

## King Conservation District

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ESTABLISHED 1949

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November 15, 2006

Larry Phillips
Chair, Metropolitan King County Council
King County Courthouse - 12th Floor
516 Third Ave
Seattle, WA 98104

Council Member Larry Phillips

NOV 17 2006

Received District Four

Re: King Conservation District Special Assessment

Dear Chairman Phillips,

As you are aware, representatives of the King Conservation District and King County have been involved in discussions and negotiations for some time in an attempt to address the outstanding issues relating to the District's proposed system of assessments filed with King County on July 28, 2006. Unfortunately, based on our meeting with King County's representatives on Tuesday, November 14, 2006, it appears that King County and the District are at an impasse with respect to several key provisions contained in the draft Interlocal Agreement. Since King County has taken the position that it will not introduce legislation to approve the District's proposed system of assessment without an approved Interlocal Agreement, at the conclusion of the November 14th meeting, the District was informed that King County's negotiating team would be recommending to the Council that no conservation assessment be authorized by King County for 2007 or beyond. Naturally, the District is disappointed with the County's position.

The primary issue in dispute relates to the County's insistence that the District agree to a Program of Work and specific funding allocation over the entire five year period of the proposed assessment (i.e., \$5 to the WRIA watershed forums, \$2 to the cities and \$3 to the District). From the District's perspective, the District believes that it must retain the right to prepare its Programs of Work and associated budgets on an annual basis so that the District's future Programs of Work may be based on current information and circumstances, and so the District can maintain some flexibility to address new or emerging conservation needs and requirements which may vary from year to year. The County has taken the position that without a firm allocation for the entire five year period of the proposed system of assessment, the District could significantly change its future Programs of Work and the County would have no ability to ensure that the special benefit requirement of RCW 89.08.400 is satisfied in future years. The District respectfully disagrees with the County's position on this issue.

The District has already indicated its willingness to submit its future Programs of Work and associated budgets to the County for its review on an annual basis. Further, the District acknowledges and has agreed that if future Programs of Work

are submitted to the County and the County finds that the current assessment will exceed the special benefit the lands receive from the modified Program of Work, the County can modify or rescind the District's system of assessment. Therefore, King County actually retains full oversight and control of the assessment during the entire duration of the assessment.

The other significant issue between the District and the County relates to the District's desire to fund landowner incentive programs which the District believes are a critical component of the District's natural resource conservation efforts. As you may recall, the District's 2007 Program of Work submitted with the District's proposed system of assessment included a plan to fund the District's "Conservation Partnership Program" from the District's share of the per parcel allocation (\$3.85). The District has explored a number of alternatives with King County as to how to accomplish the District's stated goal to fund this program. However, King County has taken the position that a 5/2/3 allocation is required as a condition of getting the proposed system of assessment passed and the County has resisted the District's efforts to increase funding from the assessments to support the landowner incentive programs and other programmatic elements in the watershed forum plans.

In the spirit of compromise, the District has expressed its willingness to accept a 5/2/3 allocation for the 2007 Frogram of Work, on the condition that the District would work with the WRIA watershed forums to identify, implement, and fund landowner incentive programs at some level. Further, the District has expressed its commitment to work with a newly constituted Advisory Committee to explore various ways to achieve the District's goal to fund landowner incentive programs in future Programs of Work. In response, King County has taken the position that the District's commitment to a 5/2/3 allocation for one year is not acceptable. It should also be noted that at the conclusion of the November 14th meeting, the District expressed its willingness to consider an assessment period of two years with a fixed 5/2/3 allocation for both years with certain provises which would allow the District to seek a different allocation in the second year if certain significant events occurred. King County's representatives made it clear that the assessment duration had to be five years and anything less was unacceptable.

Although the County has indicated that it feels like the District has been sending mixed signals about the District's willingness to accept the County's terms, the District believes that the positions it has taken have been consistent with the positions set forth in my letter dated October 10, 2006 which was entitled "Summary of Negotiable Points." The discussions that have taken place since that time have been motivated by the District's desire to explore various alternatives in order to resolve the outstanding issues and such discussions should not have been viewed as a firm commitment by the District to accept the County's conditions. To the extent there was confusion in this regard, I apologize as it was certainly not our intent to give the County the impression that the District had backed away from the terms contained in my October 10, 2006 letter.

Finally, in an effort to keep the entire County Council informed as to the status of the negotiations, I have attached a final version of the Interlocal Agreement which the District is prepared to approve and which the District believes adequately addresses the interests of both the District and King County. The District remains hopeful that King County will understand and accept the District's need to retain autonomous control of its Programs of Work and associated budgets and that King County will process the District's proposed system of assessments in accordance with the requirements of RCW 89.08.400.

If you have any questions, please do not hesitate to call me.

Sincerely,

Matt Livengood

Chair, King Conservation District Board of Supervisors

CC: Dow Constantine

Bob Ferguson

Julia Patterson

Larry Gossett

Pete Von Reichbauer

Reagan Dunn

Kathy Lambert

Jane Hague

Enclosures: King Conservation District Proposed Interlocal Agreement