local Improvement District No. 5 Fund" for the purpose of paying the cost of the Improvements provided for in this resolution and into which there shall be paid all of the assessments collected in LID No. 5 as and when directed by the resolution confirming the assessment roll. All moneys received from grants and loans, or the potential sale of bonds, notes and warrants drawn on the LID No. 5 Fund shall be deposited into said Fund, and applied solely in payment of the costs and expenses of the Improvements.

Section 7. Pending the issuance of local improvement district bonds or an interfund loan, the County may, for the purpose of meeting any and all costs and expenses of constructing the Improvements for which funds are not otherwise available, as the same are installed prior to the sale of the bonds, or issuance of an interfund loan, issue interim financing warrants against the LID No. 5 Fund, or issue local improvement district bond anticipation notes pursuant to RCW Ch.

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39.50, bearing interest at such rate or rates and with such terms as may hereafter be established by the Board by resolution. Such interim warrants or notes, together with the interest due thereon to the date of delivery of the bonds or interfund loan, shall be redeemed and retired from the proceeds of the sale of local improvement district bonds or prepayments of assessments. Such warrants or notes shall be issued in an aggregate principal amount not in excess of the cost and expense of the Improvements.

Section 8. If costs exceed available grant funds, the County may reimburse a portion of the costs of the improvements described in Section 1 with the proceeds of bonds, or interfund loan, to be issued by the County (the "Reimbursement Bonds") the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended. The maximum principal amount of Reimbursement Bonds to be issued is \$100,000. The expenditures with respect to which the County reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from the LID No. 5 Fund. This declaration of official intention is made pursuant to Section 1.103-18 of the Income Tax Regulations promulgated by the U.S. Department of Treasury.

DONE JAN 19 2021

Attest:

Julie Lawrence, Clerk of the Board *or*
Linda Kay O'Hara, Deputy Clerk of the Board

Ron Anderson, Chairman

Amanda McKinney, Commissioner

LaDon Linde, Commissioner
*Constituting the Board of County Commissioners
for Yakima County, Washington*

EXHIBIT A – LEGAL DESCRIPTION FOR LID #5

The territorial extent of the proposed improvement is as follows:

Property located in Treneer Addition, plat of Yakima County, except Lot 9 thereof, as recorded in Volume "M" of Plats, page 34, records of Yakima County, Washington, together with that certain tract of land designated as Lot 4 on said plat, which is not a part of said plat.