

Local Utility Districts (LUDs) Process Improvement

November 5th, 2007





LUDs – Discussion Purpose

3 discussion items:

1. Consider revising the current resolution to still comply with all RCW's, yet allow for flexibility
2. Provide tools for the Board to help evaluate whether in LUD is “financially and economically feasible” and other key factors
3. Provide better information to potential petitioners

Other Board of Commissioners input



LUDs – Overview

LUDs – one tool to extend utility services

- ❑ Helps finance customer requested utility services
- ❑ Property owners initiate by petitioning the PUD
- ❑ Valid signatures of at least 10% of the landowners or majority are required
- ❑ PUD Commissioners ultimately decide whether or not to form the LUD



LUDs – Resolution Process

Resolution review by legal

- Legal to ensure all elements of the statutes are met
- Remove unnecessary requirements that cause added process and potential to create missteps
- Allow for Board flexibility and options

LUDs – Definitions

What does “financially and economically feasible” mean?

- Is not defined in the statutes
- Can be broadly interpreted
- Staff recommends developing a set of factors or questions for the Board to consider



LUDs – Tools

Following example questions may be utilized to help determine “financially and economically feasible”:

- What impact will the LUD have to key ratios or metrics?
 - Operations and maintenance impact
 - Administrative costs
- Does the project fully support itself, meets the District cost of capital?

LUDs – Tools

Other non-financial example questions:

- Will the LUD be supported by grant funding or low-cost loans?
- Are there existing policies in place as an alternative to an LUD?
- Does the LUD comply with existing Chelan County land management policies
- Are there health and safety issues the LUD would mitigate?

Commission could use these questions in their decision process and ask staff to prepare responses if needed



LUDs – Petitioner Communications

Current process is not clearly defined to potential petitioners :

- Questions would help provide petitioners with information when considering a petition
- Board might also consider what requirements to place on petitioners as part of the LUD petition
 - Provide initial design and boundaries
 - Expression of support within those boundaries – super majority requirement?
 - Funds to initially support the feasibility process
 - Other?



Next Steps...

- Continue moving forward with this effort
- Seek additional input
- Board update on progress in January
- Formal consideration after the update

Questions?
