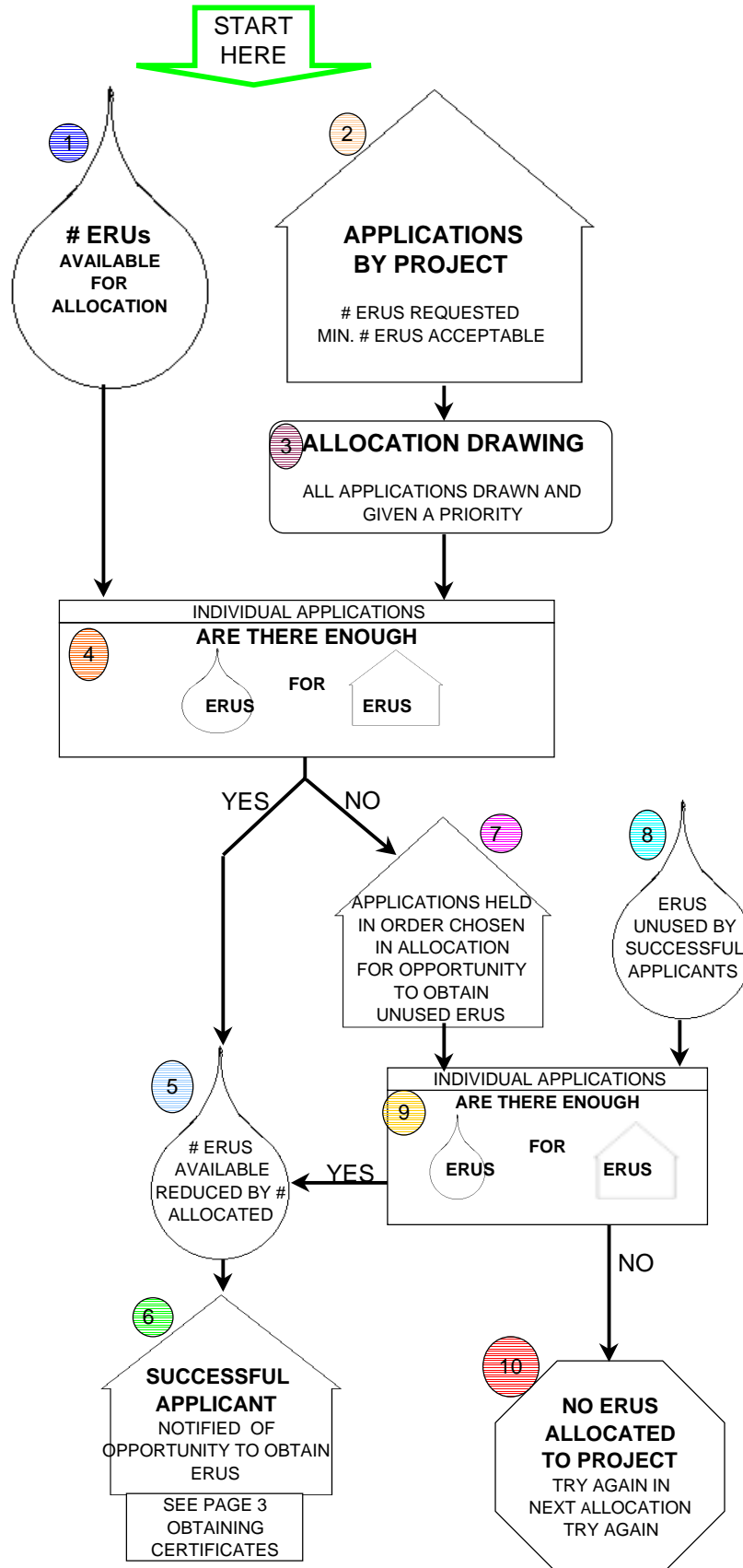


APPENDIX B

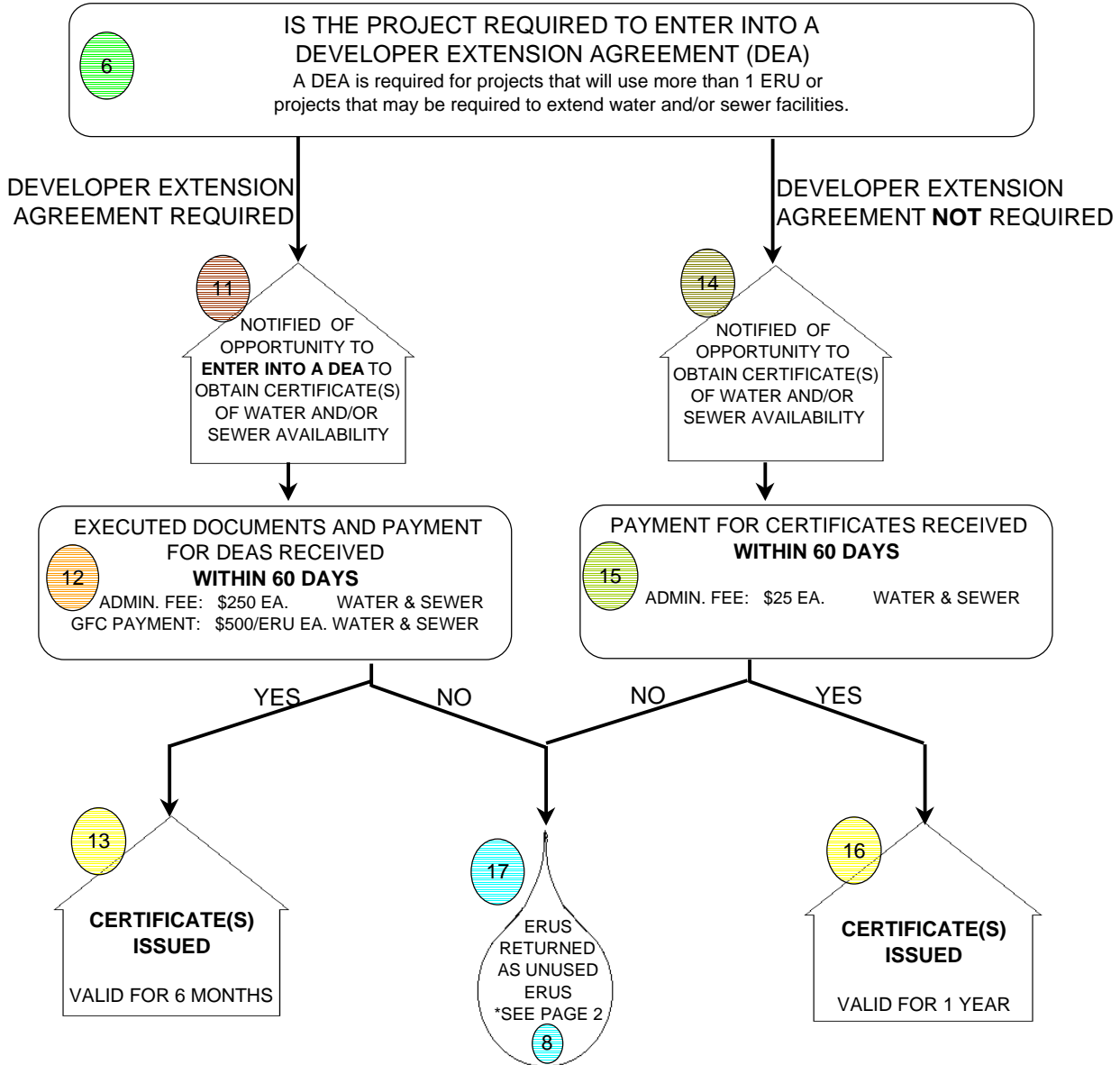
Allocation Plan

ALLOCATION PLAN



ALLOCATION PLAN


SUCCESSFUL APPLICANTS - OBTAINING CERTIFICATES




ABBREVIATIONS & DEFINITIONS USED:

ERU = Equivalent Residential Uni
(measured as a ¾" water meter)

Meter	¾"	1"	1-1/2"	2"	3"	4"
ERU	1	2.5	5	8	16	25

 = Water for Allocation

 = Projects

DEA = Developer Extension Agreement

GFC = General Facility Charge

= See Pages 4 - 6 for Detailed Information

Certificate(s) = King County Certificate of Water Availability and Sewer Availability

INFORMATION ON STEPS IN ALLOCATION PLAN

Allocation Plan – General Information

The first Allocation, after adoption by the Board of Commissioners, was held June 15, 1998. The use of an Allocation System to disburse ERUs may continue until the District obtains a significant additional water supply, or indefinitely.

Following the first Allocation, the District holds Allocations at regular intervals. The Board has chosen to hold these 3 times a year, approximately every 4 months. The Allocations are generally held in early February, June and October.

- 1 **# ERUs Available for Allocation:** The District determines the number of ERUs available for disbursement through an Allocation based on the District’s water rights, existing customers, previously allocated water commitments and reserve requirements.
- 2 **Applications by Project:** The District has application forms for the each individual Allocation. Applications, on District forms, are accepted by the District during a designated application period. Each application should provide information for the proposed project including:

Project Description	Number of ERUs Requested
Applicant Information	Minimum Number of ERUs Acceptable
Property Information (The application will only be valid on the property specified.)	Property Owner Information (If the Applicant is not the Owner, the Owner’s signature will be required.)

Each application is reviewed to determine if it appears to be in compliance with current zoning and the information provided is correct and complete, and modifications requested if any information does not appear to be correct.

- 3 **Allocation Drawing:** The Allocation Drawings are performed by an independent agent. Each application receives an Allocation ID number and all ID numbers are combined and chosen in a random order to determine successful applicants. All applications will be placed in their chosen order for the allocation of available water supply, prior to identifying the successful applicants.
- 4 **Comparison of ERUs Requested on Individual Applications & Available ERUs:** Starting with the first application chosen through the Allocation Drawing, the number of ERUs requested by the individual application would be compared to the number of ERUs available for allocation.
 - ✓ If there are sufficient ERUs available to satisfy the request, the applicant is identified as successful. (Continue with Step 5.)
 - ✓ If there are not sufficient ERUs available to satisfy the request, the minimum number of ERUs the applicant indicated they would accept is checked. If there are sufficient ERUs available to satisfy the minimum request, the applicant is identified as successful (for the maximum number available). (Continue with Step 5.)
 - ✓ If there are not sufficient ERUs available to satisfy even the minimum number of ERUs the applicant would accept, the application is held on a waiting list. The order in the waiting list is the same as the order in the Allocation. (Wait at Step 7.)
Repeat Step 4 if other applications remain to be considered. The District tries to allocate as many ERUs as possible to Allocation applicants.

- 5 **# ERUs Available Reduced by the # Allocated** After ERUs have been allocated to a successful application in step 4 or step 9, the number of ERUs available for allocation is decreased, and Step 4 or 9 is repeated

- 6 **Successful Applicants Notified of Opportunity to Obtain ERUs/Certificates of Availability:** The District determines if a proposed project that has successfully applied for ERUs requires a Developer Extension Agreement (“DEA”) to obtain Certificates of Water and/or Sewer Availability. The criteria regarding this determination is set forth in resolutions pertaining to DEAs. Generally, if a project is proposed with more than 1 ERU, or if the project would require improvements to or extension of the District’s water and/or sewer facilities, a DEA is required.

- 7 **Applications Held in Order Chosen for Opportunity to Obtain Unused ERUs** Applications that do not successfully obtain ERUs during the initial Allocation drawing are held on a waiting list, during the period following the Allocation, for an opportunity to obtain ERUs allocated in the Allocation but unused. (See Steps 11 – 17 for description of how the ERUs may become “unused”) The waiting list order is the order in which the applications were drawn in the Allocation.

- 8 **ERUs Unused by Successful Applicants:** The ERUs awarded to successful applicants in a Allocation, but not obtained by the applicants, are returned to a pool to be awarded to those on the Allocation waiting list, or used in future Allocations. (See Steps 11 – 17 for description of how the ERUs may become “unused”)

- 9 **Comparison of Individual Applications Requested ERUs & Available Unused ERUs:** Unused ERUs are accumulated until there are enough to satisfy the number of ERUs requested on the application at the top of the waiting list. However, on the last day the District accepts applications for the next Allocation, all ERUs being held are moved to the next Allocation pool and included in the District’s determination of ERUs Available for Allocation (step 1).

- 10 **No ERUs Allocated to Project:** On the last day the District accepts applications for the next Allocation drawing, if Unused ERUs have not become available in sufficient number to satisfy the requests of those on the waiting list, the waiting list is terminated. Those applicants on the waiting list need to provide new applications to the District for consideration in the next Allocation. Each Allocation is held using new applications. The waiting list is not allowed to continue indefinitely so a project with ERU requests higher than the District’s capabilities does not block all allocation for a long period.

- 11 **Successful Applicant Notified of Opportunity to Enter Into a DEA and Obtain Certificates:** DEA documents are prepared using information provided on the Allocation application, and provided to the applicants with instructions for execution. Execution includes required signatures and fees. The documents and fees must be provided back to the District within 60 days.
[note: this step and the following steps 12 and 13 are the District’s current procedure for obtaining Certificates for projects requiring DEAs.]

- 12 **Executed Documents and Payment for DEAs Received:** District waits for 60 days for receipt of executed documents and payment required for DEA.

The fees would include, at a minimum,
 Administrative fees: \$250.00 each Water and/or Sewer
 Partial Payment of GFCs: \$500 per ERU each for Water and/or Sewer.
 (For a project with both water and sewer service this is \$1000/ERU plus \$500.)

The notarized signatures required include the Applicants/Developer and the Property Owner (if different than the Applicant).

- 13 **Applicant provides Executed Documents and Fees within 60 days:** The District Board considers the DEA for approval, by Resolution. If approved the District executes the DEA and provides a fully executed DEA and Certificates of Availability to the Applicant.
The Certificates of Availability are valid for 6 months to be provided to King County as part of a complete application for the associated project. If not used the Certificate(s) lose validity. The District can consider requests for one 6 month extension to the Certificates.

- 14 **Successful Applicant Notified of Opportunity to Obtain Certificates:** A letter is sent notifying the successful applicant of the fee requirements to obtain Certificates, and of the 60 day limit within which the fees must be paid.
[note: the following steps 15 and 16 are the District’s current procedure for obtaining Certificates for projects that do not require DEAs.]

- 15 **Payment for Certificates Received:** District waits for receipt of payment required for Certificates for the project within 60 days of the District providing notice of the opportunity to obtain the Certificates.

The fees would include, at a minimum:
 \$25 per ERU each for Water and/or Sewer Certificates.

If the project is in an urban area, but is not proposed to be served by District sewer at this time, a Sewer Certificate of Availability and Agreement for Future Connection to Sewer may be required. The Agreement fee is \$25 and requires the Property Owner’s notarized signature.

- 16 **Applicant provides Fees within 60 days:** District Staff prepares and provides the Certificates of Availability for the project.

The Certificates of Availability are valid for 1 year to be provided to King County as part of a complete application for the associated project. If not used the Certificates lose validity and will not be renewed.

- 17 **Applicant does not provide Fees and/or Executed DEA within 60 days:** If required payments and/or Executed documents are not received within 60 days, the District cancels the application and includes the ERUs with “Unused ERUs” to be made available to other unsuccessful applicants (step 8), or in subsequent Allocations.