

Dissolution Proposal of the Port Ludlow Drainage District

Reviewed by PLDD Commissioners on March 12, 2026

The Port Ludlow North Bay community should consider dissolving the Port Ludlow Drainage District (PLDD) and have the various North Bay Community Homeowner Associations (HOA) assume responsibility for administration, management and maintenance of the drainage infrastructure. *RCW 85.38.225 Alternative dissolution procedure* provides a means to dissolve the district and continue to maintain the existing infrastructure.

The infrastructure includes HOA common areas and greenbelt, which falls within the realm of the Ludlow Maintenance Commission (LMC), North Bay Condominium Association, Admiralty I & II Condominium Association, Waterhouse Lane, and Ludlow Cove phase I & II Association. It is reasonable for these HOA's to assume responsibility for the drainage systems within each of those areas.

Over the past twenty years the PLDD has provided a needed public drainage infrastructure to the Port Ludlow North Bay property owners.

Currently the PLDD has:

- Difficulty in retaining elected or appointed Commissioners.
- Difficulty to effectively manage the District due to restrictive open public meeting requirements and the continued turnover of its elected commissioners.
- Administrative costs are unreasonably rising due to local, state and federal regulatory requirements.
- The drainage infrastructure design and development has been realized.

Why have the North Bay HOA's assume the leadership and management of the drainage infrastructure? LMC owns most of the land the drainage system lays upon. Ludlow Cove I & II own the remaining drainage infrastructure within its residential boundaries on Waterhouse Lane, Ebb Tide Court and Anchor Lane.

Review of the District Infrastructure Area of Responsibility map clearly defines the boundary and focused areas of infrastructure to include the minor HOA divisions and Ludlow Maintenance Commission major divisions.

Reduction in Annual Budget and Operations Expense:

A significant annual cost of the drainage system expense can be reduced by terminating the District as a Special Purpose District. The District assessment for 2025 is \$80,000.00, which impacts lot owner assessments annually from \$20.00 to \$75.00. It is believed the annual 2025 operating expense could be reduced by 56 percent by dissolving the Port Ludlow Drainage District. In this case the 2025 maintenance cost to support the drainage infrastructure by LMC could be \$35,000.00 or \$32.00 per lot annually. This could save the LMC lot owners \$40.00 annually in lieu of paying the District assessment.

Financial supportive documentation can be viewed on the two attached 2025 Budget actual and 2025 Cost Reduction (attached).

RCW 85.38.225 Alternative dissolution procedure—Drainage and drainage improvement districts—Conditions. As an alternative to this chapter a drainage district or drainage improvement district located within the boundaries of a county storm drainage and surface water management utility, and which is not currently imposing assessments, may be dissolved by ordinance of the county legislative authority. If the alternative dissolution procedure in this section is used the following shall apply: (1) The county storm drainage and surface water management utility shall assume responsibility for payment or settlement of outstanding debts of the dissolved drainage district or drainage improvement district and shall notify the county treasurer at such time of the assumption of responsibility. (2) All assets, including money, funds, improvements, or property, real or personal, shall become assets of the county in which the dissolved drainage district or drainage improvement district was located. (3) Notwithstanding RCW 85.38.220, the county storm drainage and surface water management utility may determine how to best manage, operate, maintain, improve, exchange, sell, or otherwise dispose of all property, real and personal, of the dissolved drainage district or drainage improvement district, and may determine to modify, cease the operation of, and/or remove any or all facilities or improvements to real property of the dissolved drainage district or drainage improvement district.

EXHIBIT A
PLDD 2025 Budget

Assumptions: 1. Surplus/Deficit = Estimated Cash Account at the end of 2024.

Revenue	2023 288	2024 288	2025 288	2026 288	2027 288	2028 288	2029 288	2030 288	2031 288	2032 288	2033 288	2034 288	2035 288	2036 288	2037 288	2038 288	2039 288	2040 288
Surplus/Deficit from 2024 (estimated)																		
Investment Account + Interest (Account 010)																		
Cash Balance Forward																		
Capital Reserve + Interest (Account 040)																		
Assessment																		
Total Expenses																		
Estimated Year End Balance																		

Personnel	2025 210	2026 210	2027 210	2028 210	2029 210	2030 210	2031 210	2032 210	2033 210	2034 210	2035 210	2036 210	2037 210	2038 210	2039 210	2040 210
Administrative Personnel	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010	1,010
Communications	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Field Expenses	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Engineering	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520	19,520
Commissioners Meeting, Mitigation & Expenses	470	470	470	470	470	470	470	470	470	470	470	470	470	470	470	470
Miscellaneous/Office Expenses	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140	12,140
Professional Services	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270	11,270
Capital Improvement Plan	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400	104,400

Subtotal	2025 104,400	2026 104,400	2027 104,400	2028 104,400	2029 104,400	2030 104,400	2031 104,400	2032 104,400	2033 104,400	2034 104,400	2035 104,400	2036 104,400	2037 104,400	2038 104,400	2039 104,400	2040 104,400
Budget Adjustments																
Assessment																
Capital Reserve																
Estimated Year End Balance																

All amounts rounded up to nearest \$10
County Assessment Certification Required Every 4 Years. (for example 2028 & 2032)
Elections Required Every 4 Years. (for example 2028 & 2032)

