

## Lake Management Districts (LMD)

1. An LMD is a specialized funding mechanism for lake area property owners.
2. Formed pursuant to RCW 36.61.
3. Lifetime of LMD is defined by petitioners.
4. The formation process can be complicated due to complex technical and policy issues and public controversy.
5. Property owners define the LMD proposal and initiate LMD formation process by submitting a petition to the County Commissioners or the city.
6. The petition defines the proposed boundary, work program, budget, rates and duration of LMD.
7. LMD is formed by a vote of the property owners; one vote is allotted per dollar of LMD rate.
8. Petition proponents are responsible for funding all elements of the LMD formation process.
9. County Commissioners or city adopt resolutions which initiates the LMD process and puts it to a vote provided they find the proposal meets State (RCW 36.61) and County/City requirements. The findings include:
  - A. It is in the public interest to create the lake management district.
  - B. The financing of the lake improvement and maintenance activities is feasible.
  - C. The proposed activity must also avoid adverse impacts to fish and wildlife and enhance fish and wildlife.
10. County/City staff is responsible for legal notices, creating the formal roll of LMD charges and other aspects of the LMD formation process after a legally-sufficient petition is submitted.
11. After an LMD is formed, the County/City officials and staff will ensure that LMD expenditures comply with requirements for public funds.
12. Summary of LMD formation process:
  - A. Initiation by petition of property owners.
  - B. Public hearing on the proposed LMD held by the County Commissioners or City.
  - C. Property owner vote on the LMD may be authorized by the County Commissioners or City following the public hearing, provided certain criteria are met as defined in statute.
  - D. Ballots are mailed to each property owner; one vote is allotted by dollar of proposed annual charge.
  - E. If the LMD is approved a public hearing on objections to the roll is held. Objections must be filed in writing prior to the hearing.
  - F. The County Treasurer is responsible for collection of LMD charges. In Thurston County, LMD charges appear as a specific line on the property tax bill.

## Special Districts

1. A Special District is a special form of government that provides diking, drainage, flood control facilities and services; and engages in lake or river restoration, aquatic plant control, and water quality enhancement activities to property owners within the district boundaries.
2. Formed pursuant to RCW 85.38.
3. Lifetime of Special District is indefinite.
4. The formation process can be complicated due to complex technical and policy issues and public controversy.
5. Petitioners define the objects sought by creating the district, the proposed projects, the district boundaries, and other matters deemed material.
6. The petitioners do **not** define budget, assessments and duration of a special district.
7. District is formed by a vote of the property owners; two votes is allotted per valid voter.
  - a. A valid voter is a property owner within the district boundaries and is a registered voter in Washington State.
  - b. No property owner gets more than two votes regardless of number of parcels they own.
8. Petition proponents are responsible for funding all elements of the district formation process by submitting a \$5,000 bond or other county acceptable financial instrument.
9. County Commissioners hold a public hearing to determine the findings of fact (RCW 85.38.050):
  - a. Creation of district will be conducive to the public health, convenience and welfare;
  - b. Creation of district will be of special benefit to a majority of the lands within the district;
  - c. Proposed improvements are feasible and economical, and the benefits of these improvements exceed their costs.
10. County Commissioners pass a resolution which includes the findings of fact and puts it to a vote provided they find the proposal meets State (RCW 85.38) and County requirements.
11. County staff is responsible for legal notices, creating the list of property owners within the district, submission of the Notice of Intent to the Thurston County Boundary Review Board and other aspects of the district formation process after a legally-sufficient petition is submitted.
12. After a district is formed, the County Commissioners appoint the initial governing board of three. Thereafter, the district property owners elect the governing board.
13. The district governing board will manage the affairs of the district and ensure that district expenditures and contract administration comply with public laws.
14. Summary of special district formation process:
  - a. Initiation by petition of property owners submitted to County Commissioners.
  - b. County Engineer has ninety days to report to County Commissioners on:
    - 1) Proposed boundaries; and
    - 2) the feasibility of the proposed projects.
  - c. Public hearing on the proposed district held by the County Commissioners if County Engineer finds the proposed projects feasible.
  - d. County Commissioners pass resolution on their findings of fact and if the findings of fact meet the law then put the district to a vote.
  - e. Property owner vote on the district at the next scheduled special election. The County Auditor manages the election.
  - f. The Boundary Review Board makes their determination.
  - g. If the vote is favorable to form the district the County Commissioners appoint the initial three members of the governing board.
  - h. The County Treasurer is responsible for collection of district assessments.

## Lake Management Districts (RCW 36.61)

ADVANTAGES	DISADVANTAGES
<ol style="list-style-type: none"><li>1. Provides substantial public process in its creation.</li><li>2. Created by a vote of the property owners within the district boundaries. One vote per \$1 of annual assessment.</li><li>3. The district members have a clear understanding of what the rate is going to be and what activities are to occur when they vote.</li><li>4. District boundaries can include all parcels that directly receive a benefit from the lake management activities.</li><li>5. County Treasurer collects assessment on property tax statements. The County manages the money.</li><li>6. County Commissioners have ultimate responsibility to administer the program. The steering committee is in a strong advisory role.</li></ol>	<ol style="list-style-type: none"><li>1. Cannot increase assessment above the level included in the creation Ordinance to reflect unexpected changes to the annual work programs.</li><li>2. Long public process to form an LMD.</li><li>3. County Commissioners are responsible for administering the LMD program. The steering committee is in a strong advisory role.</li></ol>

## Special District (RCW 85.38)

ADVANTAGES	DISADVANTAGES
<ol style="list-style-type: none"><li>1. Provides for a shorter public process in its creation than LMD.</li><li>2. Created by a simple majority of property owner votes. Each property owner gets two votes.</li><li>3. County Treasurer collects the assessment for the district to manage.</li><li>4. Self governing by an elected governing board.</li><li>5. County Auditor hold the governing board elections.</li><li>6. Unlimited life time.</li><li>7. Flexible rate structure to meet the annual work programs.</li><li>8. District boundaries can include all parcels that directly receive a benefit to the lake management activities.</li></ol>	<ol style="list-style-type: none"><li>1. A Special District is a separate form of government and the governing board needs to follow all public laws.</li><li>2. A Special District needs management staff to provide legal services, accounting services, contract administration and lake management expertise.</li><li>3. Unclear about assessment amount and activities proposed by the district when members vote.</li></ol>