

APPENDIX A

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WHOLESALE WATER SUPPLY AGREEMENT
Between Alderwood Water & Wastewater District
and City of Edmonds

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32 **SECTION II. - DEFINITIONS**

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As used in this Agreement, unless the context clearly indicates otherwise, the following words and phrases shall mean:

"Administrative Time" means the District's administrative costs incurred to maintain, operate and repair the Wholesale Facilities.

"Cubic Foot" means a unit of measurement of water equal to 7.48 gallons. The term "CCF" shall mean 100 cubic feet of water.

"Distribution Main" means any water main owned and operated by either the District or by the Customer as part of its Retail Water System.

"District Peak Day Water" means the 24-hour maximum usage day measured in million gallons pumped from the Everett System through the three pump stations operated by the District.

"Everett Supply Contract" means the current agreement between the City of Everett and the District for water supply, dated January 28, 2005, and any future amendments thereof.

"Master Meter" means the measuring device installed to measure the volume of water supplied to the Customer by the District.

"Peak Day Water" means the 24-hour maximum usage day measured in million gallons during a calendar year.

"Regional Facilities" means District assets as identified on Exhibit C that are necessary to provide service to all District retail and wholesale customers.

"Retail Water System" means that system owned and operated by the District or by the Customer composed of Distribution Mains and appurtenances used for receiving a supply of water and distributing it directly to the District's or the Customer's retail customers.

"Service Connections" means those separate connections between a Retail Water System and a retail customer.

"Service Meters" means the meter or measuring device installed on a service line or Service Connection for the purpose of measuring the volume of water supplied to a retail customer.

"Terminal Storage Reservoir" means a storage reservoir used primarily to provide reserves against transmission failure from the supply, supply or pumping failure, pump control storage to balance and economically operate the supply pumps and which permits a reduced sizing in the supply transmission and pumping system to the terminal storage reservoirs.

64 "Transmission Main" means a pipe owned and operated by the District primarily used for
65 carrying water from a source (currently the Everett Water System) to a Retail Water System that
66 normally has limited or no Service Connections.

67 "Wholesale Customer" means a customer who purchases water from the District
68 according to the terms and conditions of this Agreement or an agreement with substantially
69 similar terms and conditions, delivered through the Wholesale Facilities.

70 "Wholesale Facilities" means current assets, identified on Exhibit B, and future assets
71 hereafter added to an amended Exhibit B, owned and operated by the District that are necessary
72 to supply water to the Wholesale Customers in this Agreement. These Wholesale Facilities may
73 also be part of the Regional Facilities.

74 "Wholesale Water Cost" means all of the costs incurred by the District to supply water to
75 Wholesale Customers, including

76 (1) The cost of purchased water, which is the annual amount (U.S dollars) paid by the
77 District for water supplied to the Wholesale Customers under either the Everett
78 Supply Contract or any other agreement for the purchase of water to supply the
79 Wholesale Customers.

80 (2) Maintenance and operation costs ("Wholesale M&O costs"), which are costs
81 incurred by the District to maintain, operate and repair the Wholesale Facilities,
82 including Administrative Time, cost of materials and supplies, and the full cost of
83 labor attributable to serving the Wholesale Customers.

84 (3) "Power Costs," which are the electrical and other fuel charges associated with
85 operating the Wholesale Facilities.

86 (4) "Existing Wholesale Debt," (Principal + Interest) which is the existing bonded
87 debt service and debt obligations of the District attributable to serving the
88 Wholesale Customers, including principal and interest payments.

89 (5) "Future Wholesale Debt Service," (Principal + Interest), which is future debt
90 issued by the District to finance capital improvements and infrastructure,
91 attributable to serving the Wholesale Customers, including principal and interest
92 payments.

93 (6) "Cash (Rate) Funded Wholesale Facility Improvements," ("CFI") which is that
94 revenue component of the Wholesale Water Rate used, in whole or in part, to cash

95 fund Wholesale Facilities.

96 (7) "Other Program Funding," which includes costs incurred by the District that
97 benefit Wholesale Customers but are not otherwise included in the Wholesale
98 Water Rate.

99 (8) "Quantity of Water Supplied," which is the prior year's total of water supplied to
100 the Wholesale Customers (CCF) as measured by all Master Meters, plus or minus
101 any adjustments for individual services of the Customer or District connected
102 upstream or downstream, respectively, of the Master Meters.

103 (9) "District Finance Option," which is a revenue component of the Wholesale Water
104 Rate used in whole or in part to fund capital improvements where bonds or CFI
105 are impractical or are not available.

106 "Wholesale Water Rate" means the cost of water to the Wholesale Customer in dollars
107 per hundred cubic feet (CCF).

108 "Wholesale Water System" includes the Wholesale Facilities and the Retail Water
109 System of any Wholesale Customer and of the District.

110

111 SECTION III. - FUTURE FACILITY ACQUISITIONS

112

113 The Customer and the District agree that at such times in the future that the Customer
114 extends its corporate boundaries to include parts of the District's service area, the Parties will
115 benefit from having a process in place to determine what will become the property of the
116 Customer and what will remain the property of the District. Recognizing that Chapter 35.13A
117 RCW is the governing basis for such a process, the fact that the District provides service to seven
118 cities and the county's unincorporated area adds complexity to the process which requires more
119 process detail to insure that both the Customer and the District can fulfill their respective
120 obligations for service. Therefore, the following process shall define the requirements and
121 responsibilities of each party.

122 The Parties agree that the facilities and infrastructure that are necessary for supporting the
123 District's regional customers ("Regional Facilities") are identified herein. In areas proposed for
124 annexation, where the potential exists for the transfer of ownership of any portion of the
125 Regional Facilities, it is agreed that the Regional Facilities shall remain in the ownership and

126 control of the District. Nothing herein shall be interpreted to waive any right or obligation under
127 Washington law as the same exists or shall hereinafter be created.

128 If the Customer initiates the process to consider annexation of additional areas that are
129 located within the District, the Customer will notify the District in writing of its intent. After
130 receiving Customer's notice of intent to annex, representatives of the Customer and the District
131 shall meet at a mutually agreeable time and place to review the proposed annexation area with
132 regard to its potential impact on water and sewer service. Discussions between the Customer and
133 the District shall include a preliminary assessment of service continuing with the District and/or
134 the potential of facility transfer to the Customer. The preliminary assessment should include a
135 review of the extent of modifications that would be required to transfer the utilities to the
136 Customer, including the possibility for relocation of master meters and realignment of existing
137 distribution utilities.

138 Within 30 days following the initial meetings and completion of the preliminary
139 assessment of utility options, the Customer agrees to notify the District in writing of its intent
140 regarding which Party should be the service provider to the proposed annexation area.

141 If the Customer provides notice of its intent to further consider Customer ownership of
142 certain utilities owned by the District within the proposed annexation area, the Customer and the
143 District may agree to participate in a more detailed study in order to determine the extent of
144 facility modifications and costs impacts associated with the transfer of the utilities in the annexed
145 areas. The cost of any such study shall be split equally between the Parties.

146 After the Parties' review and analysis of the additional data provided by the detailed
147 study, if the Customer notifies the District in writing of its decision to assume ownership of the
148 utilities, a plan will be developed jointly for defining the steps necessary to complete the transfer
149 of ownership. The plan will include design and specifications for any required infrastructure
150 improvements, transfer of accounts, and final agreements on costs involved including costs
151 related to outstanding bond indebtedness. The costs associated with the preparation of this plan
152 shall be split equally between the Parties.

153 Once the plan (including the allocation of construction costs between the Parties) has
154 been agreed to by the Customer and the District, the District will prepare the final contract plans
155 and specifications for the required improvements, and will administer the contract for the
156 construction.

188 emergency, and to avoid unreasonable interference with the Customer's operations, the District
189 shall give the Customer at least fourteen (14) calendar days notice of any proposed interruptions
190 or reduction in service, the reason therefore, and the probable duration thereof, including any
191 interruptions or reduction in services that will be caused by the installation of equipment, repairs,
192 replacements, investigations, inspections or other maintenance performed by the District on its
193 water system or those parts of the system supplying the Customer.

194 The City of Everett currently holds water rights regulated by the State Department
195 of Ecology and an approved Water System Plan regulated by the State Department of
196 Health that enables the City of Everett to perform the Everett Supply Contract. Said water
197 rights and plan currently authorize the District to supply City of Everett water to Customer
198 under this Agreement and consistent with the terms of the Everett Supply Contract.
199 Customer acknowledges and agrees that any interruption or restriction of said authorization
200 could result in the curtailment, interruption or reduction in the District's service to
201 Customer, the declaration of an emergency, or other measures reasonable under the
202 circumstances.

203 In the event of any of the foregoing or otherwise, the District shall have no
204 obligation whatsoever to obtain and furnish a substitute supply of water and Customer may
205 obtain and use any alternate lawful source of water supply including re-use water as
206 substitute water supply. The District shall cooperate with the Customer and use its best
207 efforts to assist Customer in obtaining an alternative source(s) of water supply. Nothing
208 herein shall be interpreted to waive any right or obligation under Washington law as the
209 same exists or shall hereinafter be created.

210

211 SECTION V. - OPERATIONAL EFFICIENCY

212

213 The Everett Supply Contract includes a rate component of peak to average day flow
214 that affects the District and the Customer. Therefore, as a material element of this
215 Agreement, the Customer shall track during the high water demand period June through
216 August the operational control components of its Retail Water System, including, at a
217 minimum, reservoir storage capacity and flow controls, and provide the data collected to
218 the District in accordance with procedures and on a schedule as established by the

219 Wholesale Committee.

220

221

SECTION VI. - WHOLESALE COMMITTEE

222

223 The District shall establish and staff, and the Customer shall participate in, a wholesale
224 committee (“Wholesale Committee”) composed of the District and each Wholesale Customer.
225 Each Wholesale Customer shall designate in writing a representative to serve on the Wholesale
226 Committee. A representative may be replaced by a written designation of the committee
227 member. The Wholesale Committee shall have the powers and authority as set forth below:

228 1. Advisory Powers and Authority. The Wholesale Committee shall review and advise
229 the District on the following topics or issues:

- 230 a. Proposed wholesale rate changes, including Administrative Time;
- 231 b. Proposed multi-year wholesale capital improvement plans;
- 232 c. Coordination with the District on day-to-day operations relating to high water
233 demand;
- 234 d. Proposed bond issues for wholesale system capital improvements;
- 235 e. Changes in District standards that would apply to wholesale improvements;
- 236 f. Proposed modifications to the Everett Supply Contract;
- 237 g. Proposed regulatory changes that could potentially impact wholesale customers;
- 238 h. Day-to-day operational issues and coordination efforts; and
- 239 i. District Finance Option

240

241 2. Approval Powers and Authority. The Wholesale Committee shall review and approve
242 of the following topics:

- 243 a. The District’s Emergency/Drought Response Plan;
- 244 b. Limits on cash funded wholesale system capital improvements; and
- 245 c. “Other Program Funding” as defined and used in this Agreement.

246

Approval will require a majority vote of the Wholesale Customers plus District.

247

248

The Wholesale Committee shall meet annually by the 15th of March to review the
proposed wholesale rates and, as necessary, to address the other topics as outlined above. A

249

meeting may be called by any member of the Wholesale Committee. The Wholesale

250 Committee shall evaluate each Wholesale Customer's operational efficiency by the end of each
251 year and provide a report and recommendation to the District's Board of Commissioners on the
252 summarized data of the Wholesale Customers' tracking of high water demand to identify
253 potential efficiency measures to be implemented under the state-mandated Water Use
254 Efficiency Rule. Each Wholesale Customer shall receive a copy of the report.
255

256 **SECTION VII. - MASTER METER**
257

258 All water delivered by the District to Customer shall be measured by a Master
259 Meter. All Master Meters, including vaults and appurtenances, will be owned, maintained,
260 repaired, replaced and upgraded by the District and the cost thereof included in the
261 Wholesale Water Cost. The District shall own all facilities from the connection to the
262 District pipeline to the upstream flange of the valve downstream of the Master Meter. The
263 cost of a new Master Meter requested by the Customer, including appurtenances and
264 installation, shall be paid by the Customer. Relocation of a Master Meter necessitated by
265 the Customer shall be paid by the Customer.

266 The District shall establish standards for Master Meters, including appurtenances
267 and access to flow data. Access to the Master Meter and the flow records shall be made
268 available to the Customer upon request. The Master Meter shall be checked by the District
269 on a schedule and for accuracy per the manufacturer's recommendation and the cost thereof
270 included in the Wholesale Water Cost. Either the District or the Customer may request
271 additional tests. The costs of additional tests shall borne equally, if both Parties agree to
272 the test; otherwise, by the Party requesting the test, unless the meter is not performing
273 within the manufacturer's specification, whereupon the benefited Party shall pay for the
274 test. Any adjustment to charges for water supplied shall be determined by the average water
275 use of the three prior years for the same period, unless some other method is agreed upon.
276 Either a credit or an additional billing calculated at the applicable Wholesale Water Rate
277 shall accrue to the appropriate party. If review of the meter records does not establish when
278 the change in accuracy occurred, the period of adjustment shall be one-half of the period
279 since the last meter calibration, not to exceed 12 months.
280

281 **SECTION VIII. - AREA OF USE**
282

283 The Customer shall not furnish service under any terms to services or systems other than
284 those within its approved service area as defined within its Water Comprehensive Plan without
285 first receiving written approval of the District. The Customer currently serves other water
286 suppliers or the service area of such suppliers by agreement. Those agreements are identified on
287 Exhibit D and continued service to those suppliers is hereby approved by District.
288

289 **SECTION IX. - WATER QUALITY**
290

291 The water delivered by the District to the Master Meter shall comply with state and
292 federal standards for drinking water and be of the same standard and quality normally
293 delivered to the District's other customers. The District shall not be liable for any
294 degradation of water quality and resulting damages that may occur beyond the Master
295 Meter, including liability for acts of sabotage. Customer shall operate its system in
296 conformance with law and in a manner which does not impair the water quality of the
297 "Wholesale Water System."
298

299 **SECTION X. - SUPPLY TO DISTRICT-OWNED SERVICES TRANSMITTED**
300 **THROUGH CUSTOMER MAINS**
301

302 The District shall have the right to continue to serve its Retail Water System with
303 water transmitted through the Customer's Master Meter and Retail Water System. Every
304 two months, the District shall read meters in that portion of the District's Retail Water
305 System supplied through Customer's Master Meter and Retail Water System. The volume
306 of water shown by meter reading shall be deducted from the total Master Meter reading for
307 the month in which these meters are read, plus 25% added for meter losses, flushing, leakage
308 and other authorized unmetered usage.
309
310
311
312

313 **SECTION XI. - WHOLESALE WATER RATE**

314
315 Wholesale Customers shall pay a Wholesale Water Rate that shall be adjusted annually
316 on April 1 and shall be effective on that date. The Wholesale Water Rate shall recover the
317 District's Wholesale Water Cost computed by the following formula:

318
319
$$R = E + \frac{M + P + (ED + FD) + CFI + DFO + O}{Q}$$

320 Q

321 *Where:*

322 R = Wholesale Water Rate (\$/CCF) computed to the nearest ten-thousandth of a
323 dollar

324 E = The District's cost of Purchased Water (\$/CCF)

325 M = Wholesale M&O Costs for the prior calendar year, excluding Power Costs

326 P = Power Costs for the prior calendar year [Wholesale-Related Portion Only]

327 ED = Existing Wholesale Debt including Principal + Interest

328 FD = Future Wholesale Debt Service including Principal + Interest

329 CFI = Cash (Rate) Funded Wholesale Facility Improvements

330 DFO = District Finance Option

331 O = Other Program Funding as may be deemed appropriate by the Wholesale
332 Committee

333 Q = Quantity of Water Supplied (CCF) in the prior calendar year measured by
334 the Wholesale Customers' Master Meters

335
336 In determining the Wholesale Water Rate, the District shall be governed by the following
337 principles:

- 338
339 1. Revenue recovery for debt service shall be based upon the debt service
340 (payment) schedule associated with each debt issue. Whenever the District issues re-
341 funding debt, it shall analyze the refunding issue to determine an equitable allocation of
342 principal and interest to the Wholesale Water Rate. The Wholesale Committee shall be
343 convened to review the allocation for either a new debt issue or a refunding issue.

344
345 2. In the year in which the District proposes to issue a new long-term debt
346 instrument to finance, in whole or in part, the construction of or improvements to
347 Wholesale Facilities, the cost attributable to Wholesale Facilities, including projected
348 principal, interest, reserve payments, and debt service, incurred by the District for that
349 year shall be included in the Wholesale Water Rate. The cost of such debt shall be
350 allocated to the Wholesale Customers, over the life of the debt issue, according to the
351 specific use of proceeds from that debt issuance. At the end of the year, and after the
352 debt has been issued, the debt issue is considered "Existing Wholesale Debt" for purposes
353 of establishing wholesale water rates in subsequent years.

354
355 3. Whenever financially feasible, debt service coverage shall be met by the
356 District's overall financial operations (retail and wholesale). If debt service coverage
357 cannot be met by the District's overall financial operations, then the Wholesale Water
358 Rate shall be adjusted to include a component sufficient to meet the specific debt service
359 coverage covenants.

360
361 4. Every fifth (5) year commencing in the year 2015, the District shall re-
362 determine Wholesale M&O Costs for the purpose of setting the Wholesale Water Rate
363 for that year. In each of the subsequent four years, the Wholesale M&O Cost (M) shall
364 be escalated by the consumer price index for all Urban Consumers (CPI-U)
365 (Seattle/Tacoma/Bremerton metropolitan area) December to December or a comparable
366 index, if that index is unavailable; provided that in any year, the District may, at its
367 discretion, forego escalation of cost according to the index and determine the actual
368 Wholesale M&O Costs that year.

369
370 5. Power Costs attributable to the Wholesale Customers shall be determined
371 when the Wholesale Water Rate is re-calculated and shall be equal to the following:
372 $P = (\text{District's prior calendar year cost of power at Wholesale Facilities identified on}$
373 $\text{Exhibit B, and as Exhibit B may be amended}) \text{ times (the Wholesale Customers'}$
374 $\text{combined prior calendar year volumetric use of water as recorded on Master Meters}$

375 identified on Exhibit B, and as Exhibit B may be amended) divided by (the District's
376 prior calendar year volumetric use of water as recorded at the District's Master Meters at
377 the Evergreen Way Pump Stations.

378
379 6. The CFI component of the Wholesale Water Rate shall be determined by
380 the District after a review of the District's 5-year capital improvement plan by the
381 Wholesale Committee. The Wholesale Committee shall approve CFI funding for each
382 year of the five (5) year capital improvement plan, after considering the different
383 financial and rate impacts of funding wholesale projects with cash or by debt and such
384 other factors deemed relevant by the Committee.

385
386 7. Annually, before the Wholesale Water rate is developed, the Wholesale
387 Committee shall review and approve what, if any, Other Program Funding, including
388 costs incurred by the District that are not otherwise included in the Wholesale Water
389 Cost, should be allocated to Wholesale Customers and included in the Wholesale Water
390 Rate. Approval will require a majority vote of the Wholesale Customers plus District.

391
392 8. The District shall establish a separate wholesale capital improvement
393 sinking fund (reserve) to segregate and account for certain revenues received from the
394 Wholesale Customers as identified in this Agreement. The sinking fund shall contain the
395 balance in the bond reserve fund as identified in the current wholesale contract. The
396 District shall deposit into the wholesale capital improvement sinking fund all revenues
397 received from:

- 398
- 399 A. The Cash (Rate) Funded Improvements (CFI) component of the
400 Wholesale Water Rate; and
 - 401 B. Wholesale Water Rates to meet the minimum debt service coverage
402 ratio requirements (rate covenant).

403
404 Interest earned on the balance of the Wholesale Capital Improvement Sinking
405 Fund shall be retained in the sinking fund and credited to the sinking fund on a monthly

406 basis in a manner consistent with the methodology the District uses to allocate interest to
407 its funds.

408 Except as otherwise provided, all funds deposited into the Wholesale Capital
409 Improvement Sinking Fund shall be applied to the cost of wholesale capital improvement
410 projects undertaken by the District. On the recommendation of the Wholesale Committee
411 the District may use these funds to pay the cost of any other wholesale-related activity
412 (e.g. early buy-down of debt, buy-down a rate adjustment, rate transition, etc.).

413
414 9. Whenever a component of the Wholesale Water Cost is determined by
415 meter readings and some condition (e.g. meter failure, emergency conditions [e.g.
416 earthquake]) would make the use of those readings unreasonable or inequitable to the
417 District or to the Wholesale Customers, the District shall use its best and reasonable
418 judgment to “normalize” the volumetric usage data for purposes of establishing the
419 affected component of the Wholesale Water Rate.

420
421 10. The District may utilize District funds to finance Wholesale Facility
422 improvements, the funding size of which is not practical for issuance of bonds, and the
423 Cash (Rate) Funded Wholesale Facility Improvements option has not been approved by
424 the Wholesale Committee. The capital funds necessary for the improvement would be
425 provided by the District subject to reimbursement through wholesale water rates for a
426 term not to exceed ten (10) years. The rate would be determined based upon the average
427 rate of investments for District funds for the prior year. The rate may be adjusted
428 annually utilizing the District’s annual investment rate for the prior year. The District
429 also reserves the right to terminate this funding option at any time during the term by
430 adding the remaining funds yet to be paid to a larger bond issue. If so elected, the
431 wholesale portion would be the pro rata share of the bond issue at the terms of the bond
432 issue.

436 **SECTION XII. - BILLING & PAYMENT**
437

438 The District shall bill the Customer for water supplied under this Agreement on regular
439 monthly intervals.

440 The Master Meters shall be read and recorded on or about the last normal work day of the
441 month in which the service was furnished. Billing to the Customer shall be made by the 10th day of
442 the month following, and payment to the District is due by the 30th day of the month in which the
443 statement is received. If any payment or portion thereof due the District shall remain unpaid for
444 25 days following its due date, the Customer shall be charged with and pay to the District interest
445 on the amount unpaid from its due date until paid at the rate of eight (8)% per annum.

446 If any or all of a bill is in dispute, the Customer shall pay the amount as billed and both
447 the District and the Customer shall agree to the time line to resolve the disputed amount. If any
448 material error, an amount greater than \$1,000 per month is discovered in the rate calculation,
449 billing, payment, interest allocation, or any other calculation or assumption, the District shall
450 correct the error retroactively from the date of receipt of notice of the error backwards for a
451 period of up to three (3) years or as mutually agreed. The \$1,000 amount shall be adjusted for
452 inflation every five (5) years with CPI-U as described in Section XI of this agreement.

453
454 **SECTION XIII. - TERM & EXPIRATION**
455

456 (1) The term of this Agreement shall be from its effective date until January 1, 2055.
457 The Parties may renew this Agreement by mutual written agreement upon such terms and
458 conditions as the Parties may later agree.

459 (2) If the Customer shall cease to take water from the District without the District's
460 consent, the Customer shall remain liable for its proportionate share of the then existing wholesale
461 bonded indebtedness issued before January 1, 2055 as may at that time be determined including
462 credits for certain payments and recognition given to the growth experienced in the Customer, District,
463 and all other Wholesale Customers. This liability shall continue only until such time as all or
464 part of the water supply no longer taken by the Customer from the District is sold by the District
465 to another party. In that event, liability shall be reallocated, in whole or in part, to the new
466 customer.

467 (3) If the District shall cease to supply water to the Customer without the Customer's
468 consent, the Customer shall cease to be liable for its proportionate share of the wholesale bonded
469 indebtedness as described in Subsection 2 above.

470

471 **SECTION XIV. - NOTICE OF NEGOTIATION**

472

473 The Customer shall receive timely written notice of negotiation with City of Everett for a
474 rate change or additional water and the Customer shall have the right to be present at such meetings.

475

476 **SECTION XV. - FORCE MAJEURE AND CHANGES IN LAW**

477

478 Neither Party hereto shall be considered to be in default in respect to any obligations
479 hereunder if prevented from fulfilling such obligations due to conditions beyond their reasonable
480 control or due to changes in state or federal law. If a Party is unable to perform in whole or in
481 part because of such condition or change in the law, the Party shall diligently and promptly take
482 reasonable steps to allow it to perform. The Parties expressly acknowledge and agree that the
483 inability or preclusion of the City of Everett to perform, in whole or material part, the Everett
484 Supply Agreement caused by an order or directive of governmental authority or a court with
485 jurisdiction shall constitute a force majeure or change in law event hereunder.

486

487 **SECTION XVI. - LEGAL RELATIONS**

488

489 Each Party shall defend, hold harmless, and indemnify the other from any and all claims,
490 demands, suits, and judgments arising out of its conduct. If, and to the extent, the Parties are
491 both liable to a third party claimant, each Party shall be responsible to the extent of its fault, and
492 shall defend, hold harmless, and indemnify the other for its fault. The foregoing indemnity is
493 specifically and expressly intended to constitute a waiver of each Party's immunity under
494 Washington's Industrial Insurance Act, RCW Title 51, but only with respect to the other Party
495 only, and only to the extent necessary to provide each Party with a full and complete indemnity
496 of claims made by the other Party's employees. The Parties acknowledge that these provisions
497 were specifically negotiated and agreed upon by them.

498 **SECTION XVII. - DISPUTE RESOLUTION**

499
500 The Parties are committed to working cooperatively in resolving all matters related to this
501 Agreement and achieving its intent and purpose. If a dispute should arise, the Parties agree to
502 meet on an informal basis within fourteen (14) calendar days after receipt of written notice of the
503 dispute submitted by a Party to attempt to resolve the dispute.

504 If the Parties are unable to resolve the dispute on an informal basis within thirty (30)
505 days, the Parties agree they shall utilize mediation. Each Party shall be responsible for the costs
506 of their own legal representation and pro rata cost of mediator.

507 Any dispute arising under this Agreement that is not resolved pursuant to the mediation
508 process may, upon mutual agreement of the Parties, if such agreement occurs within twenty
509 (20) calendar days of the failure of the Parties to reach resolution through mediation, be resolved
510 by binding arbitration by a single arbitrator. Within seven (7) calendar days of the date the
511 Parties agree to arbitration, each Party shall provide the other Party with the names of three (3)
512 neutral arbitrators having experience in the subject matter of the dispute and in arbitrating
513 disputes. The Parties will thereafter attempt in good faith to select an arbitrator from this panel
514 of six (6) potential arbitrators.

515 If the Parties are unable to agree upon a single arbitrator within twenty (20) calendar days
516 from the date the Parties agree to binding arbitration, then each Party shall designate one (1)
517 arbitrator from its panel of three (3) arbitrators. The two (2) designated arbitrators shall then
518 select a third arbitrator from the remaining arbitrator panel members, and this third arbitrator
519 shall act and serve as the single arbitrator for the dispute. The Parties shall equally split the
520 arbitrator's fee and all arbitration expenses. The prevailing party at arbitration shall be entitled to
521 an award by the arbitrator of its attorneys' fees and costs at the arbitrator's discretion.

522 The Parties agree that this dispute resolution process shall precede any action in a judicial
523 or quasi-judicial tribunal.

524 The Parties also agree that at all times pending resolution of the dispute, the Parties shall
525 continue to perform their respective duties and obligations in accordance with the terms and
526 conditions of this Agreement. The intent of the Parties is to preserve the status quo under the
527 Agreement. By way of illustration and not limitation, the Parties wish to assure uninterrupted
528 water service and compliance with the payment provisions of Section XII.

529 **SECTION XVIII. - GOVERNING LAW AND VENUE**

530
531 This Agreement shall be governed by and construed in accordance with the laws of the
532 state of Washington. Any lawsuit or judicial action or proceeding arising out of or relating to
533 this Agreement that could not be resolved through Dispute Resolution, shall be heard in the
534 Superior Court of the State of Washington in and for Snohomish County.

535
536 **SECTION XIX. - NO THIRD PARTY BENEFICIARIES**

537
538 Except as expressly set forth in this Agreement, nothing in this Agreement is intended
539 to confer upon any person or entity, other than the Parties hereto, any rights, benefits, or
540 obligations. No such third-party shall have any right to enforce any of the provisions of this
541 Agreement unless expressly stated otherwise herein.

542
543 **SECTION XX. - LIMITATION ON DAMAGES**

544
545 Notwithstanding any other provision of this Agreement, neither the District nor the
546 Customer shall be liable to the other under or pursuant to this Agreement for indirect,
547 incidental, special, exemplary, punitive, or consequential damages, including but not limited
548 to damages for lost profits, revenues or benefits, loss of property use, the cost of capital, or
549 the cost of purchased or replacement water.

550
551 **SECTION XXI. - GENERAL PROVISIONS**

552
553 (1) Waiver: A waiver by either Party of any terms or conditions of this
554 Agreement shall not be deemed or construed to be a waiver of any other term or condition,
555 nor shall the waiver of any breach be deemed or construed to constitute a waiver of any
556 subsequent breach, whether of the same or any other term or condition of this Agreement.

557 (2) Assignment: Except where one of the Parties merges, consolidates or
558 combines with another entity neither this Agreement nor any of the rights, interests or
559 obligations created hereunder may be assigned by either Party without the written consent of

560 the other Party. This Agreement shall be binding upon and inure to the benefit of the
561 successors and assigns of the respective Parties.

562 (3) Notices: Any notices required or permitted to be given hereunder shall be given
563 in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return
564 receipt requested, (c) by electronic transmission in the form of email or facsimile, or (d) by a
565 commercial overnight courier that guarantees next day delivery and provides a receipt, and such
566 notices shall be addressed as follows:

567

568 To the Customer:

569 Public Works Director

570 City of Edmonds

571 7110 210th Street SW

572 Edmonds, WA 98026

573 Fax: 425-774-6057

574

575 To the District:

576 General Manager

577 Alderwood Water & Wastewater District

578 3626 - 156th Street SW

579 Lynnwood, Washington 98087

580 Fax: 425-742-4562

581

582 or to such other address designated in writing by the addressee.

583 (4) Entirety: All prior negotiations and agreements between the parties hereto
584 relating to the subject matter hereof are merged into and superseded by this Agreement,
585 which shall constitute the entire agreement between the Customer and the District concerning
586 the sale of water to the Customer.

587 (5) Authority: Each Party represents and warrants that it has the power and legal
588 authority to enter into this Agreement. The individual(s) executing this Agreement on behalf
589 of the respective Party represents and warrants that such individual has the power and
590 authority to do so.

591 (6) Effective Date: This Agreement shall become effective ("Effective Date")
592 upon the date of the expiration or termination of the existing contract for wholesale water
593 supply between the Parties dated the 20th day of September 2010.

594 (7) Attorneys' Fees and Costs: In the event that either Party commences any legal
595 action or proceeding relating to the provisions or enforcement of this Agreement, the
596 prevailing party shall be entitled to receive, and the non-prevailing party shall pay, its
597 reasonable attorneys' fees and costs, including those incurred in any appeal.

598 (8) Exhibits Incorporated by Reference: Any exhibits attached to this Agreement
599 are fully incorporated herein by this reference.

600 (9) Titles to sections and subsections in this Agreement are for reference purposes
601 only and shall have no substantive effect.

602 (10) In the event of a material breach or default of this Agreement by either of the
603 Parties, the Parties acknowledge that it may be difficult to measure the resulting damages and
604 that monetary damages may not provide a complete or adequate remedy. Accordingly, the
605 non-defaulting Party, in addition to damages and any other relief sought or recovered, shall
606 be entitled to seek injunctive relief and the specific performance of the terms and conditions
607 of this Agreement.

608 (11) If any term, condition or provision of this Agreement is determined to be void,
609 unenforceable or limited in its application or effect in a legal proceeding, such determination
610 shall not affect any other provisions in this Agreement and all other provisions shall remain
611 in full force and effect.

612 (12) Any new water Wholesale Customer Agreement utilizing the same Wholesale
613 Water Facilities as included in the Agreement, shall have the same terms and conditions as
614 this Agreement, with the exclusion of Exhibits A, D and E.

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621

622 CITY OF EDMONDS
623 A Municipal Corporation

624
625
626 By: W. C. Coyne

627 Its: Mayor

628 Date: 9-20-10

629
630
631

ATTEST:

632 Sandra A. Chase
633 City Clerk
634

635 APPROVED AS TO FORM:
W. Scott Snyder
636 City Attorney
637
638
639
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ALDERWOOD WATER & WASTEWATER DISTRICT

A Municipal Corporation

By: Paul D. McIntyre

Its: BOARD PRESIDENT

Date: SEPTEMBER 7, 2010

**ALDERWOOD WATER & WASTEWATER DISTRICT
AND CITY OF EDMONDS
WHOLESALE WATER SUPPLY AGREEMENT**

EXHIBIT A – QUANTITY OF WATER TO BE PURCHASED

All quantities in Million Gallons per Day (MGD)

YEAR	Average Daily Demand	Peak Day Demand
2010	3.6	7.1
2020	3.6	7.2
2050	4.6	9.0

**ALDERWOOD WATER & WASTEWATER DISTRICT
AND CITY OF EDMONDS
WHOLESALE WATER SUPPLY AGREEMENT**

EXHIBIT B - WHOLESALE FACILITIES

The water lines including transmission facilities are shown on a separate map exhibit.

The following is a list of the wholesale facilities referenced in the Agreement, in addition to the water lines shown on the separate map.

Evergreen Way Pump Station Site (6003 Evergreen Way, Everett)

- Pump Station No. 1
- Pump Station No. 2

Maintenance and Operation Site (15204 35th Avenue W, Lynnwood)

- Reservoir No. 1
- Chlorination Facility
- Ancillary valves and piping associated with the above assets

Administration Site (3626 156th Street SW, Lynnwood)

- Reservoir No. 2
- Reservoir No. 3
- Chlorination Facility
- Ancillary valves and piping associated with the above assets

Edmonds Master Meter Site (168th Street SW and 62nd Avenue W, Edmonds)

- Master Meter
- Vault and ancillary assets

Lynnwood Master Meter Site (Spruce Way and 164th Street SW, Lynnwood)

- Master Meter
- Vault and ancillary assets

Mountlake Terrace Master Meter Site (212th Street SW and 44th Avenue W, Mountlake Terrace)

- Master Meter
- Vault and ancillary assets
- (Emergency supply at 38th Avenue W and 228th Street SW)

Mukilteo Water & Wastewater District Meter Site (Harbour Point Boulevard and St. Andrews Drive; and Beverly Park Road and Center Road, Mukilteo)

- Master Meter
- Vault and ancillary assets

**ALDERWOOD WATER & WASTEWATER DISTRICT
AND CITY OF EDMONDS
WHOLESALE WATER SUPPLY AGREEMENT**

EXHIBIT C - REGIONAL FACILITIES

The regional water lines and larger water transmission facilities are shown on a separate map exhibit.

The following list contains additional regional facilities as referenced in the Agreement.

Evergreen Way Pump Station Site (6003 Evergreen Way, Everett)

- Leased Site
- Pump Station No. 1
- Pump Station No. 2

Maintenance and Operation Site (15204 35th Avenue W, Lynnwood)

- Site
- Reservoir No. 1
- High Tank No. 1
- High Tank No. 2
- Booster Pump Station
- Chlorination Facility
- Ancillary valves and piping associated with the above assets
- Maintenance and Operation Administration Building
- Shop Facility
- Warehouse Facilities
- Material Storage Facilities

Administration Site (3626 156th Street SW, Lynnwood)

- Site
- District Administration Building
- Reservoir No. 2
- Reservoir No. 3
- Chlorination Facility
- Ancillary valves and piping associated with the above assets

**ALDERWOOD WATER & WASTEWATER DISTRICT
AND CITY OF EDMONDS
WHOLESALE WATER SUPPLY AGREEMENT**

**EXHIBIT D – CUSTOMERS WATER SERVICE AGREEMENT TO OTHER
SUPPLIERS**

NONE IDENTIFIED

**ALDERWOOD WATER & WASTEWATER DISTRICT
AND CITY OF EDMONDS
WHOLESALE WATER SUPPLY AGREEMENT**

EXHIBIT E – MASTER METER LOCATION

168th Street SW and 62nd Avenue W

INTERLOCAL OPERATING AGREEMENT

CITY OF EDMONDS AND OLYMPIC VIEW WATER AND SEWER DISTRICT RELATING TO WATER AND SANITARY SEWER SERVICES WITHIN THE EDMONDS CITY LIMITS

THIS AGREEMENT is made and entered into this 28th day of JUNE, 2004, by and between the City of Edmonds, a Washington, non-charter optional municipal code city (the "City") and the Olympic View Water and Sewer District, a special purpose municipal corporation (the "District");

WHEREAS, the City is the local government with authority and jurisdiction with respect to the territory within its corporate boundaries; and

WHEREAS, the District provides water and sanitary sewer service to properties located in the District and properties lying within the City's corporate boundaries; and

WHEREAS, the City owns and operates water and sanitary sewer utilities for the vast majority of property within its boundaries; and

WHEREAS, the District and City agree that the District has provided its service area, including an area now located within the City of Edmonds, with water and sanitary sewer services for many years; and

WHEREAS, the City desires to assure its residents of water and sanitary sewer services which comply with federal, state and local law, which will protect the public's health safety and welfare, and will be provided under uniform standards of service; and

WHEREAS, the City and District have separately negotiated a ten-year Franchise Agreement to establish the terms and conditions under which the District is granted the authority to maintain its water and sewer system within the City's rights-of-way, subject to simultaneous execution with this document, and

WHEREAS, the City and District are authorized under Chapter 39.34, RCW, the Interlocal Cooperation Act, and RCW 35.13A.070 to contract for the coordinated exercise of powers and sharing of resources for the efficient delivery of services to their residents, and the governing bodies have passed resolutions approving the execution of this Agreement;

NOW, THEREFORE, in consideration of the terms and provisions contained herein, and the Franchise Agreement executed contemporaneously by the parties, the City and District agree as follows:

Section 1. Purpose. It is the purpose of this Agreement to guide the activities, resources and efforts of the City and District in order to provide the citizens of the City and the ratepayers served by the District with efficient, high quality and well-maintained water and sanitary

sewerage wastewater systems at a reasonable cost and define the legal relationship between the parties with regard to the exercise of the City's statutory authority pursuant to RCW 35.13A for the term of this Agreement.

Section 2. Term of Agreement. The term of this Interlocal Operating Agreement shall be indefinite and shall remain in effect until terminated as provided in this Agreement.

Section 3. City Responsibilities:

3.1 Franchise Grant to the District. The City shall grant a non-exclusive franchise to the District in the form attached hereto as Exhibit A and incorporated by reference herein as fully as if herein set forth, for an initial term of ten (10) years, commencing on the date of execution and terminating as provided herein. After the first year of the agreement, the parties intent is to create a ten-year rolling term for the mutual stability of their working relationship. In consideration of the promises contained herein and for so long as this Agreement is in effect, the City shall charge a franchise fee of \$10 per year. Such franchise may be renewed upon termination under the most favorable terms offered to a public utility by the City and renewal shall not be unreasonably withheld, so long as the District complies with all conditions thereof. If this Agreement is approved by the District on or before June 30, 2004, the City shall pay the costs associated with publication of the franchise. Otherwise, the District shall pay all such costs.

3.2 Assumption by the City. The City agrees, recognizing the long term planning horizon necessary, to provide and maintain adequate municipal water and sewer facilities and the need for long term financing of these high cost assets, and that in consideration of the "Interlocal Operating Agreement Fee" to be paid by the District to the City as set forth herein in Section 4 of this Agreement, and the other terms and conditions set forth in this Agreement, as well as in the Franchise Agreement, it shall not, during the pendency of this Agreement, exercise its statutory authority granted under Chapter 35.13A RCW, as currently in effect or as may hereafter be amended in the future, to assume jurisdiction over the District or any District responsibilities, property, facilities or equipment within the City's corporate limits, including future annexed areas ("assumption").

3.2.1 During the first ten years of the agreement, the City shall not commence the process of assumption.

3.2.2 If notice of termination is given pursuant to Section 5, the city may commence the process of assumption beginning three years prior to the termination date, provided, however, that:

3.2.2.1 The process of assumption shall not be completed through final legislative and administrative action during the pendency of this Agreement; and

3.2.2.2 In no event shall the process of assumption be commenced during the initial ten years of the Agreement.

3.3 Fees and Charges. The City shall not during the term of this Agreement, impose any new fees on the District for City costs and services addressed and compensated for in the Franchise Agreement or in this Interlocal Operating Agreement.

3.4 Future Statute Authorizing City Utility Tax on the District. In the event that the Washington State Legislature should in the future authorize the City to impose a utility tax upon a district based upon the district's revenues, or upon any other basis, the payments herein below provided as the District's contractual consideration for this Agreement, shall be credited against such a utility tax as the City may impose and the District shall be obligated to pay only the statutorily defined tax liability in excess thereof; provided, however, this section shall not allow a credit against consideration of this Agreement for generally applicable regulatory fees or revenue generating charges or taxes that may be authorized by law as applicable to the District and adopted by the City during the term of this Agreement other than such a utility tax.

3.4.1 Pass-Through of Excess Utility Tax. In the event a utility tax on the District by the City is ultimately authorized by law, the District may remit such tax by passing the cost therefor onto the District's ratepayers residing within the City as a separate billing item.

Section 4. The District's Responsibilities. In consideration of the City's commitments above and the concomitant Franchise Agreement, the District makes the following undertakings.

4.1 In consideration of and compensation for the City's undertakings under this Agreement from an exercise of its rights, as the statute now exists or may hereafter be amended, and the rights granted the District under a Franchise to operate its existing and future water and sewer facilities within the City's corporate limits, including any future annexed areas for the term of this Agreement, the District agrees to pay the City an "Interlocal Operating Fee" equal to 6% of customer billings, provided, however, that if the City changes the water and/or sewer utility tax levied on its customers, the percentage shall be changed to the same extent.

4.1.1 Pass-Through of Interlocal Operating Agreement Fee. The District may pass the cost of the Interlocal Operating Agreement Fee onto the District's ratepayers residing within the City as a separate billing item.

4.2 Schedule of Payments. The initial schedule of payments shall be equal to 6% of water and sewer billings which occur within the Edmonds City limits. Payments shall be remitted quarterly within thirty (30) days of the close of the quarter. In order to finally adjust annual payment to reflect late charges and collections and other adjustments, any payment necessary to finally adjust and correct the payments for each year shall be made by June 30 of the following year. Payment for the year of execution (2004), shall be made by February 15, 2005, and finally corrected by June 30, 2005.

4.3 Annexation. In the event that the City shall in the future annex property in accordance with the provisions of statute, and all or any part of said annexed area shall be within the service area of the District, such service area shall, upon the annexation of the areas by the City, be subject to the terms of this Agreement

Section 5. **Termination.** In addition to all of the rights and powers to remedy default, including specific performance, both parties reserve the right to revoke and terminate this Agreement in the event of a substantial violation or breach of its terms and conditions. Either party may terminate this Agreement without cause by giving written notice ten (10) years in advance of the date of termination. The Agreement may be terminated or amended at any time with the express written consent of both parties.

Section 6. **Indemnification.** The parties shall indemnify and hold harmless each other and their respective officers, agents and employees from any and all costs, claims or liabilities of any nature, including reasonable attorney's fees, costs and expenses for or on account of injuries or damage to any persons or property resulting from the negligent activities or omissions of that party or its respective agents or employees and arising from the performance of this Agreement.

Section 7. **Definitions.** The terms used in this Agreement, if not defined herein, shall have their meanings as defined in any other documents executed contemporaneously or in conjunction with this Agreement.

Section 8. **Remedies; No Waiver.** In addition to the remedies provided by law, this Agreement shall be specifically enforceable by any party. The failure of either party to exercise any right or enforce any provision of this Agreement shall not be considered a waiver of such right or enforcement remedy. The prevailing party in any proceeding to enforce this Agreement or interpret its terms shall be entitled to its reasonable attorneys' fees.

Section 9. **Venues.** In the event of litigation pertaining to this Agreement, the exclusive venues and places of jurisdiction shall be in Snohomish County, Washington.

Section 10. **Alternative Dispute Resolution – Arbitration.** Except as otherwise provided under applicable state law, any dispute, controversy or claim arising out of or in connection with, or relating to, this Agreement or any breach or alleged reach of this Agreement, shall be submitted to, and settled by arbitration to be held in Snohomish County, Washington in accordance with the provisions of Chapter 7.04 of the Revised Code of Washington, as amended, and with respect to matters not covered in such statute, by the rules of the American Arbitration Association; provided, however, that in the event of any conflict between such statute and such rules, the provisions of the statute shall control; and provided further, that notwithstanding anything in such statute or rules to the contrary; (a) the arbitrator's decision and award shall be made according to the terms and provisions of this Agreement and the applicable law, and such award shall set forth findings of fact and conclusions of law of the arbitrator upon which the award is based in the same manner as is required in a trial before a judge of the Superior Court of the State of Washington; (b) the arbitrator shall award attorney's fees to the prevailing party; and (c) in any such arbitration, there shall be a single arbitrator and any decision made shall be final, binding and conclusive on the parties. The fees of the arbitrator shall be borne equally by the parties except that, in the discretion of the arbitrator, any award may include a party's share of such fee if the arbitrator determines that the dispute, controversy or claim was submitted to arbitration as a dilatory tactic, was frivolous or was in bad faith.

Section 11. Binding. This Agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns.

Section 12. Enforceability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the entire Agreement shall be held to be unenforceable. To the fullest extent permitted by law, and absent any significant change in circumstances, neither party shall be a party to, nor otherwise support a legal action challenging the legality, validity or enforceability of this Agreement, or any term thereof. Neither party shall fund or initiate a legislative lobbying effort to prohibit or invalidate agreements of this type, **provided, however,** nothing herein shall be deemed to prohibit the parties from membership in associations such as the Association of Washington Cities or the Washington Association of Water and Sewer Districts.

Section 13. Applicable Law. This Agreement shall be construed under the laws of the State of Washington.

Section 14. Provisions required by RCW 39.34.030 and .040.

14.1 No separate entity is created.

14.2 No joint financing or budgeting is created.

14.3 No joint undertaking is anticipated and no administrator or joint board required.

14.4 No property shall be held jointly by the parties under this Agreement.

14.5 This Agreement shall become effective when filed with the Snohomish County Auditor.

Section 15. Attorneys' Fees. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the prevailing party in such dispute shall be entitled to recover its reasonable attorneys' fees.

Section 16. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter. It shall not be modified except by a written agreement signed by both parties. None of the provisions of this Agreement shall be deemed to have been waived by any act of acquiescence on the part of either party, its agents, or employees, but only by an instrument in writing signed by an authorized officer of the party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision(s) or of the same provisions on another occasion.

Section 17. Effective Date and Term of Contract. This Agreement shall be in full force and effect and binding upon the parties hereto upon the execution of the Agreement.

CITY OF EDMONDS

By: [Signature]
Mayor Gary Hakenson

ATTEST/AUTHENTICATED:

[Signature]
Sandra S. Chase, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

[Signature]
W. Scott Snyder

OLYMPIC VIEW WATER AND SEWER
DISTRICT

By: [Signature]
ROGER C. EBERHART
GENERAL MANAGER

STATE OF WASHINGTON)

COUNTY OF SNOHOMISH)

On this day, personally appeared before me Roger Eberhart, the General Manager of OLYMPIC VIEW WATER AND SEWER DISTRICT and stated that he/she is authorized to sign this instrument on behalf of said company for the uses and purposes therein mentioned.

SUBSCRIBED AND SWORN TO before me this 28 day of June, 2004

[Signature]
NOTARY
Lynda R Krahn-Lowell
Print Name
My Commission expires: 10/19/05



WSS:jt:na
10/18/84
Revised
01/17/85
02/27/85
03/13/85

AGREEMENT FOR FURNISHING WATER

AGREEMENT is reached this day between the City of Edmonds, Washington, an optional code city hereinafter referred to as "City", and Olympic View Water District hereinafter referred to as "District",

WHEREAS, the District currently provides water directly through its mains and lines to properties located within the city limits of Edmonds and the boundaries of the Olympic View Water District, and

WHEREAS, the District is willing to continue to supply said water to these customers, subject to the terms and conditions set forth herein, now, therefore,

IN CONSIDERATION of the mutual covenants contained herein the parties agree as follows:

1. Water Furnished. The District agrees to supply an adequate supply of water to customers located within the city limits of the City and within the boundaries of the District, subject to such terms and conditions as the District shall provide and its water administrative code, Resolution 429, as currently enacted or amended in the future.

2. Billing and Payment. The District shall bill its individual customers directly for the amount of water furnished based upon their then current rates. The District shall be solely

responsible for reading meters, determining the amount of water consumed by each customer, as well as any default or delinquent payment by said customers. The District shall be responsible for collection of these monies and the City shall have no obligation whatsoever to make payment for or on behalf of any citizen.

3. Increase in Rate. It is understood by the parties that the water rates charged for the District are subject to change and may be increased from time to time. Such increases shall not affect any other term of this agreement.

4. Collection of Utility Tax. The District shall collect for and on behalf of the City of Edmonds utility taxes as the City has established those taxes or shall amend them from time to time. The utility tax on water shall be added directly to the customer's billing. The District will remit to the City the taxes received from such accounts on a monthly basis.

5. Newly Annexed Areas. It is understood by the parties that the City may annex certain areas presently in unincorporated Snohomish County are served by the District. The District agrees that upon annexation of any such area then served by the District, it will continue to supply water customers within that area under the terms of the agreement.

6. Standard Specifications. The parties agree and acknowledge that the City, through its subdivision code, building permit process and other forms of development review is empowered by and under state law to establish minimum standards for the construction of water lines, fixtures and appurtenances. The

District shall not approve or agree to the construction of any facility not in conformance with such minimum standards, provided, however, that nothing herein shall be interpreted to require or prevent the District from requiring a higher level of improvement if such requirements and specifications are filed with the City. The City shall notify all development applicants that the applicant should investigate whether the development will require a contract with the District and that the District may require construction in conformance with its own set of requirements and specifications.

A. PERMIT APPLICATION: Upon receipt of an application for any building permit or development approval for any tract of land within or adjacent to the service area of Olympic View Water District, the City shall furnish a copy of said permit or development approval application to the District. The District shall have the obligation to review the permit and to inform the City in writing within fifteen (15) business days whether any written or oral agreement exists between the District and any party which might inhibit, promote or affect development of the tract. Development approval for the purposes of this Section shall refer to applications for subdivision of land, planned residential development and any other application which in the opinion of the City's Community Services Director is preparatory to development of any tract of land.

B. APPLICATION FOR SERVICE. The District shall provide the City with copies of all applications for service.

7. Indemnity. The District, its successors and assigns, agree to indemnify, defend and hold harmless the City, its officers, agents and employees from any and all injuries or claims for damages of any kind or nature whatsoever arising either directly or indirectly from the furnishing of water to customers specified in this agreement, including but not limited

to injuries, or claims for damages arising from the installation, construction, maintenance and repair of water lines, mains and appurtenances and from meter reading, excepting loss or claim arising from the negligence of the City.

8. Term. This agreement shall be effective upon execution by the parties and shall continue until terminated by either party giving at least six (6) months written notice of intent to terminate the agreement.

9. Amendment. All amendments to this agreement shall be in writing and executed by both parties. This agreement constitutes the entire agreement between the parties and there are no agreements, oral or otherwise, which bind the parties or supersede the express agreements contained herein.

10. Notice. Notice shall be given by depositing written notice in the U.S. mails, postage prepaid, addressed to the parties at the following addresses. Said notice shall be deemed received on the third day following posting in the U.S. mail. The addresses of the parties for the purposes of this section are as follows:

City of Edmonds
Edmonds Civic Center
Edmonds, WA 98020

Olympic View Water District
23725 Edmonds Way
Edmonds, WA 98020

11. Assignment. Neither of the parties hereto shall have the right to assign this agreement or any of its rights and obligations hereunder without the prior written consent of the other

party. This agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

12. Waiver. No waiver by either party of any term or condition of this agreement shall be deemed or construed as waiving any other term or condition nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach.

DATED this 21 day of March, 1985.

CITY OF EDMONDS

By L. W. Maughan

Attest:

Jacqueline G. Parrett
City Clerk

Approved as to Form:
Office of the City Attorney

By W. S. [Signature]

OLYMPIC VIEW WATER DISTRICT

By John M. Fisher

By Carolyn E. Nacker

By Patricia L. Meeker

Attest:

Don Mann

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0006.900000
09/25/03
WSS/amg
R:10/27/03gjz
R:11/13/03gjz
R:6/9/04gjz
R:6/11/04gjz

ORDINANCE NO. 3506

AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, GRANTING OLYMPIC VIEW WATER AND SEWER DISTRICT A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR A WATER AND SANITARY SEWER SYSTEM WITHIN PUBLIC RIGHTS-OF-WAY OF THE CITY OF EDMONDS, WASHINGTON, AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.

WHEREAS, RCW 35A.11.020 grants the City broad authority to regulate the use of the public right of way; and

WHEREAS, RCW 35A.47.040 authorizes the City "to grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground for facilities for public conveyances, for poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of electrical energy, signals and other methods of communication, for gas, steam and liquid fuels, for water, sewer and other private and publicly owned and operated facilities for public service," and

WHEREAS, the Council finds that it is in the best interests of health, safety and welfare of residents of the Edmonds community to grant a non-exclusive franchise to the

Olympic View Water and Sewer District for the operation of a water and sanitary sewer system within the City right-of-way, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF EDMONDS, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1. Definitions. The following terms contained herein, unless otherwise indicated, shall be defined as follows:

- 1.1 City. The City of Edmonds, a municipal corporation of the State of Washington, specifically including all areas incorporated therein as of the effective date of this ordinance and any other areas later added thereto by annexation or other means.
- 1.2 City Urban Growth Area. The urban growth area means that area defined by the City's comprehensive planning process.
- 1.3 Days: Calendar days.
- 1.4 Director: The Mayor or designee.
- 1.5 District: Olympic View Water and Sewer District.
- 1.6 Facilities: All pipes, access ways, pump stations, storage facilities, equipment, and appurtenances thereto, located in the City's right-of-way, utilized by the District in the operation of activities authorized by this Ordinance. The abandonment by District of any facilities as defined herein shall not act to remove the same from this definition.
- 1.7 Permittee: A person who has been granted a permit by the Permitting Authority, and District operating under Section 4.6 Blanket Permit of this agreement.
- 1.8 Permitting Authority: The City department authorized to process and grant permits (permitting authority) required to work in the City's right-of-way, or any agency authorized to perform this function on the City's behalf. Unless otherwise indicated, all references to Permitting Authority

shall include the designee of the department or agency head.

- 1.9 Person: An entity or natural person.
- 1.10 Right-of-way: As used herein shall refer to the surface of and the space along, above, and below any street, road, highway, freeway, lane, sidewalk, alley, court, boulevard, parkway, drive, utility easement, and/or road right-of-way now or hereafter held or administered by the City of Edmonds.
- 1.11 Olympic View Water & Sewer District Service Area: All the land located within the corporate boundaries of the District as they now or may in the future exist, plus those areas lying outside of the corporate boundaries of the District in which the District's water and sanitary sewer system sand appurtenances are now or may in the future be located.

Section 2. Franchise.

- 2.1 Pursuant to RCW 35A.47.040 the City hereby grants to District, it's successors and assigns, subject to the terms and conditions hereinafter set forth, a Franchise beginning on the effective date of this Ordinance.
- 2.2 This Franchise shall grant District the right, privilege and authority, subject to the terms and conditions hereinafter set forth; to construct, operate, maintain, replace and use all necessary equipment and facilities related to its water and sanitary sewer systems in, under, on, across, over, through, along or below the right-of-way for the purpose of its water and sanitary sewer utility facilities as approved under City permits issued by the Permitting Authority pursuant to the Franchise and City ordinances.
- 2.3 This ordinance is to be construed as granting permission to District to go only upon any public right-of-way described herein. Permission to go upon any other property owned or controlled by the City must be sought from the City and may be approved on a case by case basis.

Section 3. Non-Interference of Facilities.

- 3.1 District's Facilities shall be located, relocated and maintained within the right-of-way so as not to unreasonably interfere with the free and safe passage of pedestrian and vehicular traffic and ingress or egress to or from the abutting property and in accordance with the ordinances of the City and laws of the State of Washington. Nothing herein shall preclude District from affecting temporary road closures as reasonably necessary during construction or maintenance of its Facilities provided District receives prior City approval, which shall not be unreasonably withheld. Whenever it is necessary for District, in the exercise of its rights under this Franchise, to make any excavation in the right-of-way, District shall, upon completion of such excavation, restore the surface of the right-of-way to a condition that meets the specifications established within the City of Edmonds Engineering development standards and pre-approved plans and in accordance with standards of general applicability imposed by the City by ordinance or administrative order.

Section 4. Right-of- Way Management.

4.1 Excavation.

- 4.1.1 During any period of relocation or maintenance, all surface structures, if any, shall be erected and used in such places and positions within the right-of-way so as to interfere as little as possible with the safe and unobstructed passage of traffic and the unobstructed use of adjoining property. District shall at all times post and maintain proper barricades and comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or state law, including RCW 39.04.180, for the construction of trench safety systems.
- 4.1.2 Whenever District excavates in any right-of-way for the purpose of installation, construction, repair, maintenance or relocation of its facilities, it shall apply to the City for a permit to do so in accord with the ordinances and regulations of the City requiring permits to operate in the right-of-way. In no case shall any such work commence within any right-of-way without a permit, except as otherwise provided in this Ordinance. During the progress of the work, District shall not unnecessarily obstruct the passage or use of the right-of-way, and shall provide the City with plans, maps, and information showing the

proposed and final location of any facilities in accordance with Section 15 of this Ordinance. Approval shall be obtained in accordance with the provisions of Sections 4.6.2 and 4.6.3.

- 4.2 Abandonment of District's Facilities. District shall not abandon any of its facilities within the right-of-way without the prior written consent of the City.
- 4.3 Restoration after Construction.
 - 4.3.1 District shall, after any installation, construction, relocation, maintenance, or repair of Facilities within the right-of-way, restore the right-of-way to City standard and at least the same condition existing prior to any such installation, construction, relocation, maintenance or repair. Survey monuments shall not be removed or destroyed without the District first obtaining the required Department of Natural Resources (DNR) permit in accordance with RCW 58.09.130 and WAC 332-120-030. All survey monuments, which have been disturbed or displaced by such work, shall be restored pursuant to all federal, state and local standards and specifications. District agrees to promptly complete all restoration work and to promptly repair any damage caused by such work at its sole cost and expense.
 - 4.3.2 If it is determined that District has failed to restore the right-of-way in accordance with this Section, the City shall provide District with written notice, which shall include a description of actions the City believes necessary to restore the right-of-way. If the right-of-way is not restored in accordance with the City's notice within fifteen (15) days of that notice, or such longer period as may be specified in the notice, the City, or its authorized agent, may restore the right-of-way and District shall be responsible for all reasonable costs and expenses incurred by the City in restoring the right-of-way in accordance with this Section. The rights granted to the City under this Paragraph shall be in addition to those otherwise provided by this Franchise.
- 4.4 Bonding Requirement. District, as a public agency, is not required to comply with the City's standard bonding requirement for working in the City's right-of-way.

4.5 Emergency Work, Permit Waiver. In the event of an emergency where any facilities located in the right-of-way are broken or damaged, or if District's construction area for their facilities is in such a condition as to place the health or safety of any person or property in imminent danger, District shall immediately take necessary emergency measures to repair or remove its facilities without first applying for and obtaining a permit as required by this Franchise. However, this emergency provision shall not relieve District from later obtaining necessary permits for the emergency work. District shall apply for the required permits the next business day following the emergency work or as soon as practical thereafter given the nature and duration of the emergency.

4.6 Blanket Permit. The terms "Minor Activities" and "Blanket Activities" are defined in a specifically negotiated "Blanket Permit for Activity Within The Public right-of-way," which is incorporated by this reference as fully as if herein set forth, a copy of which has been filed with the City Clerk and identified by Clerk's Receiving Number _____. Permittee shall be authorized to perform Minor Activities without a City permit of any kind and Blanket Activities under the terms and conditions of the Blanket Permit. All other activities will require a separate permit in accordance with City ordinances.

4.6.1 The Permittee shall pay the City a permit inspection/processing fee in the amount set out in Blanket Permit Definitions and as established by the City Council.

4.6.2 The Permittee shall provide a monthly list of Blanket Permit construction activity by the 10th of the following month listing the previous month's completed activity authorized under this Section.

4.6.3 For each separate use of the right-of-way under this Section, and prior to commencing any work on the right-of-way under this Section, the Permittee shall:

At least twenty- four (24) hours in advance of entering the right-of-way, fax or otherwise deliver to the Permitting Authority a City Job Start Notification Form, as provided by the Permitting Authority. Said form shall include, at a minimum, the following information: street address nearest to the proposed work site and description of work to be

performed. Permittee shall not commence work within the City right-of-way without approval and obtaining of a permit number and the Job Start Notification by the City Engineer or his designee.

4.6.4 The City reserves the right to alter the terms and conditions of Subsection 4.6 and of Blanket Permit by providing thirty (30) days written notice to the Permittee. Any change made pursuant to this Paragraph shall thereafter apply to all subsequent work performed pursuant to this Section.

4.6.6 In the event the Permittee fails to comply with any of the conditions set forth in this Section, the City may provide written notice of termination to operate under this Section to Permittee, stating with specificity, the basis for the termination of the Permittee's authority.

4.7 Safety.

4.7.1. District, in accordance with applicable federal, state, and local safety rules and regulations shall, at all times, employ ordinary care in the installation, maintenance, and repair of its facilities utilizing methods and devices commonly accepted in the sanitary sewer industry to prevent failures and accidents that are likely to cause damage, injury, or nuisance to persons or property.

4.7.2. District will make all reasonable effort to construct and maintain its facilities in the right-of-way in a safe and operational condition.

4.8. Dangerous Conditions, Authority for City to Abate.

4.8.1 Whenever Facilities or the operations of District cause or contribute to a condition that appears to endanger any person or substantially impair the lateral support of the adjoining right-of-way, public or private property, the City may direct District, at no charge or expense to the City, to take actions to resolve the condition or remove the endangerment. Such directive may include compliance within a prescribed time period.

4.8.2 In the event District fails or refuses to promptly take the action, or if emergency conditions exist which require immediate action to prevent imminent injury or damage to persons or property, the City may take such action as it

believes necessary and District shall reimburse the City for its actual costs incurred.

Section 5. Relocation of System Facilities.

- 5.1 Whenever the City causes the grading or widening of the right-of-way or undertakes construction of any water or storm drainage line, lighting, signalization, sidewalk improvement, pedestrian amenities, or other public street improvement (for purposes other than those described in Section 5.3 below) and such project requires the relocation of District's then existing Facilities lying within that portion of the right-of-way, or an area affected by such city projects, the City shall:
- (1) Provide District, at least one hundred twenty (120) days prior to the commencement of such project, written notice that a project is expected which will or may require relocation of a portion of District's facilities; and
 - (2) Provide District at least sixty (60) days prior to the commencement of such project, with reasonable plans and specifications for such grading, widening, or construction and a proposed new location within or adjacent to the right-of-way for District's Facilities.
- 5.2. After receipt of such notice and the plans and specifications, District shall relocate such Facilities within the right-of-way as to accommodate such street and utility improvement project ten (10) days prior to commencement of the project unless there is agreement to a different schedule for coordinating completion of relocation of Facilities, provided, however, District may, after receipt of written notice requesting a relocation of its Facilities, submit to the City written alternatives to such relocations of its Facilities and the time schedule. The City shall within a reasonable time evaluate such alternatives and advise the District in writing whether one or more of the alternatives is suitable to accommodate work that would otherwise necessitate relocation of the Facilities. If so requested by the City, District shall submit such additional information as is reasonably necessary to assist the City in making such evaluation. The City shall give each alternative full and fair consideration. In the event the City ultimately reasonably

determines that there is no other reasonable or feasible alternative, then District shall relocate its Facilities as otherwise provided in this Section 5. The City shall cooperate with District to designate a substitute location for its Facilities within the right-of-way. The cost of relocating such Facilities existing within the present limits of the City shall be paid as follows:

- (1) if the relocation occurs within five (5) years after District initially constructed such Facility, then the relocation shall be at the City's sole cost;
- (2) if the relocation occurs more than five (5) years after District initially constructed such Facility, then the relocation shall be at District's sole cost.

5.3 Obligations under this Section 5 shall not apply whenever any person or entity, other than the City, requires the relocation of District Facilities to accommodate the work of such person or entity within the Right-of way, or whenever the relocation of District's Facilities within the right-of-way is necessary to satisfy any requirement or condition of a City permit or approval issued on a land use action (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development) for the benefit of any person or entity other than the City. However, in the event the City reasonably determines (and promptly notifies District in writing of such determination) that the primary purpose of imposing such condition or requirement upon such person or entity which necessitates such relocation is to cause the construction of an improvement on the City's behalf and in a manner consistent with City approved improvement plans (as described in subsection 5.1 above) within a segment of the right-of-way then District shall require only those costs and expenses incurred by District in integrating and connecting such relocated Facilities with District's other Facilities to be paid to District by such person or entity, and District shall otherwise relocate its Facilities within such segment of the right-of-way in accordance with the provisions of subsection 5.1 above.

The provisions of this Section 5.3 shall in no manner preclude or restrict District from making any arrangements it may deem appropriate when responding to a request for

relocation of its Facilities by any person or entity other than the City, where the facilities to be constructed by such person or entity are not or will not become City owned, operated or maintained facilities, provided that such arrangements do not unduly delay a City construction project.

- 5.4 Any cost or expense in connection with the location or relocation of any Facilities existing under benefit of easement or other rights not arising under this Franchise, shall be borne fifty percent (50%) by the City, and fifty percent (50%) by District.

Section 6. Compliance with Codes and Regulations.

- 6.1 The rights, privileges and authority herein granted are subject to and governed by this ordinance and all other applicable ordinances and codes of the City of Edmonds, as they now exist or may hereafter be amended. Nothing in this ordinance limits the City's lawful power to exercise its police power to protect the safety and welfare of the general public. Any location, relocation, erection or excavation by District shall be performed by District in accordance with applicable federal, state and city rules and regulations, including the City Public Works Policies and Pre-approved Plans, and any required permits, licenses or fees, and applicable safety standards then in effect or any Memorandum of Understanding with District.
- 6.2 Upon written inquiry, District shall provide a specific reference to either the federal, state or local law or the Washington Utilities and Transportation Commission (WUTC) order or action establishing a basis for District's actions related to a specific franchise issue.
- 6.3 In the event that any territory served by District is annexed to the City after the effective date of this Franchise, such territory shall be governed by the terms and conditions contained herein upon the effective date of such annexation.

Section 7. System Development Information.

- 7.1 District will assign a representative whose responsibility shall be to coordinate with the City on planning for CIP

projects including those that involve under grounding. At a minimum, such coordination shall include the following:

- (1) District shall meet with the City, other franchisees and users of the right-of-way, according to a schedule to be determined by the City, to schedule and coordinate construction; and
- (2) All construction locations, activities, and schedules shall be coordinated, as required by the Mayor or his designee, to minimize public inconvenience, disruption, or damages.
- (3) For the purpose of planning, District and the City shall provide each other with a copy of their respective current adopted Capital Improvement Plan annually and upon request by the other party.

Section 8. Planning Coordination. The parties agree, as follows, to participate in the development of, and reasonable updates, to each other's planning documents.

- 8.1 For District's service within the City Urban Growth Area limits, District will participate in a cooperative effort with the City of Edmonds to develop a Comprehensive Plan - Utilities Element, that meets the requirements described in RCW 36.70A.070 (4).
- 8.2 District will participate in a cooperative effort with the City to ensure that the Utilities Element of the City's Comprehensive plan is accurate as it relates to District's operations and is updated to ensure it's continued relevance at reasonable intervals.
- 8.3 District shall submit information related to the general location, proposed location, and approximate capacity of all existing and proposed Facilities within the City as requested by the Director within a reasonable time, not exceeding sixty (60) days from receipt of a written request for such information.
- 8.4 District will update information provided to the City whenever there are major changes in the District's system plans for the City.

- 8.5 District will provide information relevant to its operation within the City within a reasonable period of time after a written request to assist the City in its need to develop and update its Comprehensive Plan - Utilities Element, provided that such information is in District's possession or can be reasonably developed from information in District's possession.
- 8.6 The City will provide information relevant to District's operations within a reasonable period of time following a written request to assist District in the development or update of its Comprehensive Sewage System Plan, provided that such information is in the City's possession, or can be reasonably developed from the information in the City's possession.

Section 9. Indemnification by District and Edmonds.

- 9.1 District hereby releases, covenants not to bring suit, and agrees to indemnify, defend and hold harmless the City, its elected officials, employees, agents, and volunteers from any and all claims, costs, judgments, awards, attorney's fees, or liability to any person, including claims by District's own employees to which District might otherwise be immune under Title 51 RCW, arising from personal injury or damage to property allegedly due to the negligent or intentional acts or omissions of District, its agents, servants, officers or employees in performing activities authorized by this Franchise. This covenant of indemnification shall include, but not be limited by this reference, claims against the City arising as a result of the acts or omissions of District, its agents, servants, officers or employees except for claims for injuries and damages caused by the sole negligence of the City. If final judgment is rendered against the City, its elected officials, employees, agents, and volunteers, or any of them, District shall satisfy the same. The City may appear in any proceeding it deems necessary to protect the City's or the public's interests.
- 9.2 The City hereby releases, covenants not to bring suit, and agrees to indemnify, defend and hold harmless the District, its elected officials, employees, agents, and volunteers from any and all claims, costs, judgments, awards, attorney's fees, or liability to any person, including claims by City's own employees to which City might otherwise be immune

under Title 51 RCW, arising from personal injury or damage to property allegedly due to the negligent or intentional acts or omissions of City, its agents, servants, officers or employees in performing construction, maintenance or other city activities within the Rights-of-way. This covenant of indemnification shall include, but not be limited by this reference, claims against the District arising as a result of the acts or omissions of City, its agents, servants, officers or employees except for claims for injuries and damages caused by the sole negligence of the District. If final judgment is rendered against the District, its elected officials, employees, agents, and volunteers, or any of them, City shall satisfy the same. The District may appear in any proceeding it deems necessary to protect the District's interests or the interests of its ratepayers.

- 9.3 In the event any such claim or demand be presented to or filed with either party, such party shall promptly notify the other thereof, which party shall have the right, at its election and at its sole cost and expense, to settle and compromise such claim or demand. In the event any suit or action be begun against either party based upon any such claim or demand, such party shall likewise promptly notify the other party thereof, which party shall have the right, at its election and its sole cost and expense, to settle and compromise such suit or action, or defend the same at its sole cost and expense, by attorneys of its own election.
- 9.4 Inspection or acceptance by one party of any work performed by the other at the time of completion of construction shall not be grounds for avoidance of any of these covenants of indemnification. Said indemnification obligations shall extend to claims that are not reduced to a suit and any claims that may be settled prior to the culmination of any litigation or the institution of any litigation.
- 9.5 In the event either refuses to undertake the defense of any suit or any claim, after a request for defense and indemnification has been made pursuant to the indemnification clauses contained herein, and such refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal, such party shall pay all of the other party's costs and expenses for

defense of the action, including reasonable attorney's fees or recovering under this indemnification clause as well as any judgment against the party.

- 9.6. Should a court of competent jurisdiction determine that this Franchise is subject to RCW 4.24.115, then, in event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of District and the City, its officers, employees and agents, each party's liability hereunder shall be only to the extent of its negligence. This waiver has been mutually negotiated by the parties.

Section 10. Insurance.

- 10.1. District shall procure and maintain in full force for the duration of the Franchise, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of the rights, privileges and authority granted hereunder to District, its agents or employees.
- 10.2. In satisfying the insurance requirement set forth in this section, District may self-insure against such risks in such amounts as are consistent with good utility practice. District shall provide the City with sufficient written evidence, the sufficiency of which shall be determined at the reasonable discretion of the City, upon request, that such insurance (or self-insurance) is being so maintained by District. Such written evidence shall include, to the extent available from District's insurance carrier, a written certificate of insurance with respect to any insurance maintained by District in compliance with this Section.
- 10.3. Commercial General Liability insurance policy, written on an occurrence basis with limits no less than \$1,000,000 combined single limit per occurrence and \$2,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. There shall be no endorsement or modification of the Commercial General Liability insurance excluding liability arising from explosion, collapse or underground property damage. The City shall be named as an additional insured under District's Commercial General Liability insurance policy.

- 10.4 Excess Liability in an amount of \$5,000,000 each occurrence and \$20,000.00 aggregate limit. The City shall be named as an additional insured on the Excess Liability insurance policy.
- 10.5 Automobile Liability insurance for owned, non-owned and hired vehicles with limits no less than \$2,000,000 Combined Single Limit per accident for bodily injury and property damage
- 10.6 Payment of deductible or self-insured retention shall be the sole responsibility of District.
- 10.7 District shall require all its subcontractors to carry insurance consistent with this Section 10.3, and shall provide evidence of such insurance to the City upon request.
- 10.8 The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, or employees. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. District's insurance shall be primary. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of District's insurance and shall not contribute with it. Coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City.

Section 11. Default / Enforcement.

- 11.1 The City reserves the right to revoke and terminate this Franchise and all rights and privileges of District in the event of a substantial violation or material breach of its terms and conditions.
- 11.2 A substantial violation or material breach by District shall include, but shall not be limited to, the following:
 - (1) An uncured violation of any material provision of this Franchise, or any material rule, order or

regulation of the City which would endanger the public health, safety and welfare;

- (2) The practice of any fraud or deceit upon the ratepayers served by the District's water and sanitary sewer system.
- (3) The practice of any fraud or deceit upon the City.
- (4) Misrepresentation of material facts in the negotiation of this Franchise or its implementation.
- (5) An uncured failure to pay the fee associated with this Franchise.

11.3 No violation or breach of this Franchise shall occur which is without fault of either District or the City, unless they are the result of circumstances beyond District's or the City's reasonable control, such as Acts of God or unrelated third parties.

Neither District, nor the City, shall be excused by economic hardship or by nonfeasance or malfeasance of its elected officials, officers, agents or employees.

Damage to equipment causing service interruption shall be deemed to be the result of circumstances beyond District's or the City's control if it is caused by any negligent act or unintended omission of its employees (assuming proper training) or agents (assuming reasonable diligence in their selection), or sabotage, vandalism or malicious mischief by its employees or agents. District, or the City, shall bear the burden of proof in establishing the existence of such conditions.

11.4 Except in the case of termination of this Franchise pursuant to Paragraph 11.2d, the City, or District, prior to any termination or revocation of this Franchise, shall provide the other with detailed written notice describing any substantial violation or material breach upon which it proposes to take action. The party who is allegedly in breach shall have a period of 60 days following such written notice to cure the alleged violation or breach, or demonstrate to the other's satisfaction that a violation or breach has not occurred or does not exist, or submit a plan that is satisfactory to the other to correct the violation or

breach. If, at the end of said 60-day period, the party giving such notice reasonably believes that a substantial violation or material breach is continuing and that the party in breach is not taking satisfactory corrective action, the noticing party may, by written notice to the other party, declare that the party in breach is in default. Within 20 days after receipt of a written declaration of default, the party that is alleged to be in default may request, in writing, a hearing before the City Hearing Examiner, as provided by the City's development regulations.

The Hearing Examiner's decision may be appealed by either party to the Snohomish County Superior Court within thirty (30) days following the date of the decision rendered.

- 11.5 The City may, in its discretion and without waiving its rights under Paragraph 11.4 above, provide, in writing, for an extension of the period for District to remedy any violation or breach of the Franchise terms or take such corrective action specified in the Notice and come into compliance with its obligations under this Franchise, so as to avoid its termination or revocation.
- 11.6 Any violation continuing for a period greater than 60 days may be remedied by the City at District's expense, unless District is diligently and in good faith proceeding with corrective action and its failure to complete corrective action is caused by unavoidable delays or events beyond its control.

Section 12. Franchise Term. The term of the Franchise granted hereunder shall remain in full force for an initial term of ten (10) years from the effective date. It may be renewed for additional term(s) commensurate with the interlocal agreement between the parties.

Section 13. Non-Exclusive Franchise. This Franchise is not and shall not be deemed to be an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises under, over, upon, and along the right-of-way which do not interfere with District's existing water and sanitary sewer system and its rights under this

Franchise. This Franchise shall not prohibit or prevent the City from using the right-of-way or affect the jurisdiction of the City over the same or any part thereof.

Section 14. Franchise Fee.

- 14.1. In consideration for the rights granted District under this agreement and the parties concomitant Interlocal Operating Agreement to occupy City right-of-way for the purpose of operating a water and sanitary sewer utility within the City dated June 28, 2004 and as compensation for the City's recovery of actual administrative expenses incurred by the City that are directly related to receiving and approving permits, licenses, cost of inspections, this franchise and inspecting plans for construction within the right-of-way, District agrees to pay the City a franchise fee of \$10 annually in addition to those fees identified in Right-of-Way Management, Section 4. If the interlocal agreement is terminated by either party or by judicial action, the District shall pay an annual fee of the lesser of \$3,000 or the lowest fee charged to any other public utility franchised by the City, whichever is less. Proceeds of the franchise fee collected shall be distributed to the City no later than 30 days after the end of each calendar year.
- 14.2 The fees and charges set forth in this ordinance are in addition to, and not in limitation of, the payments established by agreement in an interlocal agreement between the parties.

Section 15. Records. As a condition of this Franchise, and without charge to the City, District agrees to provide the City with available as-built plans, maps, and records that show the vertical and horizontal location of its facilities within the right-of-way. This information shall be provided between one hundred twenty (120) and one hundred eighty (180) days of the effective date of this Ordinance and shall be updated upon reasonable request by the City.

Section 16. Survival. All of the provisions, conditions and requirements of Sections 4.1 Excavation, 4.2 Abandonment Of District's Facilities, 4.3 Restoration After

Construction, 4.8 Dangerous Conditions, Authority For City To Abate, Section 5 Relocation of System Facilities, and Section 9 Indemnification, of this Franchise, shall be in addition to any and all other obligations and liabilities District may have to the City at common law, by statute, or by contract, and shall survive the City's Franchise to District for the use of the areas mentioned in Section 2.3 herein, and any renewals or extensions thereof. This Ordinance shall further be binding upon the heirs, successors, executors, administrators, legal representatives and assigns of District and all privileges, as well as all obligations and liabilities of District shall inure to its heirs, successors and assigns equally as if they were specifically mentioned wherever District is named herein.

Section 17. Severability. If any Section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other Section, sentence, clause or phrase of this Franchise Ordinance. The Parties may amend, repeal, add, replace, or modify any provision of this Franchise to preserve the intent of the parties as expressed herein prior to any finding of invalidity or unconstitutionality.

Section 18. Assignment. This Franchise shall not be sold, transferred, assigned, or disposed of in whole or in part either by sale, voluntary or involuntary merger, consolidation or otherwise, without the written approval of the City. This paragraph shall not act to require City approval of any District action to mortgage or otherwise encumber its facilities, or other action related to corporate financing, financial reorganization, or refinancing activity.

Section 19. Notice. Any notice or information required or permitted to be given to the parties under this Franchise may be sent to the following addresses unless otherwise specified:

District General Manager
Olympic View Water & Sewer District
23725 Edmonds Way
Edmonds, WA 98026-1856
Phone: 425-774-7769
Fax: _____

Administrative Services Director
City of Edmonds
121 – 5th Ave. North
Edmonds, WA 98020
Phone: 425-771-0240
Fax: 425-771-0265

Section 20. Non-Waiver. The failure of either party to enforce any breach or violation by the other party of any provision of this Franchise shall not be deemed to be a waiver or a continuing waiver by the non-breaching party of any subsequent breach or violation of the same or any other provision of this Franchise.

Section 21. Alternate Dispute Resolution. If the parties are unable to resolve disputes arising from the terms of this Franchise, prior to resorting to a court of competent jurisdiction, the parties shall submit the dispute to a non-binding alternate dispute resolution process agreed to by the parties. Unless otherwise agreed between the parties or determined herein, the cost of that process shall be shared equally.

Section 22. Entire Agreement. This Franchise constitutes the entire understanding and agreement between the parties as to the subject matter herein and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution and acceptance hereof.

Section 23. Directions to City Clerk. The City Clerk is hereby authorized and directed to forward certified copies of this ordinance to District as set forth in this ordinance.

District shall have sixty (60) days from receipt of the certified copy of this ordinance to accept in writing the terms of the Franchise granted to District by this ordinance.

Section 24. District Acceptance of Franchise. District shall have no rights under this Franchise nor shall District be bound by the terms and conditions of this Franchise unless District shall, within thirty (30) days after the effective date of the ordinance, file with the City its written acceptance of this Franchise, in a form acceptable to the City Attorney.

Section 25. Publication Costs. In accord with state law, this ordinance shall be published in full.

Section 26. Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

APPROVED:

MAYOR GARY HAAKENSON

ATTEST/AUTHENTICATED:

CITY CLERK, SANDRA S. CHASE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____
W. SCOTT SNYDER

FILED WITH THE CITY CLERK: 06/11/2004
PASSED BY THE CITY COUNCIL: 06/22/2004
PUBLISHED: 06/27/2004
EFFECTIVE DATE: 07/02/2004
ORDINANCE NO. 3506

SUMMARY OF ORDINANCE NO. 3506

of the City of Edmonds, Washington

On the 22nd day of June, 2004, the City Council of the City of Edmonds, passed Ordinance No. 3506. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, GRANTING OLYMPIC VIEW WATER AND SEWER DISTRICT A NON-EXCLUSIVE FRANCHISE TO CONSTRUCT, MAINTAIN, OPERATE, REPLACE AND REPAIR A WATER AND SANITARY SEWER SYSTEM WITHIN PUBLIC RIGHTS-OF-WAY OF THE CITY OF EDMONDS, WASHINGTON, AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.

The full text of this Ordinance will be mailed upon request.

DATED this 23rd day of June, 2004.

CITY CLERK, SANDRA S. CHASE

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INTERLOCAL AGREEMENT
CITY OF EDMONDS AND CITY OF LYNNWOOD
For Emergency Watermain Interties

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THIS INTERLOCAL AGREEMENT ("Agreement") is entered into by and between the City of Edmonds, Washington ("Edmonds") and the City of Lynnwood, Washington ("Lynnwood") (collectively, the "Parties").

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WHEREAS, Chapter 39.34 RCW authorizes two or more political subdivisions or units of local government of the State of Washington to cooperate on a basis of mutual advantage to provide for services and facilities; and

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WHEREAS, Edmonds and Lynnwood are each authorized to provide water service, and each currently provides water service to persons and properties located within its respective water service area; and

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WHEREAS, Edmonds' and Lynnwood's water service boundaries are located adjacent to each other; and

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WHEREAS, the Parties desired to obtain supplemental water supply for emergency purposes through interties between their respective water systems, subject to certain terms and conditions; and

WHEREAS, the Parties have constructed four emergency watermain interties at places along their respective water service boundaries; and

WHEREAS, Edmonds is undertaking the construction of a fifth emergency watermain intertie along those boundaries; and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of defining their respective rights, obligations, and liabilities regarding these emergency watermain interties; and

WHEREAS, the City Councils of the City of Edmonds and the City of Lynnwood have taken appropriate action to approve each Party's entry into this Agreement;

NOW, THEREFORE, in consideration of the terms, conditions and covenants contained herein, Edmonds and Lynnwood agree as follows:

TERMS

Section 1. Purpose. The purpose of this Agreement is to allocate and define the Parties' respective rights, obligations, and liabilities concerning the establishment, ownership, operation, use and maintenance of the one new and four existing emergency watermain interties. The

1 terms, conditions and covenants of this Agreement shall accordingly be interpreted to advance
2 this purpose.
3

4 Section 2. Term. This Agreement shall be effective upon its execution by both of the
5 Parties hereto, as indicated by the dates written below. Unless terminated in accordance with
6 Section 3, this Agreement shall remain in effect in perpetuity.
7

8 Section 3. Termination. Either Party may terminate this Agreement with or without
9 cause by providing the other Party with thirty (30) calendar days' written notice of its intent to
10 terminate. Termination shall not alter the Parties' obligations under Section 4 with respect to
11 obligations already performed by the other Party, and shall not alter the Parties' respective
12 obligations under Section 8 of this Agreement.
13

14 Section 4. Obligations.
15

- 16 A. Edmonds and Lynnwood agree to provide each other with an emergency standby
17 source of water through intertie connections between the Parties' water systems at the
18 five locations described and depicted in **Exhibit A**, attached hereto and incorporated
19 herein by this reference.
20
- 21 B. Each intertie shall consist of water main, and two normally-closed valves, as depicted
22 on **Exhibit A**, attached hereto and incorporated herein by this reference. The new,
23 fifth, intertie shall be constructed by Edmonds at its sole expense, at the location
24 described and depicted on Exhibit A.
25
- 26 C. To the extent necessary, each Party shall transfer ownership of any portion of an
27 intertie, including the water main and valves, that is located within the other Party's
28 water service area boundaries by a bill of sale at no cost to the other Party. Each
29 Party shall accept the transferred intertie facilities, if any, in an "as-is" condition.
30 Each Party shall then own, operate, repair, replace and maintain in good working
31 condition and in accordance with all applicable laws and regulations that portion of
32 each intertie located within its respective water service area boundaries.
33
- 34 D. Each intertie shall be used only in the event of an emergency as defined in Section
35 4.E, or when otherwise required due to a planned, temporary disruption of water
36 service resulting from construction or maintenance impacting the requesting Party's
37 water system or water supply.
38
- 39 E. For purposes of this Agreement, an emergency shall be any event that requires either
40 Party's water supply to be augmented on a temporary, unplanned basis, including but
41 not limited to a water shortage, a major water line break, fire demand, contamination
42 of water supply, mechanical or electrical equipment failure, or power supply failure.
43 Unless otherwise agreed to in writing by the Parties, the maximum duration of an
44 emergency shall be seven calendar (7) days.
45

1 F. In case of water supply required for emergency use, Edmonds and Lynnwood shall
2 provide water immediately upon oral notification of such emergency by the other
3 Party. Follow-up written notice of such emergency request shall be made by the
4 requesting Party to the supplying Party within fourteen (14) business days of the oral
5 notification. In the event that the requesting Party anticipates that the emergency will
6 require use of the intertie for more than seven calendar (7) days, the requesting Party
7 shall provide an estimate of the duration of the emergency and request that the
8 supplying Party agree in writing to the requesting Party's use of the intertie for this
9 duration.

10
11 G. In case of water supply required for a planned, temporary disruption of service, the
12 requesting Party shall notify the supplying Party in writing at least five (5) business
13 days in advance of the dates on which the requesting Party desires to receive water
14 through an intertie. The request shall include the startup time and the estimated
15 duration of intertie service, and shall state the reason for the service disruption
16 requiring use of the intertie.

17
18 H. When activating intertie service, each Party shall operate their respective system
19 components only, and shall provide adequate flushing of the system prior to
20 activating the intertie.

21
22 I. The Parties shall make reasonable efforts to provide an uninterrupted supply of water
23 during any period that an intertie is activated; provided, that neither Party shall be
24 liable for any shortage of or interruption in the delivery of water through an intertie.
25 In addition, neither Party shall be liable for any failure, interruption in or shortage of
26 water, or any loss or damage resulting therefrom occasioned by any cause beyond the
27 control of either Party. Neither Party guarantees the availability of water through any
28 intertie at all times because of each Party's respective needs and water demand.
29 Further, during critical water shortage periods as determined by a supplying Party, the
30 supplying Party, in that Party's sole discretion, may deny use of any intertie until
31 sufficient water supply exists to make such available for use by the requesting Party.
32

33 J. The quality of water delivered by either Party through any intertie shall comply with
34 all applicable federal, state and local laws and regulations, and shall be of the same
35 quality as that delivered by the supplying Party to that Party's other customers. Upon
36 request of either Party, the other Party shall provide information regarding the current
37 quality of water provided through any intertie, so that blending, compatibility, and
38 other water quality issues may be addressed.
39

40 Section 5. Billing for Water Used.
41

42 A. A written estimate of the quantity of water used shall be reported by the receiving
43 Party to the supplying Party within three (3) business days after the termination of
44 any intertie use. The estimate of water used shall be agreed upon by both parties and
45 shall include a detailed explanation as to how the estimate was derived. If the intertie
46 use continues for more than thirty (30) calendar days, the written estimate of water

1 use shall be provided on the first day of the following month. If unmetered use of
2 water is expected to exceed thirty (30) calendar days, the recipient agency shall install
3 a meter within thirty (30) days of activation of the unmetered intertie.
4

5 B. In the event that Edmonds or Lynnwood receives water through any intertie, both
6 Parties agree to pay the other Party for such water delivered at the wholesale rate plus
7 ten percent (10%). The wholesale rate per CCF shall be determined based on the
8 preceding complete calendar year, by dividing the total annual volume of water (in
9 CCF) delivered to Edmonds' or Lynnwood's end users within their respective water
10 service boundaries, into the total annual costs of potable water purchased from the
11 wholesale supplier(s) during the same calendar year. The Party delivering such water
12 shall bill the Party receiving such water monthly for the amount of water delivered.
13 The Party receiving such water shall pay the supplying Party within forty-five (45)
14 calendar days of the date of such billing. Any billings not paid by the receiving Party
15 within such 45-day period shall accrue interest at the rate of twelve percent (12%) per
16 annum until paid.
17

18 Section 6. Ownership of Property. Neither Party shall by virtue of this Agreement
19 acquire any proprietary or governmental interest in the water system of the other Party. Each
20 Party shall be solely responsible for the operation and maintenance of its own system of water
21 distribution.
22

23 Section 7. Administration; No Separate Entity Created. This Agreement shall be
24 administered jointly by the Edmonds City Engineer and the Lynnwood City Engineer. No
25 separate legal entity is formed by this Agreement.
26

27 Section 8. Release, Indemnification and Hold Harmless Agreement. Each Party to this
28 Agreement shall be responsible for its own negligent and/or wrongful acts or omissions, and
29 those of its own officers, agents, employees, representatives, contractors or subcontractors, to the
30 fullest extent required by the laws of the State of Washington. Each Party agrees to protect,
31 indemnify and save the other Party harmless from and against any and all such liability for injury
32 or damage to the other Party or the other Party's property, and also from and against all claims,
33 demands and causes of action of every kind and character arising directly or indirectly, or in any
34 way incident to, in connection with, or arising out of the performance of this Agreement, caused
35 by its own negligence or wrongful acts or omissions, or that of its officers, agents, employees,
36 representatives, contractors or subcontractors; provided, that the indemnifying Party's obligation
37 to indemnify, defend and hold harmless the other Party for claims caused by or resulting from
38 the concurrent negligence or wrongful acts or omissions of the indemnifying Party shall apply
39 only to the extent of the negligence or wrongful acts or omissions of the indemnifying Party.
40

41 Section 9. Governing Law and Venue. This Agreement shall be governed by the laws of
42 the State of Washington. Any action arising out of this Agreement shall be brought in
43 Snohomish County Superior Court.
44

45 Section 10. No Employment Relationship Created. The Parties agree that nothing in this
46 Agreement shall be construed to create an employment relationship between Edmonds and any

1 employee, agent, representative or contractor of Lynnwood, or between Lynnwood and any
2 employee, agent, representative or contractor of Edmonds.
3

4 Section 11. No Third Party Rights. This Agreement is intended for the sole and
5 exclusive benefit of the Parties hereto and no third Party rights are created by this Agreement.
6

7 Section 12. Notices. Notices to Edmonds shall be sent to the following address:
8

9
10 **City of Edmonds**
11 **Public Works Director**
12 **7110 210th St SW**
13 **Edmonds, WA 98026**

14 Notices to Lynnwood shall be sent to the following address:
15

16 **City of Lynnwood**
17 **City Engineer**
18 **P.O. Box 5008**
19 **Lynnwood, WA 98046**
20
21

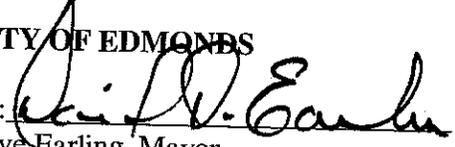
22 Section 13. Duty to File Agreement with County Auditor. Edmonds shall, after this
23 Agreement is executed by both Parties, file this Agreement with the Snohomish County Auditor.
24

25 Section 14. Integration/Amendment. This document constitutes the entire embodiment
26 of the agreement between the Parties with respect to the subject matter herein and supersedes and
27 replaces all prior agreements, both written and oral. This Agreement may only be modified or
28 amended by an agreement in writing signed by both Parties hereto.
29

30 Section 15. Non-Waiver. Waiver by any Party of any of the provisions contained within
31 this Agreement shall not be construed as a waiver of any other provision.
32

33 Section 16. Binding Effect. This Agreement shall be binding upon and inure to the
34 benefit of the Parties hereto and their respective successors and assigns.
35

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37 **CITY OF EDMONDS**

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39 By: 
40 Dave Earling, Mayor

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42 Date: 3.6.15
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45 ATTEST:
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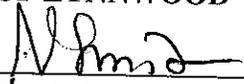
Scott Passey, City Clerk

APPROVED AS TO FORM:



Office of the City Attorney

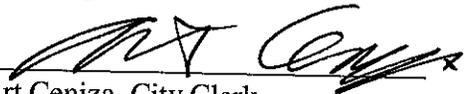
CITY OF LYNNWOOD

By: 

Nicola Smith, Mayor

Date: 3-18-2015

ATTEST:



Art Ceniza, City Clerk

APPROVED AS TO FORM:



Office of the City Attorney

Exhibit A
Intertie Location Matrix

Intertie #	Intertie Valve Location (Edmonds)			Edmonds Valve #			Intertie Valve Location (Lynnwood)			Lynnwood Valve # Opening Intertie
	Edmonds Meter	Edmonds Meter Size	Edmonds Pipe Size	Edmonds Opening Intertie	Edmonds Valve #	Edmonds Pipe Size	Lynnwood Meter	Lynnwood Meter Size	Lynnwood Pipe Size	
1	No	None	8 inch	10-1	West side of Highway 99 at south Driveway of 20910	No	None	12 inch	E-3	
2	No	None	12 inch	10-19E	None*	No	None	8 inch	E-1*	
3	No	None	8 inch	6-42A	Southwest hillside near walking path near Olympic View Drive and 73rd Ave W	No	None	8 Inch	E-4	
4	No	None	8 inch	3-14A	Olympic View Drive East side at 180th St SW	No	None	8 inch	E-15	
5	Yes	6 inch (To Be constructed by end of 2015)	8 inch (To Be constructed by end of 2015)	To be determined	On 68th Ave W North of the intersection of North Meadowdale Road	No	None	8 inch (To Be constructed by end of 2015)	To be determined	

*E-1 is Edmonds intertie valve at this location. Lynnwood does not have a valve at this intertie location.

EMERGENCY INTERTIE AGREEMENT

BETWEEN

SEATTLE PUBLIC UTILITIES

AND

CITY OF EDMONDS

This Agreement is made and entered into this 31 day of December, 2011, by and between the City of Seattle, a Washington municipal corporation, acting through its Seattle Public Utilities (“SPU”) and City of Edmonds, a Washington municipal corporation (“Water Utility”).

WHEREAS, SPU and Water Utility each own and operate public water supply systems (“Water System”) within their respective service areas in accordance with the laws of the State of Washington; and

WHEREAS, Water Utility has requested that SPU provide it with an emergency back-up water supply through an existing intertie connection between SPU’s and Water Utility’s Water Systems, which will increase reliability for operating Water Utility’s Water System during temporary periods when its Water System is impaired or disrupted; and

WHEREAS, SPU agrees to use its best efforts to provide Water Utility an emergency back-up water supply under certain terms and conditions from its available existing sources of water supply.

NOW THEREFORE, both parties agree as follows:

1. **TERM:** The initial term of this Agreement shall be for fifty (50) years commencing on January 1, 2012 and expiring on December 31, 2061.
2. **DESCRIPTION OF EMERGENCY INTERTIE:** SPU will deliver water to Water Utility through service connection(s), which include the water meter and appurtenances (“Emergency Intertie”), as described below and as more particularly described, including the location(s) and specific operating conditions, in Exhibit I, a copy of which is attached and incorporated herein. Exhibit I may be revised in writing upon mutual agreement of the Director of SPU and the City of Edmonds Director of Public Works, except that SPU may modify the minimum hydraulic gradient once during any fifteen (15) year period upon four (4)

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years' advance written notice, unless a shorter notice is agreed to by Water Utility. SPU Facilities include: the outlet from the supply pipeline, the pipeline from the outlet to the meter vault, and the meter vault and its contents. Water Utility Facilities include: everything past the external wall of the meter vault. SPU will provide water for use at the Emergency Intertie at any time except as otherwise allowed by the terms of this Agreement.

3. USE OF EMERGENCY INTERTIE: Water Utility's use of the Emergency Intertie is limited to temporary, emergency backup water supply for up to one week, unless SPU approves a longer period in writing, which will not be unreasonably withheld. The parties agree that in the event a substantially longer period is approved, the Director of SPU may require additional reasonable terms and conditions that will be in effect during the approved longer period. For the purposes of this Agreement, an emergency means an unforeseen event that causes damage or disrupts Water Utility's normal operations of its Water System or requires immediate action to protect public health and safety, which includes fire flow purposes.

4. LIMITATIONS ON USE OF EMERGENCY INTERTIE:

a. The Emergency Intertie may not be used to respond to routine or seasonal peak demands or water shortages.

b. Before using the Emergency Intertie, Water Utility shall use best efforts to activate its own emergency sources of supply or alternative operations to cope with the emergency.

c. SPU will provide water at the point of delivery in accordance with this Agreement during use of the Emergency Intertie as defined in Exhibit I, as revised from time to time.

d. Water Utility will endeavor to not exceed flows defined in Exhibit I during use of the Emergency Intertie without specific written authorization by SPU.

e. Water Utility may use up to the number of gallons of water per year through the Emergency Intertie identified in Exhibit 1 for administrative purposes only, such as hydrant or valve exercising/testing, flushing or other measures taken to maintain water quality, which is included as part of the Annual Fee ("Administrative Allowance"). The Director of SPU and the City of Edmonds Director of Public Works may revise the Administrative Allowance in Exhibit I as necessary, upon mutual written agreement between the Director of SPU and President of Water Utility.

f. Water Utility agrees and acknowledges that in the event of a general emergency or weather-related water shortage affecting SPU's Water System, SPU may interrupt or reduce its deliveries of water to its wholesale customers (except for fire protection), including Water Utility under this Agreement.

g. Water Utility agrees and acknowledges that in the event of a general emergency or weather-related water shortage affecting SPU's Water System or the region, SPU may implement emergency water use curtailment measures that impact Water Utility's retail customers' use of water in accordance with its Water Shortage Contingency Plan or other necessary action. Water Utility will assist and support any emergency curtailment measures that are implemented and related to use of the Emergency Intertie.

h. Water Utility agrees and acknowledges that SPU may temporarily interrupt use or reduce availability of water through the Emergency Intertie if SPU determines that the interruption or reduction is necessary or reasonable in case of a localized or SPU Water System emergency or in order to perform any required maintenance, improvement, repair, inspection or testing of SPU's Water System. Except in cases of emergency affecting SPU's Water System, SPU will provide Water Utility reasonable notice of any temporary interruptions or reductions and will endeavor to minimize interruptions and reductions of water available through the Emergency Intertie, especially when the Emergency Intertie is in active use by Water Utility. In the case of emergency, SPU will provide Water Utility notice as soon as practicable.

5. **NOTIFICATION:** Whenever general notice is required or prudent under this Agreement, notice shall be giving to the following representatives, which may be amended in writing:

SPU:

Wholesale Contracts Manager
PO Box 34018
Seattle, WA 98124-4018

206-733-9815

Email: terri.gregg@seattle.gov

Water Utility:

Public Works Director
7110 210th SW
Edmonds, WA 98026

425-771-0235

Email: phil.williams@ci.edmonds.wa.us

- a. Water Utility will verbally notify SPU Operations Control Center at 206-386-1818 whenever the Emergency Intertie is used for emergency use. Water Utility will endeavor

to notify SPU within 1 hour after the use of the Emergency Intertie begins, or as soon as practicable, and will state the nature of the emergency and estimated/actual duration.

- b. Water Utility will send written notice to SPU Wholesale Contracts Manager at the address above within 10 days after each use of the Emergency Intertie, in a form acceptable to SPU, stating the duration and estimated quantity of water use.

6. WATER QUALITY: SPU will provide water to the point of delivery that meets all state and federal drinking water standards and shall be of the same standard and quality as that normally delivered by SPU to its retail and wholesale customers. Water Utility acknowledges and agrees that because the Emergency Intertie is used intermittently, it may result in water being stagnant at the point of delivery for periods of time that may affect water quality. Water Utility is solely responsible for implementing operational best practices, such as flushing the service connection, prior to use of the Emergency Intertie for potable or other use. Water Utility is solely responsible for compliance with all applicable local, state and federal drinking water quality laws and regulations within its Water System.

7. INTERTIE MAINTENANCE: Each utility shall be responsible for maintenance of their portion of the Emergency Intertie as described in Section 2 of this Agreement as SPU and Water Utility Facilities respectively.

8. METER EQUIPMENT: SPU shall own, maintain and pay the cost of the metering equipment for the Emergency Intertie, including periodic inspection and testing. If Seattle changes the location of the intertie connection to Water Utility for Seattle's benefit, then Seattle shall pay the cost of constructing a new wholesale meter installation at the new location. If Water Utility requests the change in location, then Water Utility shall pay the cost of the new connection.

9. EMERGENCY INTERTIE FEES: Water Utility will pay the following charges within 30 days of an invoice from SPU:

- a. An Annual Fee, paid in advance by January 1 of each calendar year, which covers SPU's expenses to administer this Agreement and the Administrative Allowance for Water Utility under Section 4.e and Exhibit 1 of this Agreement. The Director of SPU may revise the Annual Fee reasonably to account for any change in the Administrative Allowance mutually agreed under Section 4.e above. Each year during the term of this Agreement, the Director of SPU may revise the Annual Fee by the same percentage as the change in the average of the Peak and Off-Peak Commodity Charge Rates from the

prior year to the current year then in effect for wholesale customers under Seattle Municipal Code Section 21.04.440.E.2, as it may be amended from time to time. The initial Annual Fee due January 1, 2012 is \$4214. SPU will provide 30 days' written notice of any subsequent revisions to the Annual Fee, which will become incorporated herein by this reference at the time the revised Annual Fee becomes effective.

b. A Commodity Charge for the metered amount of water used through the Emergency Intertie minus the Administrative Allowance at the then applicable average of the Peak and Off-Peak Commodity Charge Rates in effect for wholesale customers under Seattle Municipal Code Section 21.04.440.E.2, as it may be amended from time to time, plus any emergency surcharge, if applicable generally to the wholesale customers at that time.

c. A one-time transaction fee of \$1500 is due January 1 2012.

d. Any late payment will accrue interest at 1% per month.

10. LIMIT OF LIABILITY: Water Utility understands and agrees that SPU obligations under this Agreement are subject to the limitations herein. SPU shall not be held liable, under any circumstances, for loss or damage from a deficiency or failure to supply water caused by an emergency, unforeseen event, or for any other reason allowed under this Agreement.

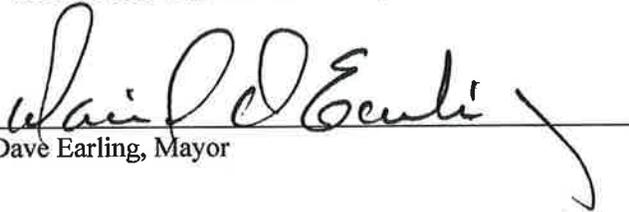
11. TERMINATION: Water Utility may terminate this Agreement at any time upon twelve (12) months' written notice to SPU. SPU may terminate this Agreement upon sixty (60) days' written notice to Water Utility that it has materially breached this Agreement and does not cure the material breach within the 60-day cure period, or a longer time period as SPU may approve in writing if Water Utility is making substantial progress towards curing the material breach. In the event of termination under this provision, Water Utility will be responsible for any reasonable costs SPU incurs to disconnect or remove the service connection as may be required by industry or SPU operating practices then in effect.

12. DISPUTE RESOLUTION: If a dispute arises out of or relates to this Agreement, the parties agree to negotiate in good faith to resolve the dispute within 90 days. Unless the parties agree to a longer time, if the dispute remains unresolved after 90 days, the parties agree to try in good faith to settle it by mediation before resorting to arbitration, litigation or some other legal dispute resolution procedure. Venue and jurisdiction shall lie in the King County Superior Court for the State of Washington in Seattle.

13. MISCELLANEOUS. This Agreement represents the entire agreement between the parties concerning the subject matter. This agreement shall be interpreted in accordance with the laws of the State of Washington. This agreement will inure to the benefit of and be binding upon the parties and their successors and assigns. If any of this Agreement or its application is determined by a court of law to be illegal, invalid, or void without rendering performance of this Agreement impossible or infeasible, then the Parties intend that the validity of the remaining provisions of this Agreement or their application shall not be affected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereby execute this Agreement.

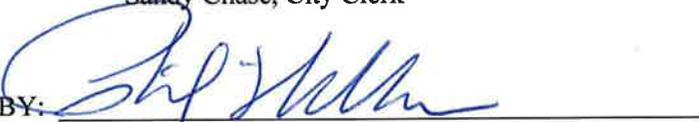
THE CITY OF EDMONDS/WATER UTILITY:

BY: 
Dave Earling, Mayor

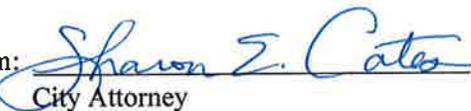
Date: 12-21-11

ATTEST: 
Sandy Chase, City Clerk

Date: 12-21-11

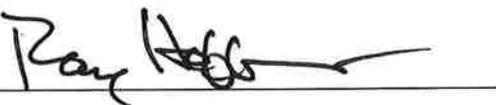
BY: 
Phil Williams, Public Works Director

Date: 12/20/11

Approved as to Form: 
City Attorney

Date: 12/15/11

THE CITY OF SEATTLE:

BY: 
Director, Seattle Public Utilities

Date: 12/31/11

EXHIBIT I

**SERVICE CONNECTIONS, MINIMUM HYDRAULIC GRADIENTS,
 MAXIMUM AND MINIMUM FLOW RATES, AND
 ANNUAL ADMINISTRATIVE ALLOWANCE OF WATER SUPPLIED**

SERVICE CONNECTION			MINIMUM HYDRAULIC GRADIENT FOR PLANNING PURPOSES AT STATION UPSTREAM OF METER (FEET NAVD-88 Datum)	MAXIMUM FLOW RATE UP TO WHICH THE MINIMUM HYDRAULIC GRADIENT APPLIES (gpm)	MINIMUM FLOW RATE (gpm)	ANNUAL ADMINISTRATIVE ALLOWANCE
LOCATION	STATION NUMBER	SIZE OF METER (IN.)				
Fremont Ave. N. & N. 205 th St.	110	10	560		250	100 ccf
			TOTAL:			

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APPENDIX B

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WATER FACILITIES INVENTORY (WFI) FORM - Continued

1. SYSTEM ID NO. 22500 U	2. SYSTEM NAME EDMONDS, CITY OF	3. COUNTY SNOHOMISH	4. GROUP A	5. TYPE Comm
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	ACTIVE SERVICE CONNECTIONS	DOH USE ONLY! CALCULATED ACTIVE CONNECTIONS	DOH USE ONLY! APPROVED CONNECTIONS
25. SINGLE FAMILY RESIDENCES (How many of the following do you have?)		9410	Unspecified
A. Full Time Single Family Residences (Occupied 180 days or more per year)	8772		
B. Part Time Single Family Residences (Occupied less than 180 days per year)	0		
26. MULTI-FAMILY RESIDENTIAL BUILDINGS (How many of the following do you have?)			
A. Apartment Buildings, condos, duplexes, barracks, dorms	0		
B. Full Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied more than 180 days/year	638		
C. Part Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied less than 180 days/year	0		
27. NON-RESIDENTIAL CONNECTIONS (How many of the following do you have?)			
A. Recreational Services and/or Transient Accommodations (Campsites, RV sites, hotel/motel/overnight units)	0	0	
B. Institutional, Commercial/Business, School, Day Care, Industrial Services, etc.	789	789	
28. TOTAL SERVICE CONNECTIONS		10199	

29. FULL-TIME RESIDENTIAL POPULATION
A. How many residents are served by this system 180 or more days per year? 32381

30. PART-TIME RESIDENTIAL POPULATION	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. How many part-time residents are present each month?												
B. How many days per month are they present?												

31. TEMPORARY & TRANSIENT USERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. How many total visitors, attendees, travelers, campers, patients or customers have access to the water system each month?												
B. How many days per month is water accessible to the public?												

32. REGULAR NON-RESIDENTIAL USERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
A. If you have schools, daycares, or businesses connected to your water system, how many students daycare children and/or employees are present each month?												
B. How many days per month are they present?												

33. ROUTINE COLIFORM SCHEDULE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
* Requirement is exception from WAC 246-290	30	30	30	30	30	30	30	30	30	30	30	30

34. NITRATE SCHEDULE	QUARTERLY	ANNUALLY	ONCE EVERY 3 YEARS
(One Sample per source by time period)			

35. Reason for Submitting WFI:

- Update - Change
 Update - No Change
 Inactivate
 Re-Activate
 Name Change
 New System
 Other _____

36. I certify that the information stated on this WFI form is correct to the best of my knowledge.	
SIGNATURE: _____	DATE: _____
PRINT NAME: _____	TITLE: _____

<u>WS ID</u>	<u>WS Name</u>
22500	EDMONDS, CITY OF

Total WFI Printed: 1

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**City of Edmonds
Comprehensive Water System Plan
Pressure Reducing Station Data**

Station Number	Station Location	Control Valve Size (in)		Normal Pressure		Upper Pressure Zone	Lower Pressure Zone
		Main	Bypass	Inlet (psi)	Outlet (psi)		
# 2	68th & North Meadowdale Road	4	N/A	72	33	596	500
# 3	72nd & North Meadowdale Road	6	2	132	52	500	325
# 5	7082 Meadowdale Beach Road	6	2.5	130	90	596	500
# 6	74th & Meadowdale Beach Road	6	2	144	63	500	325
# 7	76th Ave W & Braemar Drive (E side of 76th)	6	2	100	52	425	325
# 8	76th Ave W & 176th St SW (NE Corner)	6	2	160	85	596	425
# 9	76th Ave W & 188th (W side of 76th)	8	2	125	50	596	425
# 10	80th Ave & 184th St SW (SW Corner)	8	4	115	82	596	505
# 13	88th Ave W & 185th Place SW	4	1.5	110	60	596	505
# 14	8900 188th St SW	4	1.5	108	55	596	505
# 15	8927 192nd St SW	4	1.5	110	57	596	505
# 16	19822 Maplewood Drive	6	1.5	105	52	596	486
# 17	Main St & Skyline Drive	6	2	102	46	596	486
# 18	Olympic Ave & Bell St	6	2	94	65	486	420
# 20	6th Ave S & Elm Way	8	2	115	48	486	325
# 21	9th Ave S & Pine St (OFF LINE)	N/A	N/A	N/A	N/A	N/A	N/A
# 23	12th & Viewland	6	2	150	72	596	420
# 24	Olympic View Dr & 76th (Throttle Control Valve)	6	2	135	100	505	425

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Local Government Consistency Determination Form

RECEIVED
SEP 07 2017
PUBLIC WORKS DEPT.

Water System Name: City of Edmonds PWS ID: 22500

Planning/Engineering Document Title: Water System Plan Plan Date: _____

Local Government with Jurisdiction Conducting Review: City of Edmonds AND SNOHOMISH COUNTY

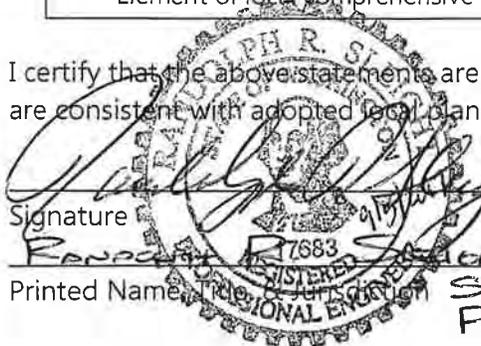
Before the Department of Health (DOH) approves a planning or engineering submittal under Section 100 or Section 110, the local government must review the documentation the municipal water supplier provides to prove the submittal is consistent with **local comprehensive plans, land use plans and development regulations** (WAC 246-290-108). Submittals under Section 105 require a local consistency determination if the municipal water supplier requests a water right place-of-use expansion. The review must address the elements identified below as they relate to water service.

By signing this form, the local government reviewer confirms the document under review is consistent with applicable local plans and regulations. If the local government reviewer identifies an inconsistency, he or she should include the citation from the applicable comprehensive plan or development regulation and explain how to resolve the inconsistency, or confirm that the inconsistency is not applicable by marking N/A. See more instructions on reverse.

Local Government Consistency Statement	For use by water system	For use by local government
	Identify the page(s) in submittal	Yes or Not Applicable
a) The water system service area is consistent with the adopted <u>land use and zoning</u> within the service area.	Fig. 2-3 & Fig. 3-1	YES
b) The <u>growth projection</u> used to forecast water demand is consistent with the adopted city or county's population growth projections. If a different growth projection is used, provide an explanation of the alternative growth projection and methodology.	Pages 3-3 to 3-4 & 4-10	YES
c) For <u>cities and towns that provide water service</u> : All water service area policies of the city or town described in the plan conform to all relevant <u>utility service extension ordinances</u> .	Pages 5-1 & 5-2	YES
d) <u>Service area policies</u> for new service connections conform to the adopted local plans and adopted development regulations of all cities and counties with jurisdiction over the service area.	Pages 5-1 & 5-2	YES
e) <u>Other relevant elements</u> related to water supply are addressed in the water system plan, if applicable. This may include Coordinated Water System Plans, Regional Wastewater Plans, Reclaimed Water Plans, Groundwater Management Area Plans, and the Capital Facilities Element of local comprehensive plans.	Not Applicable	Not Applicable

I certify that the above statements are true to the best of my knowledge and that these specific elements are consistent with adopted local plans and development regulations.


 Signature _____ Date 9/5/2017
 Printed Name: RANDOLPH R. SLICHT CHIEF ENGINEERING OFFICER
SNOHOMISH COUNTY
PLANNING AND DEVELOPMENT SERVICES



Local Government Consistency Determination Form

Water System Name: City of Edmonds PWS ID: 22500

Planning/Engineering Document Title: Water System Plan Plan Date: _____

Local Government with Jurisdiction Conducting Review: City of Edmonds

Before the Department of Health (DOH) approves a planning or engineering submittal under Section 100 or Section 110, the local government must review the documentation the municipal water supplier provides to prove the submittal is consistent with **local comprehensive plans, land use plans and development regulations** (WAC 246-290-108). Submittals under Section 105 require a local consistency determination if the municipal water supplier requests a water right place-of-use expansion. The review must address the elements identified below as they relate to water service.

By signing this form, the local government reviewer confirms the document under review is consistent with applicable local plans and regulations. If the local government reviewer identifies an inconsistency, he or she should include the citation from the applicable comprehensive plan or development regulation and explain how to resolve the inconsistency, or confirm that the inconsistency is not applicable by marking N/A. See more instructions on reverse.

Local Government Consistency Statement	For use by water system	For use by local government
	Identify the page(s) in submittal	Yes or Not Applicable
a) The water system service area is consistent with the adopted <u>land use and zoning</u> within the service area.	Fig. 2-3 & Fig. 3-1	
b) The <u>growth projection</u> used to forecast water demand is consistent with the adopted city or county's population growth projections. If a different growth projection is used, provide an explanation of the alternative growth projection and methodology.	Pages 3-3 to 3-4 & 4-10	
c) For <u>cities and towns that provide water service</u> : All water service area policies of the city or town described in the plan conform to all relevant <u>utility service extension ordinances</u> .	Pages 5-1 & 5-2	
d) <u>Service area policies</u> for new service connections conform to the adopted local plans and adopted development regulations of all cities and counties with jurisdiction over the service area.	Pages 5-1 & 5-2	
e) <u>Other relevant elements</u> related to water supply are addressed in the water system plan, if applicable. This may include Coordinated Water System Plans, Regional Wastewater Plans, Reclaimed Water Plans, Groundwater Management Area Plans, and the Capital Facilities Element of local comprehensive plans.	Not Applicable	Not Applicable

I certify that the above statements are true to the best of my knowledge and that these specific elements are consistent with adopted local plans and development regulations.

Shane Hope
Signature

7/24/17
Date

SHANE HOPE DEU. SUC. DIRECTOR,
Printed Name, Title, & Jurisdiction CITY OF EDMONDS

APPENDIX E

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CITY OF EDMONDS

121 5TH AVENUE NORTH, EDMONDS, WA 98020 (425) 771-0220

DETERMINATION OF NONSIGNIFICANCE

Description of proposal: 2017 update of the City of Edmonds Comprehensive Water System Plan. The CWSP is a planning document used to evaluate the City's water system and plan future improvements for ten and twenty year planning horizons. The plan describes the water system in detail, including sources of water, treatment and distribution. An improvement program is established based on projected system needs. The plan also looks at conservation program, water system standards, operations and maintenance.

Proponent: City of Edmonds

Location of proposal, including street address if any: The City's retail water service area is within the city limits with the boundary defined by the city limits, except for the southwest portion of the City that is served by the Olympic View Water & Sewer District.

Lead agency: City of Edmonds

The lead agency has determined that the requirements for environmental analysis and protection have been adequately addressed in the development regulations and comprehensive plan adopted under chapter 36.70A RCW, and in other applicable local, state, or federal laws or rules, as provided by RCW 43.21C.240 and WAC 197-11-158 and/or mitigating measures have been applied that ensure no significant adverse impacts will be created.

An environmental impact statement is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

_____ There is no comment period for this DNS.

XX This DNS is issued under 197-11-340(2); the lead agency will not act on this proposal for 14 days from the date below. Comments must be submitted by July 28, 2017.

Project Planner: Kernen Lien, Senior Planner

Responsible Official: Rob Chave, Planning Manager

Contact Information: City of Edmonds | 121 5th Avenue North, Edmonds WA 98020 | 425-771-0220

Date: July 14, 2018 **Signature:** 

XX You may appeal this determination to Robert Chave, Planning Manager, at 121 5th Avenue North, Edmonds, WA 98020, by filing a **written appeal** citing the specific reasons for the appeal with the required appeal fee, adjacent property owners list and notarized affidavit form no later than August 4, 2017. You should be prepared to make specific factual objections. Contact Rob Chave to read or ask about the procedures for SEPA appeals.

XX Posted on July 14, 2018, at the Edmonds Public Library and Edmonds Public Safety Building. Published in the Everett Herald. Emailed to the Department of Ecology SEPA Center (SEPAunit@ecy.wa.gov). Mailed to property owners within 300 feet of the site.

XX Distribute to "Checked" Agencies below.

The SEPA Checklist, Water System Plan, and DNS are available at <https://permits.edmonds.wa.us/citizen>. Search for file number STF20170012. These materials are also available for viewing at the Planning Division – located on the second floor of City Hall: 121 5th Avenue North, Edmonds WA 98020.

Notice Mailed to the following:

XX COMCAST
Outside Plant Engineer, North Region
1525 75th St. SW Ste 200
Everett, WA 98203

XX Washington State Department of Health
Division of Drinking Water
P.O. Box 47822
Olympia, WA 98504-7822

XX Washington State Dept. of Commerce
906 Columbia Street SW
P.O. Box 48300
Olympia, WA 98504-8300

XX Puget Sound Regional Council
Attn.: S.R.C.
1011 Western Avenue, Suite 500
Seattle, WA 98104-1035

XX Tulalip Tribal Council
6700 Totem Beach Road
Marysville, WA 98270

XX Snohomish County Planning &
Development Services
3000 Rockefeller
Everett, WA 98201

XX Snohomish County Public Works
3000 Rockefeller M/S 607
Everett, WA 98201

XX Olympic View Water & Sewer District
8128 228th St. SW
Edmonds, WA 98026

XX Alderwood Water District
3626 156th Street Southwest
Lynnwood, WA 98037

XX Department of Archaeology & Historic
Preservation
PO Box 48343
Olympia, WA 98504-8343

XX North City Water District
1519 NE 177th ST
Shoreline, WA 98155

XX Snohomish County Health District
Attn: Bruce Straughn
3020 Rocker Ave
Everett, WA 98201-3900

XX Donna J. Buntin
Department of Ecology
Shorelands & Environ. Assist. Program
PO Box 47600
Olympia, WA 98504-7600

Attachments

pc: File No. STF20170012
SEPA Notebook



#P71

CITY OF EDMONDS

ENVIRONMENTAL CHECKLIST

Purpose of Checklist:

The State Environmental Policy Act (SEPA), chapter 43.21C RCW, requires all governmental agencies to consider the environmental impacts of a proposal before making decisions. An environmental impact statement (EIS) must be prepared for all proposals with probable significant adverse impacts on the quality of the environment. The purpose of this checklist is to provide information to help you and the agency identify impacts from your proposal (and to reduce or avoid impacts from the proposal, if it can be done) and to help the agency decide whether an EIS is required.

Instructions for Applicants:

This environmental checklist asks you to describe some basic information about your proposal. Governmental agencies use this checklist to determine whether the environmental impacts of your proposal are significant, requiring preparation of an EIS. Answer the questions briefly, with the most precise information known, or give the best description you can.

You must answer each question accurately and carefully, to the best of your knowledge. In most cases, you should be able to answer the questions from your own observations or project plans without the need to hire experts. If you really do not know the answer, or if a question does not apply to your proposal, write "do not know" or "does not apply". Complete answers to the questions now may avoid unnecessary delays later.

Some questions ask about governmental regulations, such as zoning, shoreline, and landmark designations. Answer these questions if you can. If you have problems, the governmental agencies can assist you.

The checklist questions apply to all parts of your proposal, even if you plan to do them over a period of time or on different parcels of land. Attach any additional information that will help describe your proposal or its environmental effects. The agency to which you submit this checklist may ask you to explain your answers or provide additional information reasonably related to determining if there may be significant adverse impact.

Use of checklist for nonproject proposals:

For nonproject proposals complete this checklist and the supplemental sheet for nonproject actions (Part D). the lead agency may exclude any question for the environmental elements (Part B) which they determine do not contribute meaningfully to the analysis of the proposed nonproject actions, the references in the checklist to the words "project," "applicant," and "property or site" should be read as "proposer," and "affected geographic area," respectively.

A. BACKGROUND

- Name of proposed project, if applicable:** *City of Edmonds Comprehensive Water System Plan*_____
- Name of applicant:** *City of Edmonds*_____
- Address and phone number of applicant and contact person:**
*Michele (Mike) De Lilla, Senior Utilities Engineer, 121 5th Ave N, Edmonds, WA 98020 (425-771-0220)*_____
- Date checklist prepared:** *June 15, 2017*_____
- Agency requesting checklist:** *City of Edmonds*_____
- Proposed timing or schedule (including phasing, if applicable):** *The Edmonds City Council and the Edmonds Planning board will each hold a public hearing on the Water System Plan in the Summer of 2017. Projects in the Plan will be implemented over the twenty-year planning horizon.*_____

(STAFF COMMENTS)

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

Yes. Capital improvements are identified in the plan and scheduled to occur over the next twenty years.

(STAFF COMMENTS)

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

SEPA checklist for adoption of the Comprehensive Water System Plan. Environmental review for projects identified in the plan will be conducted as necessary.

(STAFF COMMENTS)

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

None.

(STAFF COMMENTS)

10. List any government approvals or permits that will be needed for your proposal, if known.

Edmonds City Council Adoption

Approval from the Washington State Department of Health

(STAFF COMMENTS)

11. Give brief, complete description of your proposal, including the proposed uses and size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page.

The Comprehensive Water System Plan is a planning document used to evaluate the City of Edmonds water system and plan future improvements for ten and twenty year planning horizons. The plan describes the water system in detail, including sources of water, treatment, and distribution. An improvement program is established based on projected system needs. The plan also looks at a conservation program, water system standards, operations and maintenance.

(STAFF COMMENTS)

12. **Location of the proposal.** Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide range or boundaries of the site(s). Provide legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

The City of Edmonds retail water service area is within the city limits with the boundary defined by the city limits, except for the southwest portion of the City that is served by the Olympic View Water & Sewer District. These limits are generally defined as the area that extends north to Meadowdale Beach Park, south to 244th Street SW along the Snohomish/King County boundary, and west to Puget Sound. The eastern boundary of the city limits generally follows Olympic View Drive, 76th Ave West, and Highway 99 except for a small portion of the city bounded on the west by Highway 99 and Lake Ballinger to the east between 220th Street SW and 244th Street SW.

(STAFF COMMENTS) _____

TO BE COMPLETED BY APPLICANT

B. ENVIRONMENTAL ELEMENTS

1. Earth

- a. **General description of the site (circle one):** Flat, rolling, hilly, steep slopes, mountainous, other:

The City's water service area is located in a relatively hilly portion of southwest Snohomish County. The highest elevation in the City is in the southeast corner at over 450 feet. The topography of the City's service area generally slopes downward from east to west toward Puget Sound with the exception of the southwest corner of the service area which slopes down toward Lake Ballinger.

(STAFF COMMENTS) _____

- b. **What is the steepest slope on the site (approximate percent slope)?**

Greater than 40%

(STAFF COMMENTS) _____

- c. **What general types of soils are found on the site (for example, clay, sand, gravel, peat, and muck)? If you know the classification of agricultural soils, specify them and note any agricultural land of long term commercial significance and whether the proposal results in removing any of these soils.**

County soil survey mapping developed by the Natural Resource Conservation Service (NRCS) indicate that the predominant soils found across the City are Alderwood gravelly sandy loam, and Alderwood urban land complex. Other soils with a much smaller extend include Kitsap silt loam, McKenna gravelly silt loam and Mukilteo muck.

(STAFF COMMENTS) _____

d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe. _____
Yes, particularly in the Earth Subsidence and Landslide Hazard Area in the Meadowdale Beach area of the City.
(STAFF COMMENTS) _____

e. Describe the purpose, type, total area and approximate quantities and total affected area of any filling, excavation, and grading proposed. Indicate source of fill.
Not applicable.
(STAFF COMMENTS) _____

f. Could erosion occur as a result of clearing, construction, or use? If so, generally describe.
Minor erosion may occur during construction of system maintenance/improvement projects identified in the plan.
(STAFF COMMENTS) _____

g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?
Not applicable.
(STAFF COMMENTS) _____

h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:
Construction of temporary erosion and sediment control plans will be developed for construction activities and best management practices used to minimize and control erosion.
(STAFF COMMENTS) _____

2. AIR

a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, and industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.
Not applicable.
(STAFF COMMENTS) _____

b. Are there any off-site sources of emissions or odor that may effect your proposal? If so, generally describe.
Not applicable.
(STAFF COMMENTS) _____

c. Proposed measures to reduce or control emissions or other impacts to the, if any:

None.

(STAFF COMMENTS) _____

3. WATER

a. Surface:

- (1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, and wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.

The City of Edmonds sits along the eastern shores of Puget Sound and contains a number of relatively small streams including Willow Creek, Shellabarger Creek, Shell Creek, Hindley Creek, Northstream, Fruitdale Creek, Perrinville Creek, Meadowdale Creek, and a number of smaller unnamed creeks. Portions of Lake Ballinger are also located within the City of Edmonds' jurisdiction.

(STAFF COMMENTS) _____

- (2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.

No.

(STAFF COMMENTS) _____

- (3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.

None.

(STAFF COMMENTS) _____

- (4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.

The City currently supplies its entire system through the Alderwood Supply Station with water purchased from Alderwood Water & Wastewater District (AWWD), which in turn purchases the water from the City of Everett. The Everett raw water supply originates in the Spada Reservoir created by the Culmback Dam on the Sultan River, approximately 25 miles east of Everett. The raw water passes through the Snohomish county PUD No.1 Power House prior to entering the Chaplain Reservoir. The water from this reservoir is delivered to the Everett Water Filtration Plant prior to delivery to the City of Everett, AWWD, the City of Edmonds, and several other water systems in Snohomish County.

(STAFF COMMENTS) _____

- (5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.

There are limited areas within the city limits within the 100-year floodplain as identified in FEMA's Flood Insurance Rate Maps. Some areas identified include limited areas along Puget Sound, around Lake Ballinger, and the mouth of Shell Creek north of Caspers Street.

(STAFF COMMENTS) _____

- (6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

No.

(STAFF COMMENTS) _____

b. Ground:

- (1) Will ground water be withdrawn from a well for drinking water or other purposes? If so, give a general description of the well, proposed uses and approximate quantities withdrawn from the well. Will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.

Alderwood Water and Wastewater District has an artesian well on 164th Street which flows at a rate of approximately 10 gallons per minute. This well is maintained as a courtesy to residents who want untreated water, but the well is not connected to the water system that serves the City of Edmonds.

(STAFF COMMENTS) _____

- (2) Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals...; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

Not applicable.

(STAFF COMMENTS) _____

c. Water Runoff (including storm water):

- (1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

Not applicable.

(STAFF COMMENTS) _____

- (2) Could waste materials enter ground or surface waters? If so, generally describe.

Not applicable.

(STAFF COMMENTS) _____

(3) Does the proposal alter or otherwise affect drainage patterns in the vicinity of the site? If so, describe.

None.

(STAFF COMMENTS) _____

d. Proposed measures to reduce or control surface, ground, runoff water, and drainage pattern impacts, if any:

None.

(STAFF COMMENTS) _____

4. Plants

a. Check or circle types of vegetation found on the site:

deciduous tree: alder, maple, aspen, other: _____

evergreen tree: fir, cedar, pine, other: _____

shrubs _____

grass _____

_____ pasture _____

_____ crop or grain _____

_____ Orchards, vineyards or other permanent crops _____

wet soil plants: cattail, buttercup, bulrush, skunk cabbage, other: _____

water plants: water lily, eelgrass, milfoil, other: _____

_____ other types of vegetation: _____

(STAFF COMMENTS) _____

b. What kind and amount of vegetation will be removed or altered?

None.

(STAFF COMMENTS) _____

c. List threatened or endangered species known to be on or near the site.

No threatened or endangered plant species are known to be located within the City of Edmonds. Washington State Department of Natural Resources natural heritage site data does not show any rare, threatened, or endangered plant species in the City of Edmonds.

(STAFF COMMENTS) _____

d. Proposed landscaping, use of native plants, or other materials to preserve or enhance vegetation on the site, if any:

None.

(STAFF COMMENTS) _____

e. List all noxious weeds and invasive species known to be on or near the site.

This is a not a site specific project. Some noxious/invasive plants may exist as listed in Washington State's Noxious Weeds That Harm Washington State (Western Washington Guide)

<http://www.nwcb.wa.gov/pdfs/WesternFieldGuide.pdf>

(STAFF COMMENTS) _____

5. Animals

a. List any birds and other animals that have been observed on or near the site or are known to be on or near the site. Examples include:

birds: hawk, heron, eagle, songbirds, other: Hawk, heron, eagle, songbirds

mammals: deer, bear, elk, beaver, other: _____

fish: bass, salmon, trout, herring, shellfish, other: Salmon, Killer Whale, Trout

(STAFF COMMENTS) _____

b. List any threatened or endangered species known to be on or near the site.

Puget Sound contains a number of threatened and endangered species including:

Southern Resident Killer Whale (*Orcinus orca*)

Puget Sound DPS steelhead (*Oncorhynchus mykiss*)

Puget Sound ESU Chinook salmon (*Oncorhynchus tshawytscha*)

Steller sea lion (*Eumetopias jubatus*)

(STAFF COMMENTS) _____

- c. **Is the site part of a migration route? If so, explain.**

Edmonds is located within the Pacific Flyway.

(STAFF COMMENTS) _____

- d. **Proposed measures to preserve or enhance wildlife, if any:**

None.

(STAFF COMMENTS) _____

- e. **List any invasive animal species known to be on or near the site.**

This is not a site specific project. Some invasive animal species may exist as listed in Washington State Aquatic Nuisance Species Committee Report to the 2012 Legislature.

(STAFF COMMENTS) _____

6. Energy and Natural Resources

- a. **What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.**

Electricity is necessary to run pump stations.

(STAFF COMMENTS) _____

- b. **Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.**

No.

(STAFF COMMENTS) _____

- c. **What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:**

None.

(STAFF COMMENTS) _____

7. Environmental Health

- a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so describe.

The water is treated at the Everett Water Filtration Plant with chlorine and fluoride. The Alderwood Water and Wastewater District also chlorinates the water at its reservoir sites to ensure sufficient chlorine residual throughout the distribution system.

(STAFF COMMENTS) _____

- (1) Describe any known or possible contamination at the site from present or past uses.

None.

(STAFF COMMENTS) _____

- (2) Describe existing hazardous chemicals/conditions that might affect project development and design. This includes underground hazardous liquid and gas transmission pipelines located within the project area and in the vicinity.

Not applicable.

(STAFF COMMENTS) _____

- (3) Describe any toxic or hazardous chemicals that might be stored, used, or produced during the project's development or constructions, or at any time during the operating life of the project.

None.

(STAFF COMMENTS) _____

- (4) Describe special emergency services that might be required.

None.

(STAFF COMMENTS) _____

- (5) Proposed measures to reduce or control environmental health hazards, if any:

The City of Everett provides source water quality monitoring for its surface water source. The City of Edmonds provides the required quality monitoring of its distribution system in accordance with WAC 246-290-300.

(STAFF COMMENTS) _____

b. Noise

- (1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

None.

(STAFF COMMENTS) _____

- (2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hour's noise would come from the site.

None.

(STAFF COMMENTS) _____

- (3) Proposed measures to reduce or control noise impacts, if any:

None.

(STAFF COMMENTS) _____

8. Land and Shoreline Use

- a. What is the current use of the site and adjacent properties? Will the proposal affect current land uses on nearby or adjacent properties? If so, describe.

Single family residential uses are relatively evenly dispersed throughout the city and occupy the majority of the city's land use base. Approximately 3,100 acres, or 55 percent of the City's area is developed for single family residential uses. Higher density residential development (including apartments and condominiums) are primarily located south and north of the downtown; in the vicinity of the Edmonds-Woodway High School site and Swedish Hospital; and adjacent to 196th Street, 76th Avenue and Highway 99. Together, single family and multi family residential units comprise approximately 3,400 acres (nearly 60 percent of the total land in the City).

Commercial activity is concentrated in two principal areas the Downtown/Waterfront and the Highway 99 corridor (which includes the retail and medical development in the vicinity of Swedish Hospital). Smaller commercial nodes that primarily serve adjacent neighborhoods are located at the intersection of Edmonds Way (SR104) and 100th Avenue/9th Avenue (Westgate) and at 212th Street/84th Avenue (5 Corners).

The Port of Edmonds is located in the southern portion of the city's waterfront. The Port owns and manages 33 upland acres as well as a small boat harbor and marina, with space for 1,000 boats (approximately 11 acres). The Port's property is occupied by approximately 80 businesses including office uses located in Harbor Square.

Approximately 258 acres of parks and open space lands are owned or operated by the City, while there are another 229 acres of County owned parks and open space land in the Edmonds area. Regional parks and beaches figure prominently in the City, including Brackett's Landing North and South, the Edmonds Fishing Pier, Edmonds Memorial Cemetery, Edmonds Underwater Park, Marina Beach Park, Olympic Beach Park, local tidelands, and the South County Senior Center. The Edmonds Marsh is a significant City owned open space (23 acres), while Yost Memorial Park is the largest community park owned by the City (48 acres). The largest County resources are Southwest County Park (120 acres) and Meadowdale Beach County Park (95 acres). Overall approximately 96 percent of the City is developed.

(STAFF COMMENTS) _____

- b. **Has the project site been used as working farmlands or working forest lands? If so, describe. How much agricultural or forest land of long-term commercial significance will be converted to other uses as a result of the proposal, if any? If resource lands have not been designated, how many acres in farmland or forest land tax status will be converted to nonfarm or nonforest use?**

No.

(STAFF COMMENTS) _____

- (1) **Will the proposal affect or be affected by surrounding working farm or forest land normal business operations, such as oversize equipment access, the application of pesticides, tilling, and harvesting? If so, how:**

No.

(STAFF COMMENTS) _____

- c. **Describe any structures on the site.**

Typical urban development.

(STAFF COMMENTS) _____

- d. **Will any structures be demolished? If so, what?**

No.

(STAFF COMMENTS) _____

- e. **What is the current zoning classification of the site?**

Varies depending on location within the City of Edmonds.

(STAFF COMMENTS) _____

- f. **What is the current comprehensive plan designation of the site?**

Varies depending on location within the City of Edmonds.

(STAFF COMMENTS) _____

g. If applicable, what is the current shoreline master plan designation of the site?

Varies depending on location within the City of Edmonds. Shoreline areas are along Puget Sound and Lake Ballinger.

(STAFF COMMENTS) _____

h. Has any part of the site been classified critical area by the city? If so, specify.

Critical Areas are defined in ECDC 23.40 through ECDC 23.90.

(STAFF COMMENTS) _____

i. Approximately how many people would reside or work in the completed project?

The City of Edmonds population currently is approximately 40,000 with a projected population of 46,000. The population located within the service area is approximately 32,000. Projected population within the service area at the end of the twenty year planning horizon is 36,800.

(STAFF COMMENTS) _____

j. Approximately how many people would the completed project displace?

None.

(STAFF COMMENTS) _____

k. Proposed measures to avoid or reduce displacement impacts, if any:

None.

(STAFF COMMENTS) _____

l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

The plans and policies of the City of Edmonds and Snohomish County must be consistent in accordance with GMA pursuant to RCW 36.70A.100. The GMA also requires consistency with the implementation of water system plans and comprehensive plans pursuant to RCW 36.70A.120.

The Municipal Water Law, which became effective in 2003, also requires consistency of water system plans with local plans and regulations. Confirmation of consistency under this law is achieved by means of completing the Consistency Statement Checklist, which must be included with all water system plans.

(STAFF COMMENTS) _____

- m. **Proposed measures to reduce or control impacts to agricultural and forest lands of long-term commercial significance, if any:**

Not applicable.

(STAFF COMMENTS) _____

9. Housing

- a. **Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.**

None.

(STAFF COMMENTS) _____

- b. **Approximately how many units, if any would be eliminated? Indicate whether high, middle, or low-income housing.**

None.

(STAFF COMMENTS) _____

- c. **Proposed measures to reduce or control housing impacts, if any:**

None.

(STAFF COMMENTS) _____

10. Aesthetics

- a. **What is the tallest height of any proposed structure(s), not including antennas; what is the principle exterior building material(s) proposed?**

The existing Five Corners 3.0 MG Reservoir is approximately 50 feet tall.

(STAFF COMMENTS) _____

- b. **What views in the immediate vicinity would be altered or obstructed?**

None.

(STAFF COMMENTS) _____

- c. **Proposed measures to reduce or control aesthetic impacts, if any:**

None.

(STAFF COMMENTS) _____

11. Light and Glare

a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

None.

(STAFF COMMENTS) _____

b. Could light or glare from the finished project be a safety hazard or interfere with views?

No.

(STAFF COMMENTS) _____

c. What existing off-site sources of light or glare may affect your proposal?

None.

(STAFF COMMENTS) _____

d. Proposed measures to reduce or control light and glare impacts, if any:

None.

(STAFF COMMENTS) _____

12. Recreation

a. What designated and informal recreational opportunities are in the immediate vicinity?

A number of recreational opportunities are available through the City of Edmonds including a number of City Parks, a dive park, beaches along Puget Sound, and numerous festivals held in the City throughout the year.

(STAFF COMMENTS) _____

b. Would the proposed project displace any existing recreation uses? If so, describe.

No.

(STAFF COMMENTS) _____

-
- c. **Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:**

None.

(STAFF COMMENTS) _____

13. Historic and Cultural Preservation

- a. **Are there any buildings, structures, or sites located on or near the site that are over 45 years old listed in, or eligible for listing in national, state, or local preservation registers? If so, specifically describe.**

There are a number of places and/or structures on the state and local historical registers which include several residences, a cemetery, and a Carnegie Library.

(STAFF COMMENTS) _____

- b. **Are there any landmarks, features, or other evidence of Indian or historic use or occupation? This may include human burials or old cemeteries. Are there any material evidence, artifacts, or areas of cultural importance on or near the site? Please list any professional studies conducted at the site to identify such resources.**

None known.

(STAFF COMMENTS) _____

- c. **Describe the methods used to assess the potential impacts to cultural and historic resources on or near the project site. Examples include consultation with tribes and the Department of Archeology and Historic Preservation, archaeological surveys, historic maps, GIS data, etc.**

Not applicable.

(STAFF COMMENTS) _____

- d. **Proposed measures to avoid, minimize, or compensate for loss, changes to, and disturbance to resources. Please include plans for the above and any permits that may be required.**

None.

(STAFF COMMENTS) _____

14. Transportation

- a. Identify public streets and highways serving the site or affected geographic area, and describe proposed access to the existing street system. Show on site plans, if any.

Numerous streets throughout the City. Main arterials include State Route 104, State Route 524, and Highway 99.

(STAFF COMMENTS) _____

- b. Is the site or affected geographic area currently served by public transit? If so, generally describe. If not, what is the approximate distance to the nearest transit stop?

Yes. Ferry, train, and bus.

(STAFF COMMENTS) _____

- c. How many additional parking spaces would the completed project or nonproject proposal have? How many would the project or proposal eliminate?

None.

(STAFF COMMENTS) _____

- d. Will the proposal require any new or improvements to existing roads, streets, pedestrian, bicycle or state transportation facilities not including driveways? If so, generally describe (indicate whether public or private).

No.

(STAFF COMMENTS) _____

- e. Will the project or proposal use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

The Water System Plan identifies a number of improvements to the system, including water main projects. The selection and implementation of these water main projects will be accomplished annually by the City, utilizing a priority ranking system. This provides the City with flexibility to coordinate water main projects with street or other projects that may be planned for the same area.

(STAFF COMMENTS) _____

- f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur and what percentage of the volume would be trucks (such as commercial and passenger vehicles). What data or transportation models were used to make these estimates?

None.

(STAFF COMMENTS) _____

-
- g. Will the proposal interfere with, affect or be affected by the movement of agricultural and forest products on roads or streets in the area? If so, generally describe.

No.

(STAFF COMMENTS) _____

- h. Proposed measures to reduce or control transportation impacts, if any:

None.

(STAFF COMMENTS) _____

15. Public Services

- a. Would the project result in an increased need for public services (for example: fire protection, police protection, public transit, health care, schools, other)? If so, generally describe.

No.

(STAFF COMMENTS) _____

- b. Proposed measures to reduce or control direct impacts on public services, if any:

None.

(STAFF COMMENTS) _____

16. Utilities

- a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other:

All utilities are available within the City of Edmonds.

(STAFF COMMENTS) _____

- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

The water system plan describes how the City of Edmonds will provide water to its service area.

(STAFF COMMENTS) _____

C. SIGNATURE

I declare under penalty of perjury laws that the above answers are true and correct to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Michael J. Pilla

Signature of Proponent

6/20/17

Date Submitted

Reviewed by
Kenn Jo
7-12-17

D. SUPPLEMENTAL SHEET FOR NONPROJECT ACTIONS

(do not use this sheet for project actions)

Because these questions are very general, it may be helpful to read them in conjunction with the list of the elements of the environment.

When answering these questions, be aware of the extent the proposal, or the types of activities likely to result from the proposal, would affect the item at a greater intensity or at a faster rate than if the proposal were not implemented. Respond briefly and in general terms.

1. **How would the proposal be likely to increase discharge to water; emissions to air; production, storage, or release of toxic or hazardous substances; or production of noise?**

Replacement of pipes and other repairs to the water system in the future will result in normal construction noise and construction vehicles and equipment would also temporarily increase emissions to the air.

Proposal measures to avoid or reduce such increases are:

Construction projects must comply with the City's noise abatement and control regulations in ECC 5.30.

2. **How would the proposal be likely to affect plants, animals, fish, or marine life?**

The improvements recommended in the water system plan are not anticipated to affect plants, animals, fish, or marine life.

Proposed measures to protect or conserve plants, animals, fish, or marine life are:

None.

3. **How would the proposal be likely to deplete energy or natural resources?**

Water use within the service area is expected to grow with projected increases in population.

Proposed measures to protect or conserve energy and natural resources are:

Conservation measures will help reduce water use and water demand.

4. **How would the proposal be likely to use or affect environmentally sensitive areas or areas designated (or eligible or under study) for governmental protection; such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands?**

Neither the water system plan nor improvements recommended in the plan are anticipated to affect environmentally sensitive or protected areas.

Proposed measures to protect such resources or to avoid or reduce impacts are:

None.

5. **How would the proposal be likely to affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans?**

The water system plan is consistent with land use plans adopted by the City of Edmonds and Snohomish County and will not allow or encourage incompatible land uses.

Proposed measures to avoid or reduce shoreline and land use impacts are:

None.

6. **How would the proposal be likely to increase demands on transportation or public services and utilities?**

The improvements recommended in the water system plan are primarily infrastructure improvements of the existing system. The improvements are also planned to meet the anticipated needs of growth. The water system plan is not expected to increase demand.

Proposed measures to reduce or respond to such demand(s) are:

The Water Division has developed a preventive maintenance program to ensure all critical components of the water system are properly functioning and regularly maintained for long term performance and reliability.

7. **Identify, if possible, whether the proposal may conflict with local, state, or federal laws or requirements for the protection of the environment.**

It is not anticipated that improvements recommended in the plan will conflict with existing regulations. All improvements will be coordinated with local, state, and federal agencies for appropriate permits.

APPENDIX F

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City of Edmonds
Water Use
Efficiency Program

January 2017

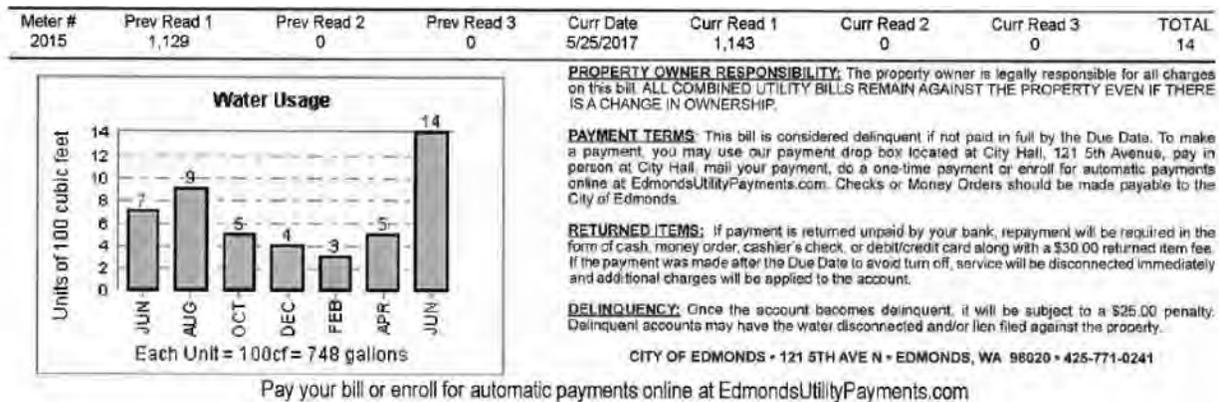
Current Water Conservation Program

The City of Edmonds has been an active participant in the Everett Water Utilities Water Conservation Program since the late 1990's. In addition, other programs specific to Edmonds have been ongoing as well, including leak detection surveys, an annual water main replacement program, and bills showing water consumption history. A summary of these programs is as follows:

Leak Detection Surveys – The city has leak detection equipment and has an ongoing leak detection program. Once leaks are identified, they are repaired as soon as possible.

Water Main Replacement Program – Each year the City replaces approximately 1.5 miles of the distribution system.

Bills Showing Consumption History – Customer bills that provide historical water consumption data allow customers to understand how their use varies throughout the year. This information helps customers make informed choices about how they manage their water use, including implementing conservation. The City's customer bills depict consumption data for the preceding year, in 2-month increments, shown on a simple bar graph (see example below).



School-Based Education – As part of the regional Everett Water Utility Committee (EWUC), the City participates in school-based education programs, including classroom presentations, teacher workshops, and classroom educational materials.

The classroom presentations are facilitated by trained instructors with curriculum designed for elementary, middle school, and high school students. The presentations are marketed to teachers through newsletters and other communications.

The teacher workshops assist teachers who educate students about water resource issues, including conservation. Teachers participate in activities, experiments, and go on field trips. Teachers can receive continuing education credits or clock hours.

The classroom educational materials include a broad collection of items such as books, videos, posters and other supplies.

Public Outreach – As part of the regional EWUC program, the City engages in general public outreach intended to build and reinforce a water conservation ethic among customers. These efforts include distribution of brochures, a summer watering calendar, transit advertising, and other regional efforts.

The City distributes several educational brochures developed by Everett and its wholesale partners. For example, the “Everyday Conservation” brochure provides conservation tips for inside and outside the home, the “Smart Watering” brochure contains information on efficient lawn and garden watering techniques, and the “Growing Healthy Soil” brochure has information on how soil can be improved as a means of reducing water use.

The City also has a summer watering calendar available each year for customers that encourages them to water every third day (staggered, based on their street address). This effort helps to reduce the daily peak demand for water in the summer by decreasing the amount of watering that occurs on a given day.

Transit advertising is employed to convey conservation messaging. Billboards promoting various conservation themes have been posted on buses during the summer months when demand peaks. It is estimated that these billboards are seen by over 75 percent of the residents in the service area of Everett and its wholesale partners each year.

The City, through EWUC, plays an active role in regional organizations that promote water conservation. EWUC has been an active member of the Partnership for Water Conservation and its predecessor, the Water Conservation Coalition of Puget Sound, for over a decade.

Indoor Retrofit Kits – As part of the regional EWUC program, the City has offered free indoor water conservation kits to residential customers since 2001. The kits target homes constructed before 1993 and are designed to encourage customers to upgrade their fixtures to current efficiency standards. In 1993, the National Plumbing Code of 1991 was adopted in Washington State and increased efficiency standards for household water fixtures. The kits are marketed through announcements in local newspapers, the city’s newsletter, and through other local online news sources.

The kits include a low-flow showerhead and two faucet aerators. The kits are estimated to save 34 gallons of water per day. These estimates are conservative and do not attribute any

savings to leak reduction or behavioral changes, both of which are likely to occur. Approximately 1260 kits have been distributed to City of Edmonds residents beginning 2007-2015.

Outdoor Irrigation Items – As part of the EWUC program, the City has offered free outdoor water conservation items to residential customers since 2001. The items target households with irrigated landscape areas, primarily single family homes that do not have automatic irrigation systems. The items are designed to encourage customers to reduce watering and other outdoor water use. Studies indicate most households overwater their landscape area by 15 to 20 percent. The items are marketed through announcements in local newspapers, the city newsletter, and through other local online sources.

The items include an automatic shut-off watering timer for use with lawn sprinkler or drip hose, an adjustable spray hose nozzle, and a soil moisture meter. These items are estimated to save an average of 40 gallons of water per day. Approximately 1900 outdoor items have been distributed to City of Edmonds residents beginning 2007-2015.

School Irrigation System Audits – As part of the regional EWUC program, the Everett Water Utility began offering a school irrigation audit and upgrade program in 2001. The program is targeted at schools with large irrigation demands. Most schools have large sport fields that require significant watering in the summer. The irrigation demand at schools with multiple fields can account for three quarters of their annual water consumption. The irrigation audits are designed to improve efficiency of irrigation systems, resulting in great water savings.

The audits are conducted by a professional irrigation system auditor and identify equipment upgrades and/or operational changes that will result in decreased water use. Average savings are estimated to be 20 to 25 percent of the annual irrigation demand. Financial assistance, in the form of a 50 percent cost share, is available to provide incentive to the schools to follow through on the audit recommendations.

The Edmonds School District was one of the districts that took advantage of the offer for the audits and subsequently implemented some measures since 2003. After installing a Maxicom comprehensive irrigation controller, the district reported savings of 0.006 million gallons per day (MGD) at the Edmonds-Woodway High School and a savings of 0.007 MGD at the Chase Lake Elementary School. Both schools are within the City of Edmonds.

Water Use Efficiency Goal Establishment

During the previous 2010 Water Comprehensive Plan Update, city staff gave a public presentation on the plan, including information on the water conservation program in effect at the time. At the August 3rd, 2010 Edmonds City Council Meeting, staff advised the council, and the general public, of the requirement to obtain public comment on water use efficiency measures which would benefit the City of Edmonds.

The goal is to reduce average annual water consumption by a minimum of one percent on a per capita basis and participate in Everett's regional water efficiency program. On April 6th, 2010 City staff discussed with the council alternative water utility rate structures. The City currently uses a uniform utility rate structure. The discussion included inclining block and seasonal rate charges. The conclusion was to continue with the uniform utility rate structure since the conservation goal is being met.

Estimated Annual Savings – The estimated conservation savings the City will have while participating in the regional conservation program will be a 2 percent reduction in water demand.

Distribution System Leakage – Based on 2016 water consumption records, the overall non-revenue water amount equates to 10.88 percent, with a 3-year average of 9.1 percent average of the total water supplied by the Alderwood Water District and Seattle Public Utility (SPU) master meters. The City will continue to monitor its records to provide documentation that the overall system leakage remains below 10 percent.

Planned Water Use Efficiency Measures for 2014-2019 – The City will continue to participate with the Everett Water Utility Regional Conservation Program. This program, as demonstrated by the City of Everett, is shown to be very cost effective. The cost is included in the wholesale water pricing to Edmonds and equates to one percent of the average water bill.

A summary of the planned water use efficiency measures is as follows:

Leak detection surveys – The City will continue to survey the water system for leaks.

Water main replacement program – The City will continue this program at a cost of approximately \$2 million annually.

Bills showing water consumption history – The City will continue to provide this information and offer ways for customers to obtain additional information via the city website.

School-based education – As part of the regional EWUC program, the City will continue to participate in school-based education programs including classroom presentation, teacher workshops, and classroom educational materials.

Public Outreach – As part of the regional EWUC program, the City will continue to participate in public outreach programs including water conservation brochures, summer lawn watering calendar, transit advertising, and other regional efforts.

Indoor retrofit kits – As part of the regional EWUC program, the City will continue to offer indoor retrofit kits. This measure applies to the single-family and multi-family sectors, both existing and new customers. Different versions of the kit will be available to each sector. The single-family kits consist of a 2.0 gallons per minute (GPM) showerhead and a 1.0 GPM bathroom faucet aerators. Those flow rates are more efficient than the maximum allowed under the plumbing code. The multi-family kits include those measures plus 2.2 GPM kitchen faucet aerators, which are treated as bringing customers up to code, even though technically the maximum flow rate allowed under the plumbing code is slightly higher at 2.5 GPM. Kitchen faucet aerators are only included in the multi-family kits since the measure analysis concluded that the majority of the single-family sector has already been brought up to code due to natural replacement and distribution of the previous kits, which were targeted primarily to single-family customers.

Outdoor irrigation kits – This measure is a modification of the outdoor retrofit kits, as already described, which the City has offered as part of the regional EWUC program. This measure applies to the single-family and multi-family sectors, both existing and new customers. These are free outdoor irrigation kits with devices and information to improve the irrigation efficiency of residential customers that manually irrigate their landscaping. Historically, the kits have included items such as a water timer and shut-off device, a spring-loaded hose nozzle, a rain gauge, hose washers, and a conservation brochure. While the exact contents of the new kits have not been determined, the contents will be slightly different than the previous outdoor kits.

Toilet leak detection – As part of the regional EWUC program, the City will expand one component of the previous EWUC indoor kits. This measure provides free toilet leak detection dye strips for customers to determine if their toilets leak and provides detailed information on how to fix leaks. This measure applies to single-family and multi-family sectors, both existing and new customers, and businesses with tank-style toilets. Only tank-style toilets are targeted since most leaks occur in that type of toilet, usually vial flapper leaks.

School irrigation system audits – This measure is a modification of the school irrigation audit and upgrade program already described, as art of the regional EWUC program. This

measure provides free irrigation audits to schools to improve the efficiency of irrigation systems. Efficiencies can be achieved through hardware improvements or operational changes. The audits are performed by a professional landscape irrigation auditor. The measure is applied to existing customers in the non-residential sector. The financial assistance that had been provided to implement audit recommendations has been eliminated in order to reduce program costs.

Commercial indoor audits – As part of the regional EWUC program, the City will begin offering indoor audits to non-residential customer. This is a modified version of a measure which Everett has been implementing in its retail service area. This measure provides free indoor audits to non-residential customers to determine efficiencies that could be achieved through hardware improvements or operational changes. The audits are performed by a professional auditor. The measure is applied to the non-residential sector, both existing and new customers.

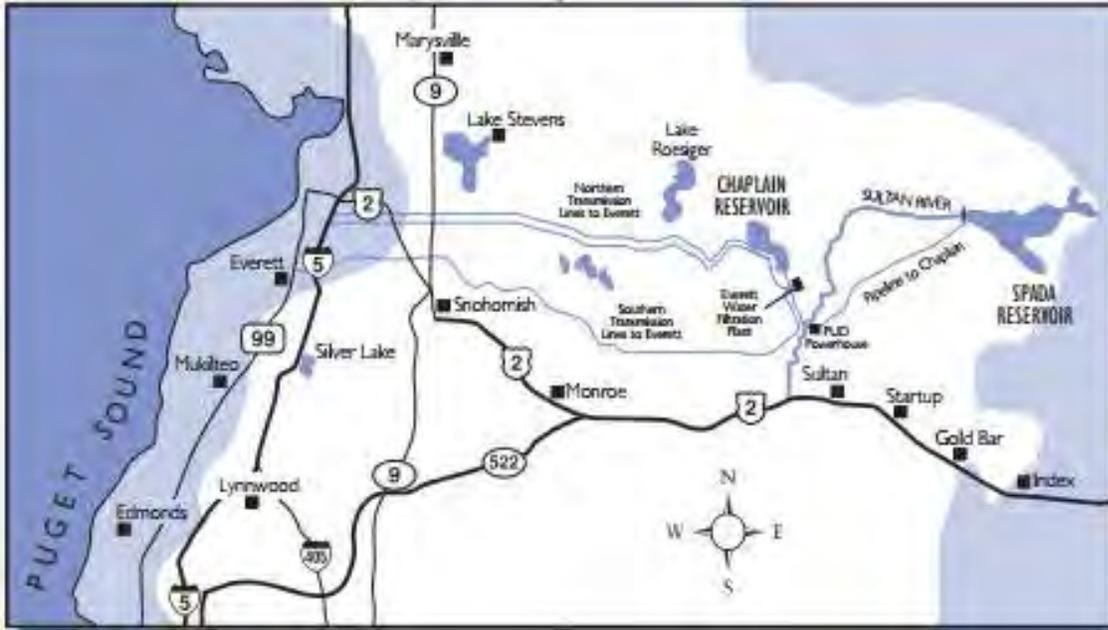
Conservation rate structures – Currently Edmond customers are billed based on a relatively small fixed charge, along with a uniform rate for actual consumption. As part of the next comprehensive plan update in 2016, the City will review conservation rate structure, including inclining block and seasonal rates.

Reclaimed water opportunities – The next comprehensive plan update will also investigate the feasibility and opportunities to use reclaimed water.

Water Supply Summary – The City of Edmonds water supply originates in the Cascade Mountains at Spada Lake, a man-made reservoir formed from damming the Sultan River in the 1960's. The reservoir receives rainfall and snowmelt which then is piped downstream to Chaplain Reservoir and further delivered via four large transmission lines to the City of Everett. From there some water is then delivered to large storage reservoirs, such as those operated by the Alderwood Water District. The District then conveys water to different service areas, among those the City of Edmonds.

Spada Reservoir has a storage capacity of 50 billion gallons and is located in steep mountain terrain that receives an average of 165 inches of precipitation a year.

This map represents the flow of the Everett water supply from Spada Reservoir to Everett proper via transmission lines. Water is then conveyed down the I-5 and State Highway 99 corridor with one final destination being the City of Edmonds shown along Puget Sound in the southwest corner.



City of Edmonds Annual Water Consumption

