

New sewer plan may pull utility out of debt

By ARLA SHEPHARD
MASON COUNTY LIFE

The Belfair sewer system could become financially solvent by the year 2040, according to a new financing plan that the Belfair Sewer Advisory Committee is considering.

The plan, created by Mason County Commissioner Randy Neatherlin and presented to the committee in December, outlines three key elements that would bring the county out of debt.

Those three elements include moving forward with building sewers throughout the Belfair Urban Growth Area, creating a Utility Local Improvement District for 10 years that would assess \$195 per parcel per year on properties without a sewer, and taking out a bond on the county's long-term investments with the state.

If the county commission approved the committee's recommendation to adopt the plan, the ULID would be subject to a vote of the people. The assessments collected per parcel would also count toward that property owner's hookup fees once the sewer arrives on their property.

"The No. 1 thing people would get from the ULID would be buying into a solid system that is not going to go bankrupt," Neatherlin said. "No. 2, they get the monthly sewer rate of \$99 per year for those

that do hook up, so we can compete with our neighbors. No. 3, they would be able to build and No. 4, they wouldn't be forced to hook up for 10 years."

The plan details a conservative annual growth rate of 2 percent in Belfair after 2026 (and a 0 percent growth rate the 10 years prior during the ULID collection phase) and would allow all properties without a sewer to build one anytime between 2017 and 2026, instead of in phases.

Neatherlin also estimated low for the number of homes that would be willing to hook in each year within those 10 years (50 homes or Equivalent Residential Units in the first year) and assumed that the bulk of those hooking up would wait until the last minute and hook in during the final year of the ULID deadline.

Monthly sewer rates would rise from \$96 to \$99 per month in 2016 and would remain stable until 2026, after which the rates would rise to \$125 per month and increase 3 percent each year after, giving Belfair's neighbors time to "catch up" and match its sewer rates, Neatherlin said.

Between 2014 and 2024, the county expects around \$66,800 per year to come in from loan repayments through the County Hookup Program enacted during the sewer's first phase that helped property owners finance the costs of the sewer.

Neatherlin's plan, which he worked out with county Finance Manager Frank Pinter, also assumes that the Department of Ecology will grant the county 85 percent of the funds needed to build the sewers out, with the county footing the bill for the rest, around \$1.3 million.

During Phase I of the sewer project, Ecology funded around 95 percent of the project through grants, Neatherlin said.

The cornerstone of the plan involves the county taking out another bond, this time on its own investments.

Last year, the interest rate from the county's long-term state investments yielded only about .0026 percent, or around \$400, for the county. By purchasing a bond on the county's investments — essentially the county investing in itself — the county could collect up to \$5.4 million in interest revenue.

The \$5.4 million would go toward paying off a \$2 million settlement for Boss Construction, the contractor for the sewer treatment plant, and would pay off two state loans and contribute around \$1 million toward the county's cost of building out the sewer.

The new bond would allow the county to reserve more of its .09 sales tax and real estate excise tax revenue for other purposes.

For example, this year, the county took out more than \$1 million from those

funds to pay for the sewers, while Neatherlin's plans call for only about \$300,000 to be used annually from those funds until 2024.

Ultimately, the plan allows for the county to operate in the black for most of the next 25 years, ending 2040 with \$13.8 million in net revenue.

Neatherlin wants the sewer advisory committee to approve and recommend the plan to the county commission, so that the plan has community buy-in.

"If you don't have the community behind you, you don't have a plan," he said.

Members of the sewer advisory committee wanted time to review the plan at the end of December, but many expressed optimism for what the plan could do.

Neatherlin is eager for the county to adopt the plan as soon as possible, so that the county does not obtain another finding from the Washington State Auditor's Office for the insolvency of the sewers and the county's lack of a long-term plan to fund the sewers.

"Without a plan to sewer Belfair, the state will force us to hook up everyone, and we will have to take on new debt for that or raise rates," he said. "If I had my way, we'd do this now so we don't have another finding, which will make it even harder to take out bonds." ■



CELEBRATING A CAUSE | Cameo Boutique & Wine Shop co-owner Gary Hanson tries a sip of gin from Hardware Distillery's Holly Reed at Sound Learning's Uncorked for a Cause event, Dec. 10, at the Shelton Colonial House.

Pamela Walker is MG Employee of the Month

"When Pamela is working, we know it will be a good day," were the words of ICU clinical director Rob Bennington when describing Pamela Walker, certified nursing assistant in Mason General Hospital's intensive care unit.

Bennington said those words when Walker was recognized last spring by Shelton Rotary for her "outstanding professionalism" in serving the patients of this area.

This month, Walker was named Mason General Hospital & Family of Clinics' December Employee of the

Month, an honor she is receiving for the second time in her tenure at MGH&FC. The first was in 2008.

Walker, who has worked at MGH&FC for the past 11 years, readily admits she loves working at MGH&FC, enjoys her colleagues and patients, and admits, "I miss this place when I am not here. There are days I'd rather be at work than at home."

She went on to say how much she enjoys the comfortable atmosphere at the hospital, adding, "everyone is so easy to get along with."

Walker and her husband of 19 years, Rick, have six grown children between them, and eight grandchildren. When not working they love to hike, hunt, and look after their horse and several cows.

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ON THE COVER

The Shelton Yacht Club presented the 2014 holiday boat parade Dec. 12 in Hammersley Inlet.

Photo courtesy of Doris Alexander and Bill Valley

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