



199910270074

Kathy Hill, Skagit County Auditor

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COVER SHEET

RETURN TO:

**Public Utility District No. 1 of Skagit County
Post Office Box 1436, 1415 Freeway Drive
Mount Vernon, WA 98273**

DOCUMENT TITLE: Resolution No. 1881-99

RE: Potlatch Beach Local Utility District No. 23
Approving and Confirming Assessments and Assessment Roll

LEGAL
DESCRIPTIONS: See "Final Assessment Roll" (pages 1-8) attached to Resolution
No. 1881-99

RESOLUTION NO. 1881-99

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, APPROVING AND CONFIRMING THE ASSESSMENTS AND ASSESSMENT ROLL OF LOCAL UTILITY DISTRICT NO. 23, WHICH HAS BEEN CREATED AND ESTABLISHED FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND INSTALLING A WATER PROCESSING AND DISTRIBUTION SYSTEM WITHIN THE POTLATCH BEACH AREA OF THE DISTRICT ON GUEMES ISLAND, AS PROVIDED BY RESOLUTION NO. 1716-96, AND LEVYING AND ASSESSING THE COST AND EXPENSE THEREOF AGAINST THE LOTS, TRACTS, PARCELS OF LAND AND OTHER PROPERTIES AS SHOWN ON THE ASSESSMENT ROLL, AND PROVIDING FOR THE COLLECTION THEREOF;

WHEREAS, the assessment roll levying the special assessments against properties located in Local Utility District ("LUD") No. 23 in Public Utility District No. 1 of Skagit County, Washington (the "District"), has been filed with the Secretary of the Commission of the District as provided by law; and

WHEREAS, notice of the time and place of hearing thereon and making objections and protests to the roll was duly published at and for the time and in the manner provided by law, fixing the time and place of hearing thereon for October 1, 1999, at 7:00 p.m., local time, in the Aqua Room of the District located at 1415 Freeway Drive, Mount Vernon, Washington, and further notice thereof was duly mailed by the Secretary of the Commission to each property owner shown on the roll; and

WHEREAS, at the time and place fixed and designated in the notice, the hearing was held for the purpose of hearing all persons appearing at the hearing who wished to be heard, all written protests received were considered and all property owners who submitted such protests or their representatives appearing the hearing who wish to be heard were heard and the Commission, sitting and acting as a Board of Equalization for the purpose of considering the roll and the special benefits to be received by each lot, tract, parcel of land and other property shown upon such roll, including the increase and enhancement of the fair market value of each such parcel of land by reason of the improvement, is prepared to make the Findings and Conclusions set forth in this resolution, including Exhibit A, attached to and made a part hereof; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, as follows:

Section 1. The Findings and Conclusions set forth in Exhibit A should be and are adopted and approved. All protests to assessments in LUD No. 23 should be and are overruled.

Section 2. The assessments and assessment roll of LUD No. 23, which has been created and established for the purpose of acquiring, constructing and installing a water processing and distribution system within the LUD, as provided by Resolution No. 1716-96, as the same now stand should be and the same are in all things and respects approved and confirmed in the total amount of \$405,484.



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Section 3. Each of the lots, tracts, parcels of land and other property shown upon the assessment roll in LUD No. 23 is determined and declared to be specially benefited by the improvements in at least the amount charged against the same, and the assessment appearing against the same is in proportion to the several assessments appearing upon the roll. There is levied and assessed against each lot, tract, parcel of land and other property appearing upon the roll the amount finally charged against the same thereon.

Section 4. No property, any portion of which is outside LUD No. 23, may connect to those improvements constructed or made a part of such LUD unless either that property shall have been subject to the special assessments on the assessment roll for LUD No. 23 or the owners of that property shall have paid prior to such connection a charge-in-lieu of assessment which shall be at least the equivalent of those assessments which would have been applied to that property had it been included within that LUD, together with any other charges that may be applicable pursuant to resolutions of the Commission of the District.

Section 5. The assessment roll as approved and confirmed shall be filed with the Skagit County Assessor, the County legislative authority (County Commissioners), the County Treasurer, and with the Skagit County Auditor for recording and the District Treasurer for collection, and the District Treasurer is authorized and directed to publish notice as required by law stating that the roll is in his hands for collection and that payment of any assessment thereon or any portion of such assessment can be made at any time within thirty days from the date of first publication of such notice without penalty, interest or cost, and that thereafter the sum remaining unpaid may be paid in twenty (20) equal annual installments. The interest rate on the installments of assessments is stated to be 5.50% per annum as provided in Resolution No. 1840-98. All payments of the principal of, interest on and penalties against assessments on the roll of LUD No. 23, shall be paid into the Water Revenue Bond Fund, 1993, of the District, pursuant to Resolution No. 1840-98.

The first installment of assessments shall become due and payable during the thirty-day period succeeding the date one year after the date of first publication by the District Treasurer of notice that the assessment roll is in his hands for collection, and annually thereafter the whole or any portion of the assessment remains unpaid after the first thirty-day period, interest upon the whole unpaid sum shall be charged at the rate as determined above, and each year thereafter one of the installments, together with interest due on the unpaid balance, shall be collected. Any installment not paid prior to the expiration of the thirty-day period during which such installment is due and payable shall thereupon become delinquent. Each delinquent installment shall be subject, at the time delinquency, to a charge of 12% penalty levied on both principal and interest due upon that installment, and all delinquent installments also shall be charged interest at the rate as determined above. The collection of such delinquent installments shall be enforced in the manner provided by law.

ADOPTED by the Commission of Public Utility District No. 1 of Skagit County, Washington, at a regular open public meeting thereof this 12th day of October, 1999.



ATTEST

Lee Bode

Lee D. Bode, President

Al Littlefield

Al Littlefield, Vice President

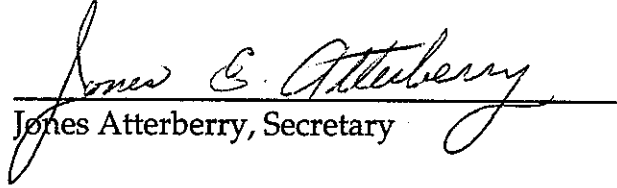
Jones E. Atterberry

Jones E. Atterberry, Secretary



I, JONES ATTERBERRY, Secretary of the Commission of Public Utility District No. 1 of Skagit County, Washington, certify that the attached copy of Resolution No. 1881-99 is a true and correct copy of the original resolution adopted on the 12th day of October, 1999, as that resolution appears on the Minute Book of the District.

DATED this 12th day of October, 1999.


Jones Atterberry, Secretary



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EXHIBIT A

FINDINGS

1. By Resolution No. 1716-96 adopted June 11, 1996, the PUD created Local Utility District (LUD) No. 23, to provide for the improvement of a portion of the District by the acquisition, construction and installation of a water processing and distribution system in the Potlatch Beach area of Guemes Island, within the District.

2. Preliminary estimates of the costs of improvements underestimated the nature and type of system improvements required to provide water to the area in conformance with applicable state regulations and sound engineering practices. The PUD undertook further engineering analysis, including consideration of alternatives. The District then undertook through a competitive bidding process the acquisition of a Reverse Osmosis (RO) water treatment system. The RO system was acquired and installed, and is functioning to provide safe, potable water to the Potlatch Beach community.

3. The total cost of the project is \$490,484 (Project Cost). The District is paying \$85,000 of the Project Cost. Thus, \$405,484 is spread on the assessment roll against the properties within the LUD.

4. Without the improvements constructed pursuant to the LUD, the properties within the LUD would be without an adequate supply of potable water. With these improvements, the property may be fully utilized for both permanent residential and recreational occupancies.

5. The hearing on the LUD No. 23 assessment roll commenced shortly after 7 p.m. on Friday, October 1, 1999. All witnesses at the hearing testified under oath or affirmation. Following the testimony of Bob Powell, Project Engineer, and Mark Fredlund, PUD Treasurer, the District Commission considered protests.

6. Three written protests were received by the PUD before noon on the date of the hearing. Those protest letters were received by the Commission and admitted into the record. None of the protests challenged the special benefit against the respective properties. Further, there is no evidence at the hearing challenging the special benefit to properties within the LUD resulting from the construction of the new water system. None of the protests presented qualified appraisal information. None of the protests was sufficient to overcome the presumption of special benefit in excess of the amount of the assessment. Nonetheless, the Commission addresses each of the protests as follows:

6.1 Parcel 7. By correspondence dated September 24, 1999, and received by the PUD on September 28, 1999, Terry Ebersole and Janet C. Ebersole filed a letter in protest of their assessment. The protest addresses the cost of the improvements, and the potential availability of the improvements to serve other properties not included with the LUD. There was no challenge to the special benefit to Parcel No. 7 resulting from the improvements. Terry Ebersole also testified at the public hearing.

EXHIBIT A

6.2 Parcel 18. John Martin appeared at the public hearing and testified concerning the cost of the project. Mr. Martin had submitted a protest letter dated October 1, 1999. There is no challenge to the special benefit to the property arising from the LUD No. 23 improvements.

6.3 Parcel 32. A protest letter dated September 30, 1999, and received by the PUD on October 1, 1999, was submitted by Helen J. Winter and Herbert A. Winter. The protest focused on the difference between the preliminary estimate and the final proposed assessment. Neither of the Winters was present at the public hearing on October 1, 1999.

7. The assertions in the protests that other properties would they be allowed to connect to these improvements constructed by the LUD are speculative. While certain properties may at some future time connect to the PUD's water system on Guemes Island, such properties are not currently connected and are not specially benefited by the improvements constructed by this LUD. To the extent that such properties may connect to the system, the District has paid approximately 18% of the cost of the LUD improvements. This amount is in proportion to the capacity available in the system which was currently constructed.

8. The improvements were necessary for purposes of providing water in quality and quantity to serve the properties within the LUD. A smaller or different system would not have been economic, practical, or met regulatory standards.

9. The District provides for charges in lieu of assessment or other connection charges to properties which are not included within local utility districts, but later connect to improvements constructed by an LUD. However, it is remote and speculative at this time to determine what amounts may be set in the future, or what rates will be charged to the various communities on Guemes Island in the future for water service. The PUD considers all public input at the time of rate setting, including the relative contribution of differing areas to the capital cost or investment for structures supporting a water system.

10. The assessments in LUD No. 23 are uniform and ratable for all properties within the LUD. The assessments are on a "per lot" basis with all properties subject to the same assessment. This assessment methodology is the fairest methodology for this LUD and the properties therein.



EXHIBIT A

CONCLUSIONS

1. All the properties within LUD No. 23 are specially benefited in at least the amount each is assessed.
2. The assessment methodology employed by the PUD is fair, equitable and ratable, and it is the most appropriate means of assessing the properties at Potlatch Beach on Guemes Island, included in LUD No. 23.
3. The protests to the assessment roll should be overruled as not challenging the special benefits to the affected properties set forth herein. Nevertheless, having considered the protests, the Commission finds no basis for modifying the assessments set out on the roll.



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POTLATCH BEACH LUD #23

Final Assessment Roll
Property Owners

Roll #	Accounts	Name and Address	Legal Description	Assessment
1	P68076	ASHBACK AGNES C 5512 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LOT 56 1/75 INT IN 2ND CLASS T.L. ADJ TO 19 TO 56 & N1/2 VAC ROADJ TO LESS NWLY 77FT OF 56	11926.00
2	P68060	BAKER DIX W BAKER JOYCE ANN 5276 W SHORE ROAD ANACORTES WA 98221	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LT 36	11926.00
3	P68055	BECK JOSEPH R 5209 NE 43RD SEATTLE WA 98105	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LTS 28 & 29	11926.00
4	P68038	BOHN JACQUELINE REV LIV TRUST BOHN JACQUELINE J TRUSTEE 5036 POTLATCH LN ANACORTES WA 98221	POTLATCH BEACH TDLNDS INFR & LOTS 4 TO 7	11926.00
5	P68042	CORNELL FRITZ 5106 POTLATCH LN ANACORTES WA 98221	POTLATCH BEACH INC TDLNDS INFR OF LT 14	11926.00
6	P68041	EASTON VALERIE 16123 41ST NE SEATTLE WA 98155	POTLATCH BEACH 2ND CL TDLNDS ADJ & LTS 12 & 13	11926.00
7	P68063	EBERSOLE TERRY L EBERSOLE JANET C 5308 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LT 39 & LT 40 EXC SELY 25FT EXC PTN LY BELOW LI EXT HI-TIDE TGW 1/50TH INT IN & TO PTN LTS 19-56 INC LY BELOW LI EXT HI-TIDE & TGW 1/50TH INT IN& TO TIDELANDS OF 2ND CLASS ABUTTING UPON LTS 19-56	11926.00
8	P68052	FOX EDWARD D ETAL TRUST 5184 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LT 24 ADJ TO 19 TO 56 & LOT 24	11926.00
9	P68074	FRASER JAMES 5200 E HUFFMAN RD ANCHORAGE AK 99516	POTLATCH BEACH LOT 55 LOT 55 LYING ABOVEHI-TIDE & 1/75 INT IN LOTS 19 TO 56 LYING BELOW EXT HI-TIDE & TIDELANDS OF 2ND CLASS ADJ TO 19 TO 56	11926.00
10	P68067	GEANULEAS GEORGE GEANULEAS DIANE 5360 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LOT 45 1/75 INT IN 2ND CLASS T.L. IN FR OF LOTS 19 TO 56 & FULLINT IN S1/2 VAC RD LOTS 19 TO 56 LYING BELOW THE LI OF EXT HI-TIDE & TIDELANDS OF 2ND CLASS ABUTTING UPON LOTS 19 TO 56	11926.00
11	P46831	GILKEY CHARLES B ETAL	TAX 3 BAT NE C LT 2 TH E 390FT TH S	11926.00



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Roll

#	Accounts	Name and Address	Legal Description	Assessment
	P46827	PO BOX 2509 EVERETT WA 98203	334FT TH W TO ELY LI CO RD TH NLY ALG CO R DTAP 249FT S OF N LI LT 2 TH E TO E LI LT2 TH N TPB	
12	P68075	HANCOCK THOMAS A HANCOCK KAREN E 2300 POPPY DR BURLINGAME CA 94010	POTLATCH BEACH LOT 56 N'LY 77' OF LOT 56 ABOVE EXT HI TIDE & /75 UNDIV INT IN LOTS 19 - 56 LYING BELOW THE LI OF EXT HI-TIDE & TIDELANDS OF 2ND CLASS ABUTTING UPON LOTS 19 TO 56	11926.00
13	P68072	HOPKINS J & MCCLUNG M C/O MCCLUNG SYLVIA C 5436 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LTS 52 & 53 ABV EXT HI TIDE & 2/75 UNDIV INT IN LTS 19 TO 56 LYING BELOW LI OF EXT HI-TIDE & TL OF 2ND CLASS ABUTTING UPON LTS 19 TO 56	11926.00
14	P68048	JEFFCOTT THOMAS R JEFFCOTT ELLEN 6721 W MERCER WAY MERCER ISLAND WA 98040	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LT 20	11926.00
15	P68054	KING MICHAEL NERAAS NANCY TAYLOR S HOLMES S NERAAS J 1928 FEDERAL AVE SEATTLE WA 98101	POTLATCH BEACH LOT 27 LOT 27 ABOVE EXT HI-TIDE & 1/75 UNDIV INT IN LOTS 19 TO 56 LYING BELOW THE LI OF EXT HI-TIDE & TIDE LANDS OF 2ND CLASS ABUTTING UPON LOTS 19 TO 56	11926.00
16	P68045	KINNEAR LINDA J 111 E RIVMONT DR MONROE WA 98272-8751	POTLATCH BEACH TOLNDS INFR OF & LT 18	11926.00
17	P68049	LEON RICHARD H LEON CAROLYN V 9812 NE 21ST BELLEVUE WA 98004	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LT 21	11926.00
18	P68070	MARTIN JOHN A MARTIN ZANNA S 5398 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LOT 49 LOTS 48 & 49 ABOVE EXT HI-TIDE & 2/75 UNDIV INT IN LOTS 19 TO 56 LYING BELOW THE LI OF EXT HI-TIDE & TIDELANDS OF 2ND CLASS ABUTTING UPON LOTS 19 TO 56	11926.00
19	P68064	MOEUR ROBERTA RENE 5314 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH SELY 25FT LT 40 ALL LT 41 EXC PTN LY BELOW LI EXT HI-TIDE TGW 1/50TH INT IN & TO PTN LTS 19-56 INC LY BELOW LI EXT HI-TIDE & TGW 1/50TH INT IN & TO TIDE LANDS OF 2ND CLASS ABUTTING UPON LTS 19-56	11926.00
20	P68044	OTTERHOLT BARRY OTTERHOLT NANCY	POTLATCH BEACH TOLNDS INFR OF & LT 17	11926.00



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POTLATCH BEACH LUD #23

Final Assessment Roll
Property Owners

Roll

#	Accounts	Name and Address	Legal Description	Assessment
		12421 88TH PL NE KIRKLAND WA 98034		
21	P68071	PERRY RAYMOND F PERRY JOCELYN PALMER 5410 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LOT 51 LOTS 50 & 51 ABOVEEXT HI-TIDE & 2/75 UNDIV INT IN LOTS 19 TO 56 LYING BELOW THE LI OF EXT HI-TIDE & TIDELANDS OF 2ND CLASS ABUTTING UPON LOTS 19 TO 56	11926.00
22	P68053	PRINDLE WARREN R 2226 BLACK DIAMOND RD PORT ANGELES WA 98363	POTLATCH BEACH LTS 25 & 26 ABOVE EXT HI-TD & 2/75 UNDIV INT IN LTS 19 TO 56 LY BELOW LI OF EXT HI-TD & 2ND CL TOLNDS ABUT UPON LTS 19 TO 56	11926.00
23	P68040	REPASS MICHAEL ETAL 4766 KAHALA AVE HONOLULU HI 96816	POTLATCH BEACH TOLNDS INFR OF & LTS 10 & 11	11926.00
24	P68056	RICHMAN RUVANE C/O MARKET OPTICAL 1906 PIKE PLACE #8 SEATTLE WA 98101	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LTS 30 & 31	11926.00
25	P68057	RICHMAN RUVANE C/O MARKET OPTICAL 1906 PIKE PLACE #8 SEATTLE WA 98101	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LTS 32 & 33	11926.00
26	P68037	ROWSE JAMES E 2687 ELM DR LYNNWOOD WA 98036	POTLATCH BEACH TOLNDS INFR OF & LT 3	11926.00
27	P68061	SCHOFIELD OKANEETA 5284 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTO 19 TO 56 & LT 37	11926.00
28	P68065 P68066	SIMONIS STEVE CLAYTON SIMONIS YEMIA KIAMICHI 5352 WEST SHORE RD ANACORTES WA 98221	POTLATCH BEACH LT 42 & LESS S 15FT LT 43ABOVE EXT HI-TD & 1/75 INT	11926.00
29	P68068 P68069	SLEMONS GREGORY L SLEMONS DIANE M 2705 155TH ST SE MILL CREEK WA 98012	POTLATCH BEACH LT 46 ABV EXT HI-TIDE & 1/75TH UNDIV INT IN LTS 19 TO 56 LY BELOW LI OF EXT HI-TIDE & TIDELANDS OF 2ND CL ABUT UPON LTS 19 TO 56	11926.00
30	P68043	STIRM LAURA JEAN C/O MUSHKIN FRANCES I 3727 28TH AVE W SEATTLE WA 98199	POTLATCH BEACH TOLNDS INFR OF & LTS 15 & 16	11926.00



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POTLATCH BEACH LUD #23

Final Assessment Roll
Property Owners

Roll

#	Accounts	Name and Address	Legal Description	Assessment
31	P68039	STROH JAMES E STROH MARY J 225 4TH AVE KIRKLAND WA 98033	POTLATCH BEACH TOLNDS INFR & LTS 8 & 9	11926.00
32	P68058	WINTER HERBERT A 22 ANDORRA ST LAGUNA NIGUEL CA 92677	POTLATCH BEACH LOT 35 LOTS 34 & 35 ABOVEEXT HI-TIDE & 2/75 UNDIV INT IN LOTS 19 TO 56 LYING BELOW THE LI OF EXT HI-TIDE & TIDE LANDS OF 2ND CLASS ABUTTING UPON LOTS 19 TO 56	11926.00
33	P68050	YOUNG YADIRA 5165 EDENS RD ANACORTES WA 98221	POTLATCH BEACH LT 22 ABOVE EXT HI-TD & 1/75 UNDIV INT IN LTS 19 TO 56 LY BELOW LTOF EXT HI-TD & 2ND CL TOLNDS ABUT UPON LTS 19 TO 56	11926.00
34	P68062	ZYLSTRA W R 651 SE BAYSHORE DR OAK HARBOR WA 98277	POTLATCH BEACH 1/75 INT IN 2ND CL TL ADJTD 19 TO 56 & LT 38 ADJ TO LOTS 19 TO 56 & LOT 38	11926.00
Total ***				405484.00



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