

KING CONSERVATION DISTRICT

Board of Supervisors Meeting Minutes

REGULAR MEETING

March 26th, 2012

FINAL

1 **Supervisors Present:** Bill Knutsen-Chair, Jeanette McKague –Vice Chair, Max Prinsen – Auditor
2 Eric Nelson

3 **Associate Supervisors Present:** None currently on the Board.

4 **Staff Present:** Sara Hemphill, Ava Souza - Clerk, Brandy Reed, Josh Monaghan, Jessica
5 Saavedra

6 **Guests Present:** Joanna Richey - King County, Cheryl Engle - Friends of the Cedar River
7 Watershed, David Findley - FCS Group, John Ghilarducci - FCS Group (by phone), Kit
8 Ledbetter

9 Chair Knutsen called the meeting to order at 6:00 pm.

10 Introductions were made and the agenda was reviewed. CONSENT AGENDA:

11 **Nelson Moved; Prinsen Seconded Passed unanimously a motion to approve the consent**
12 **agenda. (4 ayes, 0 nays)**

13 PUBLIC COMMENT: Joanna Richey thanked the Board and Sara for the condolence flowers
14 sent for her mother's death.

15 REGULARLY SCHEDULED ITEMS:

16 **Prinsen Moved; Nelson Seconded Passed unanimously a motion to approve the assignment**
17 **of Kit Ledbetter as an Associate Supervisor. (4 ayes, 0 nays)**

18

19 PRESENTATIONS:

20 AI-12-025 – FCS Rates and Charges – John Ghilarducci (by phone) and David Finley provided a
21 presentation of the King Conservation District Rate/Charge Analysis Scope and Budget proposal.
22 Finley spoke about the long history of work and experience FCS Group brings to the table.
23 Finley stated that he reviewed the 2006 study of the District performed by Earth
24 Economics/David Bakter in preparing the analysis scope and budget. FCS will start with that
25 report and work with staff to determine the best result and how the rate or charge will be applied
26 to cover the cost of KCD's services. He listed a variety of challenges and options based on other
27 rates and charges systems he has had experience with. He understands that the District wants a
28 legally defensible rate. He has talked with the District's legal representation and the author of the
29 rates and charges legislation, Steve Dijulio. He stated that he understood the District's need to

30 fast track the analysis because of the upcoming deadlines and that there is a need to complete the
31 work in three to five months. Their analysis will entail determining the relationship between the
32 cost of services provided and the rate or charge. FCS will put together a technical analysis on
33 either the customer type or the region (i.e. per parcel) and will consider whether or not to apply
34 the rate at different levels through the service area to account for costs of services provided
35 differently. He received information about the District's services from Eric Frimodt. Finley
36 stated that there has to be at least two public hearings. The timing of the notices was discussed.
37 Comments were made by Joanna Richey about making sure the rate or charge is not too complex
38 for the King County Assessor's billing department. Questions were asked about whether or not
39 the rate could be based on pervious and impervious surfaces and/or parcels. Richey responded
40 that there is not a centralized impervious surface database on parcels of land. Questions were
41 asked about how the ten dollar cap constrains the District. Discussion ensued about member
42 jurisdictions that opted out and how they went about that. Questions were asked about how the
43 acreage fee in the legislation will impact the rate. FCS Group responded that they would start
44 with the amount of revenue needed. Questions were asked about how services with indirect
45 benefits such as through grant awards would impact the rate or charge. The answer was that they
46 are unsure. Question was raised that the differential between the general benefit to the class of
47 rate payers versus to parcels needs to be figured out.

48 Nelson asked if they could propose a valid system of assessment as a backup plan if the District
49 ran out of time. Knutsen stated that attorneys have said no emphatically but maybe they would
50 reconsider in an emergency and the District could ask the question again. Richey agreed that
51 their legal counsel has also recommended against pursuing an assessment. More discussions
52 were had about how the County will help the District. Richey responded that she could not
53 commit to financial assistance but that the County wants to help the District stay open and
54 running not only for this year but next year as well and that how that works out is currently being
55 discussed. She stated that the County will support the District in what it decides to do and can
56 probably do that in the form of a letter of support.

57 **Prinsen Moved; Nelson, Seconded, Passed unanimously a motion to approve AI-12-025**
58 **moving forward on a contract with FCS Group to engage the services of FCS Group to**
59 **develop the formulation of rates and charges that will be submitted in final draft form to**
60 **County Council by the appropriate deadline.(4 ayes, 0 nays)**

61 REGULARLY SCHEDULED ITEMS: None

62 UNFINISHED BUSINESS: Interlocal Agreement Messaging - Discussion

63 Discussion ensued about the intent for the new ILA with the County. Knutsen asked if the
64 District needed to create a new ILA or could it amend the current one? Hemphill stated that her
65 goal is to simplify it. Prinsen stated that he would like to draft a new ILA. Richey added that if
66 the current one is amended it does not have to go to county council. Richey stated that the county
67 wants to ensure the grants and priority programs continue and that something that takes into
68 account the jurisdictions and making them whole at a later date should be considered. Prinsen

69 stated that its difficult to make promises on how we will refill the bucket and that it depends on
70 how things work with rates and charges. Knutsen asked Richey about modifying the current ILA.
71 Hemphill stated that amending the current ILA is in process by legal counsel. Discussions
72 ensued about bringing jurisdictions to the table before asking them for money. Statements were
73 made that whatever is done has to be a reasonable and equitable system and partners should be
74 notified with a joint message from the County and District. Hemphill stated that the District has a
75 very simple accounting system and it is taking some time to really get an accurate picture of
76 where we are at and what we need to keep going. Knutsen stated that the District needs to figure
77 out how it wants to present the situation to the rest of the partners and it will take some time to
78 ponder what that looks like and how it gets accomplished.

79 Knutsen called for a break at 7:25 and reconvened the meeting at 7:30.

80 Discussion about the interlocal agreement continued. Hemphill stated that the District needs to
81 charge for the stuff the District does that benefit others. She listed examples such as setting aside
82 money for legal fees the District incurs fighting lawsuits and costs the District incurs for
83 legislative work.

84 The conversation moved to the presentation of documents by District staff about potential budget
85 cutting and cost reduction scenarios and the status of KCD Member Jurisdiction and WRIA
86 Forum restricted accounts.

87 Saavedra presented the information about the balances of the various restricted accounts and
88 differentiated between funds contracted or awarded and non-awarded/contracted or available
89 funds.

90 Monaghan presented information on a 21% and 24% budget reduction scenario.

91 Discussion ensued about the information presented by staff. Prinsen asked Richey if there is a
92 plan for funding the WRIAs this year. Richey stated that there is not at this time. Prinsen stated
93 that he wanted an 18 month plan not a 12 month plan for how the District will operate. Ledbetter
94 commented that cities have at least a 3 month reserve. Prinsen requested more detailed
95 information by program about what the budget scenarios were cutting.

96 **Prinsen moved; McKague seconded passed unanimously a motion to approve the**
97 **implementation of the 21% cost reduction budget with opportunity to make adjustments**
98 **and amend the budget in April. (4 ayes 0 nays).**

99 NEW BUSINESS: None

100 Knutsen adjourned the meeting at 10:04 p.m.

101

102 William M. Knutsen

May 16, 2012

Date _____

104 **Summary of Motions**

105 **Nelson Moved; Prinsen Seconded Passed unanimously a motion to approve the consent**
106 **agenda. (4 ayes, 0 nays)**

107 **Prinsen Moved; Nelson Seconded Passed unanimously a motion to approve the assignment**
108 **of Kit Ledbetter as an Associate Supervisor. (4 ayes, 0 nays)**

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114 implementation of the 21% cost reduction scenario with opportunity to make adjustments
115 and amend the budget in April. (4 ayes 0 nays).

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