

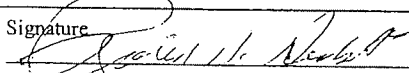

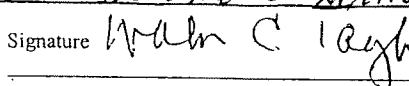
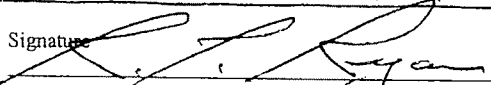
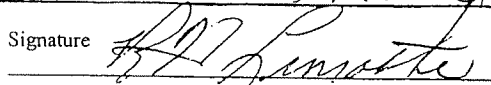
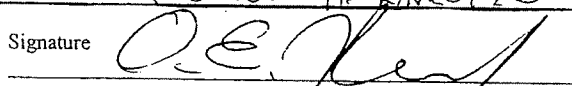
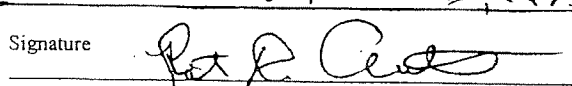
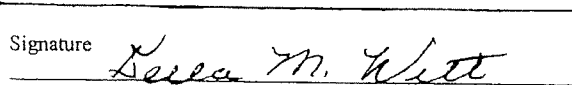
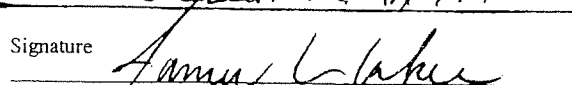
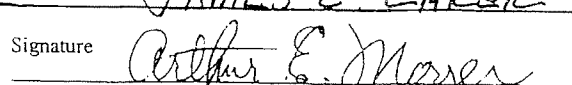
**Port Ludlow Drainage District
Founding Documents**

**PETITION FOR ESTABLISHMENT
OF
PORT LUDLOW DRAINAGE DISTRICT**

To: Jefferson County Commissioners

In accordance with RCW 85.38.020, the following property owners hereby petition the Jefferson County Commissioners to establish a "Port Ludlow Drainage District," whose boundaries are set forth in the attached description and map. Also attached is a statement outlining the objectives sought by the creation of the proposed district and projects proposed to be completed.

I, the undersigned, am a registered voter residing within the boundaries of the proposed "Port Ludlow Drainage District"

Signature 	Address 131 Jackson Ln, Pt. Ludlow, WA, 98365
Printed Name Robert H. Herbst	Legal Description of Property Lot 43, Area 3 Port Ludlow No. 2
Signature 	Address 73 RESOLUTE LANE, Pt. Ludlow, WA
Printed Name JEROME D. JOHNSON	Legal Description of Property Lot 63, Area 2 Port Ludlow No. 2
Signature 	Address PO Box 65323 (111 Condon Lane) PORT LUDLOW WA
Printed Name WALTER C. TAYLOR	Legal Description of Property Lot 28, Area 2 Port Ludlow No. 1
Signature 	Address P.O. Box 65041 6 Resolute Lane Pt Ludlow 98365
Printed Name RICHARD P. REGAN	Legal Description of Property Lot 64, Area 2 Port Ludlow No. 2
Signature 	Address 192 CONDON LANE Port Ludlow WA. 98365
Printed Name Robert H. Linerthe	Legal Description of Property Lot 40, Area 2 Port Ludlow No. 1
Signature 	Address Port Ludlow, WA. 272 Montgomery Lane
Printed Name O.E. Kerns, Jr.	Legal Description of Property Lot 38, Area 1 Port Ludlow No. 2
Signature 	Address 64 GOLDFINCH LANE PORT LUDLOW, WA.
Printed Name ROBERT D. ALTEN	Legal Description of Property 40/28 4/29 Lot 28, Port Ludlow No. 4
Signature 	Address 20 Gamble Ln, Port Ludlow WA
Printed Name DELLA M. WITT	Legal Description of Property Lot 11, Area 1 Port Ludlow, No. 1
Signature 	Address 612 RAINIER LN Pt. Ludlow WA.
Printed Name JAMES L. LAKER	Legal Description of Property Lot 42 Port Ludlow No. 3
Signature 	Address 72 HARMS LANE, PT LUDLOW, WA.
Printed Name ARTHUR E. MOYER	Legal Description of Property Lot 164, Area 3 Port Ludlow No. 2

**Establishment of
The Port Ludlow Drainage
District**

1. Objectives of the District

- (a). The first is to set in place an administrative body, legally formed, to insure and direct maintenance of existing storm and surface water facilities on all commonly owned LMC property.
- (b). The second immediate purpose is to provide authority for preparation of a surface water management plan for all of the North Bay service area. This will necessarily involve engineering consultant solicitation and a financing method to pay for such a plan.
- (c). Upon completion and approval by the appropriate governmental agencies of the surface water comprehensive plan, a phased group of improvements would be undertaken to correct drainage deficiencies. These improvement projects would be sequenced in a manner that would minimize the financial impacts on North Bay property owners. Additionally the plan would be designed to assist the ACC in providing a methodology for each individual lot to be connected to the system. Long range maintenance and operation would include operation expenses to restore and preserve the District's facilities in the same or as good a condition as when installed. This would also include District operating equipment as well as a future District office.

(d). The Drainage District, a municipal corporation, would take responsibility for drainage of all areas in North Bay (within the Drainage District boundaries) not owned by Jefferson County. This would include but not be limited to the following:

1. All reserve and park areas owned by LMC
2. All interior drainage between private lots
3. The resort area
4. Port Ludlow Plat Seven drainage system
5. All condominium and apartment areas
6. All commercial business areas
7. All storage areas
8. Sewage Treatment Plant site

Future annexations would increase the District size. In that event, an acceptable connection fee would be established to proportionally defray both capital and or maintenance costs.

The basic service provided by the District would be to control surface water runoff. Specifically excluded would be damage caused by wave and tidal action, ground water, and liquefaction due to seismic events.

Drainage system design and material specifications would be in accordance with current standards of the State of Washington and Jefferson County as a minimum. All storm water easements within the green belts would be acquired from Olympic Water and Sewer Inc. All existing drain piping, waterways and appurtenances

would be acquired from the County, except those within the County road right-of-way, and in the case of Port Ludlow Plat 5, from Olympic Resource Management.

(e). Jefferson County would provide revenue collection. Ultimately the District could bill and collect its own annual operational fees. Funding for drainage specific improvements would be provided by the affected property owners on a cost/benefit basis. Billing would be provided by Jefferson County similar to our annual taxes. All such assessments and fees would be in accordance with current Washington State law as designated in Title 85 and other applicable State provisions. Fees for annual operation and maintenance would be collected by Jefferson County.

2. The Projects proposed:

North Bay of Port Ludlow is separate area shown on the map that accompanies this proposal.

The storm water collection system started when portions of North Bay were initially platted in 1968. The most recent portion was completed in 1998 in an area known initially as sector 7-a 22-lot subdivision. The old pipe; corrugated, galvanized; steel pipe has deteriorated in many areas. The total scope of the problem is currently unknown. Therefore to state in general terms what projects are required is difficult, especially when standards of the State have changed drastically since 1968.

As a result, a first priority of the District would be to finance a surface water comprehensive plan. This plan would disclose all known problems together with recommendations on how their repair or replacement would be accomplished.

3. See the attached map of this proposed for boundaries of the Port Ludlow
Drainage District.

Legal Description:

**Boundary Description
of Proposal Port Ludlow
Drainage District**

Beginning at the NE corner of lot 11 Port Ludlow No. 5, Volume 6 pg. 34;
thence Westerly along the North line of said PL No. 5 to the intersection with
the East margin of Port Ludlow Dr. commonly known as Oak Bay Road; thence
South Easterly along said East margin to the intersection with the North line of
Sec. 9, T28 N., R. 1 E., WM.; thence Westerly along said North Ln. to the NW
corner of said Sec. 9; thence Southerly along the west line of said Sec. 9, 1319. 55
feet to the NE corner of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 8, T28 N., R1E, W.M.;
thence Westerly on the North line of said SE $\frac{1}{4}$ to the Northwest corner of the
SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 8, T28 N, R1E, W.M; thence South Westerly along
the West line of said SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 8 T28 N, R1E N.M to the South
Westerly margin at Swansonville Road and the NW corner of Port Ludlow No. 1
Area 3 Vol. 5 pg. 28; thence continuing South Westerly along said West line of
the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 8 T28 N, R1E. to its intersection with the NW corner
and West line of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 8 T28 N. R1E W.M.; thence
continuing Southwesterly along said West into the North line of Walker Way. ;
thence Westerly along said North line and its extensions to its intersection with

Rev. 1

the East line of Port Ludlow No. 4 Vol. 6 pg. 54 – 56; thence Westerly and Northerly to the North line of said PL No. 4; thence Westerly along said North line to a point common to both said PL No. 4 and Port Ludlow No. 6 Vol. 9 pg. 40-41 and the North line of said PL No. 6; thence Westerly along said North line to the NW corner of said PL No. 6 and the West line of said PL No. 6; thence Southerly and Easterly along said Westerly line of said PL No. 6 to the Northerly Margin of Oak Bay Road; thence continuing along the South Easterly production of said line to its intersection with the MHWL of Port Ludlow Bay; thence Northerly and Easterly along said MHWL whether natural or manmade continuously to the Easterly production of the South line of lot 37 of the plat of Port Ludlow No. 1 Area 2 Vol. 5 pg. 27; thence Westerly along said South line to the East line of said plat of PL No. 1; thence Northerly along said East line to the North line of said plat of PL No. 1 Area 2; thence Westerly along said North line to its intersection with the East line of Port Ludlow No. 2 Vol. 5 pg. 42; thence Northerly along said East line to the North line of said PL No. 2; thence Westerly along said North line to the East line of Port Ludlow No. 5 Vol. 6 pg. 34; thence Northerly along said East line to the NE corner of lot 11 said PL No. 5 and the point of beginning.

Less all rights of way dedicated to Jefferson County.

4. As a special district we expect to engage in the following activities:
 1. Engage in flood control activities, and investigate, plan, construct, acquire, repair, maintain, and operate improvements, works, projects, and facilities necessary to prevent inundation or flooding. Such facilities include surface water conveyance systems, channels, and other works, appliances, machinery, and equipment.

2. Engage in drainage control, storm water control, and surface water control activities, and investigate, plan, construct, acquire, repair, maintain, and operate improvements, works, projects, and facilities necessary to control and treat storm water, surface water, and flood water. Such facilities include drains, ditches, nonsanitary sewers, pumps, and other works, appliances, machinery, and equipment.
3. Take actions necessary to protect life and property from inundation or flow storm waters, or surface waters.
4. Acquire, purchase, condemn by power of eminent domain pursuant to chapters 8.08 and 8.25 RCW, or lease, in its own name, necessary property, property right, facilities, and equipment.
5. Sell or exchange surplus property, property rights, facilities and equipment.
6. Accept funds and property by loan, grant, gift, or otherwise from the United States the State of Washington, or any other public or private source.
7. Hire staff, employees, or services, or use voluntary labor.
8. Sue and be sued.
9. Cooperate with or join the United States, the State of Washington, or any other public or private entity or person for district purposes.
10. Enter into contracts.
11. Exercise any of the usual powers of a corporation for public purposes.
12. Annex other areas in accordance with current RCW's.
13. Finance special district projects based on flow from the special project drainage sub-basin.
14. Maintain the surface water collection system in accordance with RCW 85.15.020

“Maintenance” means and includes not merely operating expenses and such upkeep and other work commonly classed as maintenance as shall be necessary to restore and preserve the district’s systems of improvement and the machinery and equipment operated in connection therewith in the same

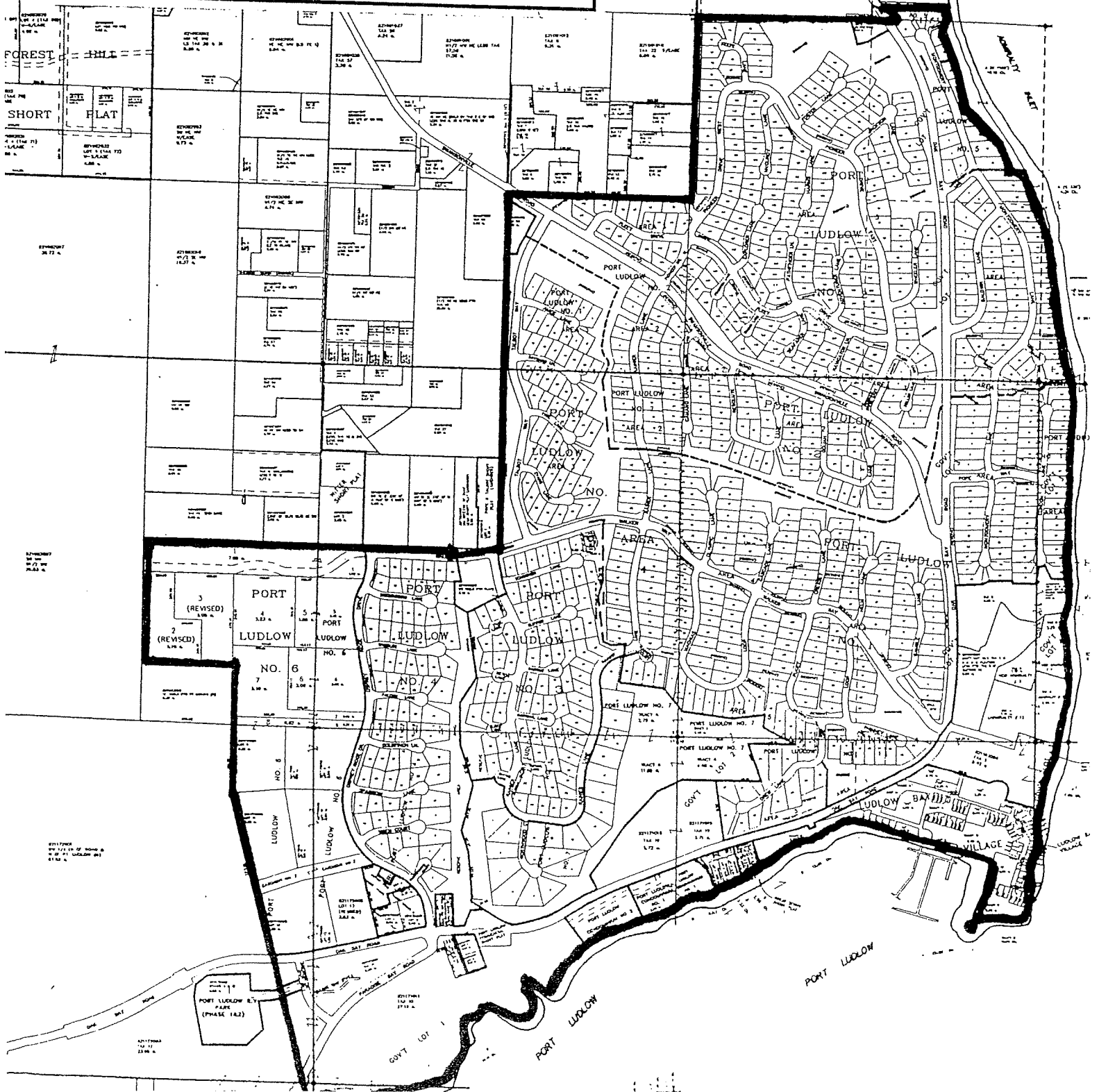
or as good condition as when originally constructed and installed, but also the making of such changes in the betterment's to the original works, improvements and installations as shall, subject to approval of the Board of County Commissioners, be by the board deemed necessary to put the systems of improvements into such condition as will provide protection and services as contemplated and intended by the original construction and any enlargement and extensions thereafter made.

15. The District shall have all right of plan review and the right to bill for such review. Plan review shall be conducted on all projects tributary to any waterway or surface water conveyance system whether the project is within the boundary of the District or not.
16. The District shall also have the right to establish connection fees and collect such fees for any project impacting its system from the standpoint of water quality as well as flow rate and quantity.
17. Permits shall be required to do storm or surface water work. The proposed District shall charge a fee for such permits. The District shall also inspect such work and charge for any fees related. Inspection shall be required to verify conformance with permit requirements.

Rev. 1

PROPOSED PORT LUDLOW DRAINAGE DISTRICT

(Revision 1)



DISTRICT PETITION INDEMNITY BOND

KNOW ALL MEN BY THESE PRESENTS: That we, Ludlow Maintenance Commission, Inc. of PO Box 65060, Port Ludlow, Washington 98365, as Principal, and AMWEST SURETY INSURANCE COMPANY, a corporation duly licensed to do business in the State of Washington, as Surety, are held and firmly bound unto Jefferson County, Port Townsend, Washington 98368 as Obligee, in the penal sum of Five Thousand Dollars (\$5,000.00), lawful money of the United States, to be paid to the said Obligee, for which payment well and truly to be made, we bind ourselves and our legal representatives, jointly and severally by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas, the said Principal has petitioned for the establishment of a special district per RCW 85.38.020 and is required to post a surety bond guaranteeing defrayment of possible costs incurred by the county in considering the creation of this special district by the said Obligee.

NOW THEREFORE, if the Principal shall faithfully perform the duties and in all things comply with the laws and ordinances, including all Amendments thereto, appertaining to the petition made, then this obligation to be void, otherwise to remain in full force and effect.

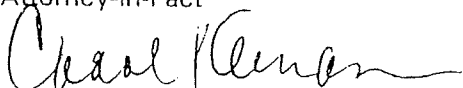
This bond may be terminated at any time by the Surety upon sending notice in writing to the Obligee with whom this bond is filed, and to the Principal, and at the expiration of thirty (30) days from the mailing of said notice, this bond shall ipso facto terminate and the Surety shall thereupon be relieved from any liability for any acts or omission of the Principal subsequent to said date.

DATED THIS 18th day of October, 1999

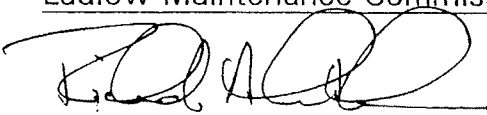
EFFECTIVE DATE 10/18/1999

AMWEST SURETY INSURANCE COMPANY

Carol Keenan
Attorney-in-Fact


Signature

Ludlow Maintenance Commission, Inc.
Principal



Signature

LIMITED POWER OF ATTORNEY

Amwest Surety Insurance Company

Expiration Date: 11/24/00

POWER NUMBER 0000951040

This document is printed on white paper containing the artificial watermarked logo () of Amwest Surety Insurance Company on the front and brown security paper on the back. Only unaltered originals of the Limited Power of Attorney ("POA") are valid. This POA may not be used in conjunction with any other POA. No representations or warranties regarding this POA may be made by any person. This POA is governed by the laws of the State of Nebraska and is only valid until the expiration date. Amwest Surety Insurance Company (the "Company") shall not be liable on any limited POA which is fraudulently produced, forged or otherwise distributed without the permission of the Company. Any party concerned about the validity of this POA or an accompanying Company bond should call your local Amwest branch office at (206) 522-3111

KNOW ALL BY THESE PRESENT, that Amwest Surety Insurance Company, a Nebraska corporation, does hereby make, constitute and appoint:


Homer S. Smith, III
Kenneth R. Carter
Carol Keenan
Denise J. Koehl
As Employees of Homer Smith Insurance, Inc.

its true and lawful Attorney-in-fact, with limited power and authority for and on behalf of the Company as surety to execute, deliver and affix the seal of the company thereto if a seal is required on bonds, undertakings, recognizances, reinsurance agreement for a Miller Act or other performance bond or other written obligations in the nature thereof as follows:

All Bonds up to \$5,000,000.00

and to bind the company thereby. This appointment is made under and by authority of the By-Laws of the Company, which are now in full force and effect.

I, the undersigned secretary of Amwest Surety Insurance Company, a Nebraska corporation, DO HEREBY CERTIFY that this Power of Attorney remains in full force and effect and has not been revoked and furthermore, that the resolutions of the Board of Directors of Amwest Surety Insurance Company set forth on this Power of Attorney, and that the relevant provisions of the By-Laws of each company, are now in full force and effect.

Bond No. 111001805 Signed & sealed this 18th day of October 19 99 
Karen G. Cohen, Secretary

***** RESOLUTIONS OF THE BOARD OF DIRECTORS *****

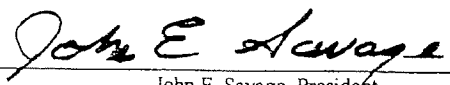
This POA is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the Board of Directors of Amwest Surety Insurance Company at a meeting duly held on December 15, 1975:

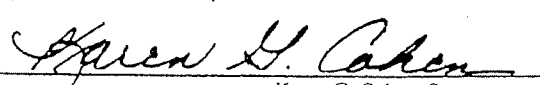
RESOLVED, that the President or any Vice President, in conjunction with the Secretary or any Assistant Secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the Company, to execute and deliver and affix the seal of the Company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any POA previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and bind upon the Company:
(i) when signed by the President or any Vice President and attested and sealed (if a seal be required) by any Secretary or Assistant Secretary; or
(ii) when signed by the President or any Vice President or Secretary or Assistant Secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
(iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the power of attorney issued by the Company to such person or persons.

RESOLVED FURTHER, that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any POA or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

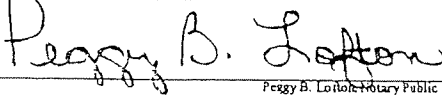
IN WITNESS WHEREOF, Amwest Surety Insurance Company has caused these present to be signed by its proper officers, and its corporate seals to be hereunto affixed this 25th day of September, 1998.

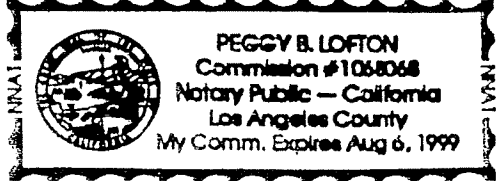

John E. Savage, President


Karen G. Cohen, Secretary

State of California
County of Los Angeles

On September 25, 1998 before me, Peggy B. Lofton Notary Public, personally appeared John E. Savage and Karen G. Cohen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.
Signature 
Peggy B. Lofton, Notary Public



5230 Las Virgenes Road Calabasas, CA 91302 TEL 818 871-2000



PUBLIC WORKS

County Engineer's Report re: Proposed Port Ludlow Drainage District Petition: Jim Pearson reported that a petition was received in October to establish a drainage district in Port Ludlow. The County Engineer is required to submit a report on that petition. The Department has met with the petitioners and the Prosecuting Attorney regarding this petition. There are 4 sections of the petition: 1) the objectives, 2) the boundaries, 3) projects, and 4) public hearings and district election.

There is no problem with the objectives or boundaries of the petition, however, there are 3 project proposals that are not allowed by the RCW. The Department recommends that petition Sections 4.15, 4.16 and 4.17 be revised. It is difficult for the County Engineer to determine if the projects are feasible at this point. The next step is to schedule a public hearing to take testimony on this petition and then the Board must decide if an election should be scheduled.

Lloyd Kerns, Chairman of the LMC Drainage Committee, stated that they have had good communication with Public Works since the petition was submitted. They are very interested in putting together a drainage district. They submitted the petition without the help of legal counsel, using examples from other counties. Their interpretation of the RCW regarding the amount of control the drainage district will have is different than the Public Works Department interpretation. They are asking for time to have a legal review and input regarding the comments from Public Works. They feel it will be about a month before that information will be ready. A meeting can be scheduled with the Public Works Department at that time and then a public hearing can be scheduled.

Public Works Director Gary Rowe reported that the only time frame in the law has been met by the Engineer's Report being presented today.

Commissioner Huntingford moved to table any action on this petition for at least 45 days. The petitioners will notify the County if they need more time. Commissioner Harpole seconded the motion which carried by a unanimous vote.

Recommendation on Monies Received from Sale of Multi Services Building (Building 29):

Commissioner Harpole moved to accept the Public Works Department's recommendation regarding the monies received from the sale of the multi-services building. Commissioner Huntingford seconded the motion which carried by a unanimous vote.

Director's Update: Public Works Director Gary Rowe reported:

- The Issue Manager items previously assigned to Frank Gifford have been turned over to him. He will be reviewing them with staff and updating the Board.



LUDLOW MAINTENANCE COMMISSION

March 10, 2000

Jefferson County Commissioners
P.O. Box 1220
Port Townsend, WA 98368

Subject: Revisions to Petition for Formation of Port Ludlow Drainage District

Gentlemen:

After consultations with the County Engineer's office and with our own legal and engineering advisors, the following revisions are offered to the Petition for Formation of a Port Ludlow Drainage District submitted to your office on October 14, 1999:

1. **Petition Section 1(d) Objectives of the District (paragraph 2);** change to read:
"Future annexations would increase the District size." Delete the following sentence beginning "In that event..."
2. **Petition Section 1(e) Objectives of the District;** change to read:
"Funding for District operations shall be provided solely through a system of special assessments on property within the District. The assessment system would be developed in accordance with the requirements of the Revised Code of Washington, RCW 85.38. The assessment system would consider assessment zones, the value of benefit or use per acre, and the types of improvements. Jefferson County would bill for and collect special assessments for the District. Special assessments would be due at the same time as property taxes."
3. **Petition Section 4.15;** change to read:
"The District shall have the authority to conduct plan review of developments within the District boundary in order to ensure the developments are connected to the District's drainage facilities in a manner consistent with the District Storm Water Comprehensive Plan."
4. **Petition Section 4.16;** change to read:
"In addition to revenues from District special assessments, as provided for in RCW 85.38, the District may also establish and collect fees for water quality enhancement activities."
5. **Petition Section 4.17;** change to read:
"The District shall have the authority to require new and existing developments within the District boundary to connect to the District's drainage facilities. A Drainage Permit from the District shall be required for developments to connect to the District's drainage

facilities. The District shall have the authority to inspect connections to District drainage facilities to ensure that connections are made consistent with the District Storm Water Comprehensive Plan."

Thank you for your consideration of this petition. If approved, arrangements for conducting a public hearing in the proposed District's boundary may be made by contacting Mr. Richard Smith at 437-9201.

Sincerely,

A handwritten signature in cursive script that reads "James L. Laker". The signature is written in dark ink and is positioned above the typed name.

James L. Laker, Secretary
Ludlow Maintenance Commission



PROCLAMATION re: Ichikawa Days: Commissioner Harpole moved to proclaim Ichikawa Days from May 19 through 21, 2000 in honor of the Sister City of Port Townsend. Chairman Wojt seconded the motion which carried.

HEARING re: Proposed Budget Appropriations and Extensions; Various County Departments and Specific Other Funds: The Chair opened the public hearing on the proposed budget appropriations/extensions.

Auditor Donna Eldridge reported that Animal Services budget appropriation/extension request is for the purchase of replacement computer equipment and the Non-departmental fund may be a more appropriate fund to be charged. She questioned if this should come out of the Animal Services budget? Charles Saddler stated that when equipment is replaced due to a robbery, the Risk Management Fund is ordinarily charged for the replacement cost. He suggested that the Board not act on this request at this time.

Hearing no further comments for or against the proposed extensions/appropriations, the Chair closed the public hearing.

Commissioner Harpole moved to approve and prepare the necessary resolution for the appropriation/extension for Juvenile Services for next week's agenda and asked that staff do more research on the Animal Service's request.

The meeting was recessed at the conclusion of the scheduled business on Monday and reconvened on Tuesday evening at 7:00 p.m. in the Port Ludlow Beach Club. All three Commissioners were present.

HEARING re: Petition to Establish a Port Ludlow Drainage District: Chairman Wojt opened the public hearing with approximately twenty people in attendance. Jim Pearson, Public Works Department, reported that staff has been working with the Ludlow Maintenance Commission on this proposal. The purpose of this hearing is to take testimony on a petition to form a drainage district that was submitted to the County. That testimony will help the County Commissioners determine whether or not to authorize an election to allow the residents in the community to vote on the establishment of a drainage district. He showed a map of the proposed boundaries of the district. If the residents vote to establish the district, the election of the Drainage District Commissioners would not be scheduled until February, 2002. The RCW specifies certain dates when commissioners from special districts can be elected and that is the first eligible date. However, in the interim, the Board of County Commissioners can appoint the Drainage District Commissioners to serve until the election.

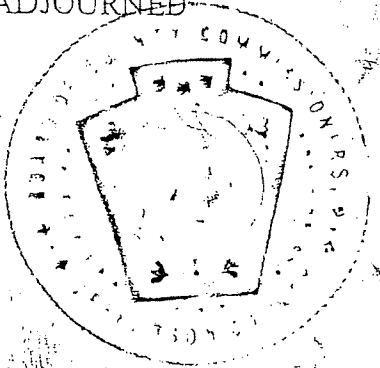


Commissioner Huntingford stated that the Ludlow Maintenance Commission has worked on this proposal for a number of months and has done an excellent job. A comprehensive plan for drainage covering the whole North Bay area will make a difference over the long term. He moved to set the special election for the Port Ludlow Drainage District for September 19, 2000. Commissioner Harpole seconded the motion which carried by a unanimous vote.

Jim Pearson stated that he will have a resolution for the Board's agenda on May 22, 2000. He will also work with the Elections Division of the Auditor's Office to have the Drainage District proposal on the ballot in September.

MEETING ADJOURNED

Seal:



ATTEST:

Lorna Delaney
Lorna Delaney, CMC
Clerk of the Board

JEFFERSON COUNTY
BOARD OF COMMISSIONERS

Richard Wojt
Richard Wojt, Chair

Dan Harpole
Dan Harpole, Member

Glen Huntingford
Glen Huntingford, Member