

**City of Edmonds**  
**Comprehensive Water System Plan**  
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## **APPENDIX A**

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## 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 28<sup>th</sup> 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 Haakenson

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-Lowe  
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 J. 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

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.

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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 10<sup>th</sup> 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 – 5<sup>th</sup> 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 HAAKENSEN

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

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On the 22<sup>nd</sup> 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 23<sup>rd</sup> day of June, 2004.

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CITY CLERK, SANDRA S. CHASE

1/12/7

Current revision  
5/17/78

RECEIVED

RECEIVED

JUN 22 1978

JAN 30 1978

Dir. Of Public Works

Dir. Of Public Works

1978

AGREEMENT BETWEEN  
 ALDERWOOD WATER DISTRICT AND THE CITY OF EDMONDS  
 FOR WATER SUPPLY

IT IS HEREBY AGREED by and between the ALDERWOOD WATER DISTRICT, a municipal corporation of Snohomish County, Washington, hereinafter called the "DISTRICT", and the CITY OF EDMONDS, Washington, a municipal corporation, hereinafter called the "CITY",

WHEREAS, the DISTRICT and the CITY have an agreement dated June 1, 1966, for supplying water to the CITY and said agreement expired June 1, 1976.

WHEREAS, it is proposed that a wholesale water rate be established by the DISTRICT which will adequately compensate the DISTRICT for its cost of the wholesale supply of water and will aid in retiring the present and future bonded indebtedness of the DISTRICT attributable to wholesale costs and increased labor and inflationary costs.

NOW, THEREFORE, IT IS AGREED as follows:

I

DEFINITIONS

As used in this Agreement, the following words and phrases shall have the meanings hereinafter set forth unless the context shall clearly indicate that another meaning is intended:

- (1) The term "Transmission Main" shall mean that part of the supply system having a single purpose of carrying a supply of water between the source and the distribution systems and has

no direct service connections to individuals or final users tapped to this main.

(2) The term "Service Connections" shall mean those separate connections between a distribution system main and the final consumer.

(3) The term "Distribution Main" shall mean any size water main which has service connections tapped directly to the water main supplying an individual or final consumer.

(4) The term "Distribution Facilities" shall mean that system of pipes and appurtenances used for receiving a supply of water and distributing it directly to the consumers or final users. For the purpose of this contract it shall be further understood to mean that the "distribution facilities" are separate parts of a water system and as such are all operated and controlled by either the City or the District individually but not jointly.

(5) The term "Service Meters" shall mean the meter or measuring device installed on a service line or service connection for the purpose of measuring the water service furnished the final consumer.

(6) The term "Master Meter" shall mean the measuring device placed in the flow of a large main not being a service connection.

(7) The term "Everett Supply Contract" shall mean that certain contract and agreement existing between the City of Everett and the DISTRICT as relates to water supply and dated September 20, 1960, as it now exists and as it may be amended in the future.

(8) The term "Supplemental Agreement" shall mean that certain agreement existing between the City of Everett and the DISTRICT as it relates to the City of Everett providing chlorination facilities for the District's pump station at Everett's Reservoir No. 3 and signed November 19, 1973.

(9) The term "Cubic Foot" shall mean a unit of measurement of flowing water equal to 7.48 gallons past a given point, usually a meter.

(10) The term "Wholesale Water Cost" shall include all supply, pumping, storage, treatment, transmission, labor, legal, general and administrative and other maintenance and operation costs attributable to providing water at a master metering point or a point where a transmission main connects to a distribution main.

(11) The term "Terminal Storage Reservoir" defines 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.

(12) The term "Peak Day Water" is the 24-hour average flow rate for any maximum usage day during a calendar year.

## II

### FUTURE FACILITY ACQUISITIONS

The DISTRICT and the CITY agree that, at such time as the CITY may extend its corporate boundaries to include a part of the DISTRICT'S service area, the "Distribution Facilities"

used exclusively to serve such area will become the property of the CITY and the CITY shall pay to the DISTRICT as follows:

If the DISTRICT has or should construct additions or replacements to its "Distribution Facilities" in any area adjacent to the corporate boundaries of the CITY and said area becomes annexed to the CITY, the CITY shall pay the DISTRICT upon acquiring these facilities the amount of money expended by the DISTRICT from general DISTRICT or Construction Funds, not covered by assessments for the construction of these improvements computed on a straight line depreciation formula. For these purposes the depreciation rate for cast or ductile iron pipe shall be 100 years and for concrete cylinder, 3/16" shell or heavier steel pipe or reservoirs shall be 50 years. DISTRICT records showing the original cost to be depreciated will be made available to the CITY for verification if and when desired by the CITY. Construction improvements in the areas adjacent to the CITY including fire hydrants will meet the CITY'S standards in effect for distribution and fire protection facilities, but will not be required to meet any future comprehensive size over 8" in diameter unless the CITY pays for the oversizing during construction. Payment for facilities acquired by the City shall be computed as herein specified but in no case shall it be less than that required under the bond covenants for all outstanding revenue obligations of the District.

Upon annexation of areas where facilities were installed under Utility Local Improvement Districts or private plat developments, the CITY shall pay the DISTRICT an amount equal to that required under the bond covenants for all outstanding revenue obligations of the DISTRICT before acquisition from the DISTRICT.

When the CITY annexes an area of the DISTRICT the CITY shall pay for the improvements installed by the DISTRICT as outlined above within 180 days from the date of annexation or this agreement, whichever is the later.

It is further understood and agreed by the DISTRICT and CITY that these provisions with respect to the acquisition of facilities owned by the DISTRICT do not apply to existing "Transmission Mains" or appurtenances or those which may be constructed and provided by the DISTRICT for the single purpose of supplying water to distribution systems operated independently by the DISTRICT or any legally constituted municipality owned and operated distribution system supplied by the DISTRICT. The CITY agrees to facilitate the supply transmission efforts of the DISTRICT by granting easements and/or franchise rights to construct, operate and maintain transmission mains through the CITY'S streets providing that the DISTRICT adheres to such construction, reconstruction and maintenance standards as the CITY may have adopted for similar installation of their municipally owned utilities. The DISTRICT shall follow such reasonable routes as the CITY may establish.

Should the CITY cease to take water from the DISTRICT, the CITY shall remain liable for the then unpaid portion of its fair prorated share of the wholesale debt of the area for any revenue bonds outstanding as of the date of this agreement, the proceeds of which were used to pay the cost of acquiring and constructing the wholesale facilities of the DISTRICT.

### III

#### WATER SUPPLY

The DISTRICT agrees to deliver peak day water needed by the CITY at a point in or immediately adjacent to the intersection of 168th Street S.W. and 62nd Ave. West, and at no other location

at rates as hereinafter set forth, subject to limits of "Everett Supply Contract". If the DISTRICT'S supply is limited by Everett, the CITY'S supply will be limited in the same proportion as the entire DISTRICT will be limited. The CITY agrees to purchase all of its water from the DISTRICT for all of the service area which was originally within the boundaries of the DISTRICT. The CITY shall provide within one year from the date of this agreement a new supply line from the "Master Meter" at 168th Street S.W. and 62nd Avenue West to a connection to the CITY system at 68th Avenue West and 165th Street S.W. removing the existing "Master Meter" at this location. The DISTRICT shall continue to read and bill this "Master Meter" at the rate as provided in this agreement until nine months from the date of this agreement at which time the rate will double until the "Master Meter" is removed and the new main connected.

The agreement to supply water by the DISTRICT to the CITY shall be subject to and limited by unavoidable accidents, acts of God and any conditions beyond the control of the DISTRICT. If the DISTRICT declares an emergency on limited water available through accident, catastrophe or limitations from Everett by contract or its own emergency and notifies the CITY of the limitations imposed by the DISTRICT, the CITY shall comply with those limitations or be subject to the DISTRICT'S controlling delivery of water at the Master Meters during that emergency. The DISTRICT will treat any major interruption to the supply to the CITY as an urgent matter and will attempt to restore or cause to be restored normal service to the CITY as expeditiously as possible.

5968 3PM  
4/26/76

IV

STORAGE DEFICIENCY DEMAND CHARGE

The DISTRICT shall implement after January 1, 1980, a demand charge based on the CITY'S deficient water storage or control thereof and the equivalent cost to provide storage, when the instantaneous flow rate exceeds 8.6 million gallons per day as determined by the 15-minute peak instantaneous flow rate and such demand charge shall be applied only if the average demand factor exceeds 1.3 as outlined in the following paragraphs.

Such demand charge and method of application thereof shall be as follows:

(1) The policy of the Alderwood Water District is to supply "Peak Day Water" to the CITY at the 24-hour average flow rate as specified in Section I and III of this agreement. The CITY shall provide or pay for storage for peaking rates above such average flow rate as described herein.

(2) A demand charge will be applicable to the CITY when it is found to have deficient storage as determined in the following paragraphs.

(3) The "Master Meter" or meters to the CITY will be monitored by the DISTRICT to determine applicability of the demand charge. Demand metering equipment telemetered to the DISTRICT shop will be installed on master meters at DISTRICT'S expense and maintained by the DISTRICT.

(4) A day for purposes of the schedule commences at 9:00 A.M. and ends at 9:00 A.M. the following calendar day.

(5) The demand factor for each "Master Meter" service is the peak flow rate as defined in sub-paragraph 13 of this section divided by the 24-hour average flow rate of the same day as shown on the telemetered chart in the DISTRICT shop for each "Master Meter".

4/26/78

(6) The 10 maximum flow days each year for each master meter service will be used to determine the average demand factor from which storage deficiency will be calculated. (Such 10 maximum flow days need not necessarily be consecutive.) The average demand factor is the average of the demand factors of the 10 maximum flow days for each "Master Meter" service each year.

(7) A demand charge for each "Master Meter" service shall be applied only when the average demand factor for that meter exceeds 1.3.

(8) The deficient storage volume of each master meter service for demand charge calculation rate shall be  $S = 0.22 (F-1)Q$ : Where S = storage deficiency in gallons, F = average demand factor and Q = average daily quantity of water in gallons used in the 10 maximum flow days for each master meter service each year.

(9) The demand charge shall be calculated by applying a storage deficiency rate of \$5.00 per month per thousand gallons of deficient storage.

(10) The demand charge will be calculated by the first of November of each year after evaluation of the summer months (June, July and August) water delivery flow rates. The monthly storage deficiency demand charge billing shall commence in January of the year following the instantaneous flow rate exceeding 8.6 million gallons per day and the demand factor exceeding 1.3 and continue for one calendar year until the following January at which time a new charge, if any, shall be applied, but in no case shall the billing commence before January 1981.

(11) Peak flow caused by accidents in the CITY'S water system will be excluded in determining the demand charge. Documentation shall be provided by the CITY to the General Manager of the DISTRICT within 30 days after an accident.

(12) Artificially created flow rates shall be disallowed in calculating the demand charge, such as a catastrophe causing fires or water line ruptures and electrical storms interfering with the telemetering signals.

(13) The peak flow rate under paragraph (5) above shall be the average of not less than a 15 minute peak flow rate as shown on the telemetered chart.

MASTER METER

All water supply delivered by the DISTRICT to the CITY through the permanent supply point at 168th St. S.W. and 62nd Ave. W. shall be measured through the "Master Meter". All costs of maintenance, repair and replacement thereof, shall be borne by the CITY. If the meter is replaced the type and size of meter selected by the CITY shall be subject to approval of the DISTRICT. Access to the meter and the flow records shall be made available to the DISTRICT at all times and the DISTRICT shall have the right to maintain, repair and replace the remote control recording equipment at the meter at DISTRICT expense. The meter shall be checked for accuracy on an annual basis after installation as a part of normal maintenance. However, either party to this agreement may, at its option, request or cause to be tested the main line meter for accuracy at any other time between the annual checks. All tests shall be conducted in a manner agreeable to both parties and the costs of testing other than the annual check shall be borne in the following manner: If both parties agree to the test, then costs will be shared equally. If either of the parties singularly requests the test, then the cost shall be borne by the party causing the test to be performed providing the test indicates the meter to be performing within 2% of the degree of accuracy guaranteed by the manufacturer of the equipment. In the event the meter is not performing within the allowable limits (2% of manufacturer's guaranteed accuracy) then the party benefiting as a result of the malfunction shall bear the costs of test. Whenever it has been determined as a result of either the annual test or a special test that the meter is not functioning within the herein agreed tolerance, then an adjustment in charges for water supply shall be determined as follows:

The meter error percentage determined from the test shall be used to adjust recorded deliveries and shall apply for a period of time being one-half the time between the last satisfactory test and the test at which the malfunction was determined, plus all of the time between discovery of the error and completion of repairs or adjustment of the meter. Either a credit or additional billing at the rates hereinafter provided for water supply shall accrue to the appropriate party. The CITY shall install a blank meter case with cover plate for testing meter immediately downstream of the "Master Meter" at 168th Street S.W. and 62nd Avenue W. with appropriate valving and bypass around said meter and meter case to facilitate testing of meter. The DISTRICT will provide and insert test meter for accuracy certification of "Master Meter". The CITY shall provide a strainer immediately upstream of "Master Meter".

The CITY shall have the option of operating, maintaining, repairing and testing the Master Meter as described above and must exercise that option by notice to the DISTRICT before receiving water from the DISTRICT. If the CITY does not choose to operate, maintain, repair and test the Master Meter, the DISTRICT shall do so. The CITY shall first furnish and install at its expense a new Master Meter. The type and size of meter selected by the CITY shall be subject to written approval of the DISTRICT and shall be installed in an adequately drained vault approved by the DISTRICT separate from fluoridation and pressure reducing equipment. All other provisions of Section V shall remain applicable.

The CITY shall provide the DISTRICT with the total number of customers and billing consumption at the end of each year for all customers being served water through the "Master Meters". In the event the CITY records indicate a consumption greater than the "Master Meter" records for any given year including adjustments previously described in Section V herein, then further adjustments shall be made to the billing as follows:

The total annual CITY billing consumption plus 5% for unmetered water loss, less the annual "Master Meter" consumption or adjusted consumption shall be used to further adjust the recorded deliveries annually.

VI  
AREA OF USE

The DISTRICT agrees that the CITY shall not be restricted in the area in which the water supply is used providing, however, the CITY agrees not to furnish service under any terms to services or systems other than those within its corporate limits presently being served by the CITY without first receiving written approval of the DISTRICT.

VII  
WATER QUALITY

The DISTRICT only warrants the quality in the water delivered to the CITY to be at least equal to the quality of water delivered to the DISTRICT by the City of Everett under "Everett Supply Contract" and the DISTRICT makes no other warranty, promise or representation regarding the quality of water delivered to the CITY.

The DISTRICT further agrees that it will continue to cooperate on an ongoing basis with the City of Everett to pursue compliance with the Federal Safe Drinking Water Act - Public Law 93-523.

VIII  
SUPPLY TO DISTRICT OWNED SERVICES  
TRANSMITTED THROUGH CITY MAINS

The DISTRICT shall have the right to continue to serve DISTRICT mains and services outside the present or future CITY limits with water which has been transmitted through the "Master Meter" located at 168th S. S.W. and 62nd Ave. W., and thence running through CITY mains to the DISTRICT'S service area. Meter readings shall be read every two months for water consumed within the DISTRICT'S service area so supplied and shall be deducted from the total "Master Meter" reading for the month in which these meters are read, plus 25% added for meter losses, flushing, leakage and fire protection.

## IX.

WHOLESALE WATER RATE

The rate to be paid by the CITY to the DISTRICT for water shall be based on a "Wholesale Water Cost" computed from the following formula:

$$R = E + \frac{P + M + 1.25 ED + 1.25 FD}{Q}$$

R = Wholesale Water Rate (per 100 cubic feet) computed to the nearest ten-thousandth of a dollar

E = Everett Water Cost (per 100 cubic feet)

P = Power Cost for preceding year

M = Maintenance and Operation Cost for preceding year

ED = Existing Wholesale Debt Service

FD = Future Wholesale Debt Service

Q = Quantity of Water Purchased from Everett for Preceding year in 100 cubic feet plus quantity from any other source in 100 cubic feet.

(1) EVERETT WATER COST:

The Everett Water Cost shall be the then current water charges paid by the DISTRICT as determined by the "Everett Supply Contract" and including chlorination charge as agreed to in the "Supplemental Agreement" dated November 19, 1973, and any additional charges as agreed to in the future between the City of Everett and Alderwood Water District or as determined by law. The rate shall continue to be computed to the nearest ten-thousandth of a dollar.

(2) POWER COST:

Power cost shall include all electrical and heating charges at the pump station in Everett, standby wells, and the meter pits and chlorination stations at the "Terminal Storage Reservoirs" for the preceding year and such other wholesale facilities as may be constructed by the DISTRICT.

(3) MAINTENANCE AND OPERATION COST:

Maintenance and Operation Costs shall include all chlorination or other chemical costs, all repairs of pumps, motors and heaters at the pump station or stations serving the wholesale customers, repairs on chlorinators, telemetering repairs or additions, cleaning, painting and repairing terminal reservoirs, all labor costs for above and daily maintenance and operation of pump station or stations, standby wells, terminal reservoirs, transmission maintenance, telemetering, master meter readings and other maintenance and operation costs attributable to "Wholesale Water Cost" and the equipment necessary to perform said work.

(4) EXISTING WHOLESALE DEBT SERVICE:

The existing wholesale debt service shall include that part of the existing bonded debt service of the DISTRICT attributable to constructing the pumping station at Everett's Reservoir No. 3, all supply transmission mains to the terminal reservoirs, the two existing "Terminal Storage Reservoirs" including chlorination and meter vaults, purchase of Layne Wells and all "Transmission Mains" to the distribution system as described on the following page. Costs are prorated from the percentages of revenue bond issues as derived from Table I on the following page and the existing wholesale debt service is shown in Table II.

TABLE I  
SUMMARY OF EXISTING WHOLESALE WATER IMPROVEMENTS

1960 Series A, B & C Revenue Issues \$2,580,000

(a) 28 MG Reservoir No. 1		
Schedule I - Excavating & Draining	\$155,476	
Schedule II - Reservoir Structure	656,484	
Schedule V - Fencing	<u>8,397</u>	
		\$820,357
Less District Peak Hour Storage 7.1%		- 58,245
(b) Schedule IV - Pumping Station		224,173
(c) Schedule III - Transmission Main		1,162,030
(d) AWD-23 - Spruce Way 24" Main		98,853
(e) Purchase Layne Wells		<u>149,955</u>
TOTAL Wholesale Improvements		\$2,397,123 = 92.9%

1955 Revenue Issues \$800,000

(a) AWD-26 - 36th Ave.W. - 24" Main		\$215,427
(b) AWD-27 - 168th St. SW - 24" Main		181,219
(c) AWD-30 - 44th Ave.W. - 20" Main		<u>90,206</u>
TOTAL Wholesale Improvements		\$486,852 = 60.9%

1967 Revenue Issue \$1,100,000  
1968 Revenue Issue 1,250,000

(a) 28 MG Reservoir No. 2		
Schedule I & II Clearing & Site Grading	\$ 43,128	
Schedule III - Reservoir Piping	339,203	
Schedule IV - Reservoir Structure	973,065	
Schedule V - Chlorinator Building	92,747	
Schedule VI - Fencing	<u>6,052</u>	
		\$1,454,195
Less District Peak Hour Storage 7.1%		- 103,248
(b) AWD-31 - 164th St. SW - 24" Main		<u>263,083</u>
TOTAL Wholesale Improvements		\$1,614,030 = 68.7%

1972 Revenue Issue \$1,500,000

(a) AWD-59 - 30" Transmission Main		\$1,040,455
TOTAL Wholesale Improvements		\$1,040,455 = 69.4%

TABLE IX

EXISTING WHOLESALE DEBT SERVICE

Year	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Total
	1960 "A" 92.9%	1960 "B" 92.9%	1960 "C" 92.9%	1965 60.9%	1967 68.7%	1968 68.7%	1972 69.4%	
1976	\$11,171	\$65,005	\$109,393	\$11,799	\$34,522	\$46,373	\$106,242	\$384,505
1977	11,171	65,005	109,393	11,799	34,522	46,373	106,242	384,505
1978	11,171	65,005	109,393	11,799	34,522	46,373	106,242	384,505
1979	11,171	65,005	109,393	11,799	34,522	46,373	106,242	384,505
1980	11,171	65,005	109,393	11,799	34,522	46,373	106,242	384,505
1981	11,171	65,005	109,393	11,799	34,522	46,373	106,242	384,505
1982	11,171	65,005	109,393	11,799	34,522	46,373	106,242	384,505
1983	11,171	65,005	109,393	11,799	34,522	46,373	106,242	326,648
1984		65,005		11,799	34,522	46,373	106,242	315,477
1985		65,005		11,799	34,522	46,373	106,242	315,477
1986		65,005		11,799	34,522	46,373	106,242	315,477
1987		65,005		11,799	34,522	46,373	106,242	315,477
1988		65,005		11,799	34,522	46,373	106,242	315,477
1989		65,005		11,799	34,522	46,373	106,242	315,477
1990		65,005		11,799	34,522	46,373	106,242	315,477
1991				67,980	86,058	46,373		200,411
1992				67,980	86,058	46,373		200,411
1993				67,980	86,058	46,373		200,411
1994				67,980	86,058	46,373		200,411
1995				67,980	86,058	46,373		269,779
1996				67,980	86,058	46,373		269,779
1997				67,980	86,058	46,373		269,779
1998				67,980	86,058	46,373		269,779
1999				67,980	86,058	46,373		269,779
2000				67,980	86,058	46,373		269,779

(5) FUTURE WHOLESALE DEBT SERVICE:

Future wholesale debt service shall include bonded debt service required for the "Terminal Storage Reservoir" contracted during 1976 and any future pumping, supply, storage, transmission lines or reservoir cover as may be required. Costs will be analyzed similar to Table I and Table II and added to this agreement at the second billing period to the CITY after sale of bond issue for construction of the above future wholesale facilities. In the event the DISTRICT elects to finance any future wholesale facilities out of DISTRICT general construction funds then such total costs will be added to this agreement by the second billing period of the following year and paid for under maintenance and operation costs; and in no case shall exceed \$50,000 in any given year.

The DISTRICT and CITY agree to the formation of a Technical Review Advisory Committee consisting of the Director of Public Works or City Engineers of the Cities of Edmonds, Lynnwood and Mountlake Terrace and the General Manager of the DISTRICT to review proposed major wholesale Capital Improvements requiring the issuance of revenue bonds.

(6) QUANTITY OF WATER PURCHASED FROM EVERETT:

Quantity of water purchased from Everett for preceding year shall include all water purchased from Everett for the preceding year converted to 100 cubic foot units, plus quantity of water used from any other source.

TABLE III  
DEBT SERVICE FOR 20 MG RESERVOIR

Estimated Construction Cost 20 MG Reservoir	\$1,735,106
Reservoir No. 1 Fence Modification	11,293
Engineering Basic Fee 5%	87,320
Construction Inspection 4%	69,856
2% Contingency	34,923
Sales Tax	94,306
Reservoir #1 Property Purchase	40,156
Legal & Bond Fees 2.5% x \$1,291,907	<u>32,300</u>
TOTAL	\$2,105,265
Less Ref. 27 Funds \$1,786,555 x 40%	714,622
Bond Issue Required	\$1,390,643
Less District Peak Hour Storage (7.1%)	<u>98,736</u>
Bond Issue Required for Wholesale Costs	\$1,291,907
Interest @ 6.25%	\$ 80,744
Payments on Principal Begins in 1991	

TABLE IV

## POWER &amp; MAINTENANCE &amp; OPERATIONS COSTS - 1977

PUD POWER COSTS:

Pump Station	\$51,868.52
Well No. 7	670.17
Cl <sub>2</sub> Bldg. Res. #1	421.42
Cl <sub>2</sub> Bldg. Res. #2	454.08

## TOTAL POWER COSTS

\$53,414.19MAINTENANCE & OPERATION COST:

Chemicals	2,102.08
Pump Station - Paint	206.02
Chlorinator Houses: Cl <sub>2</sub> Leak Detectors	1,815.62
Telemetry Repair	668.91
Clean, Repair Reservoir #1: Zinc & Tarmastic Material	306.17
Welding	39.00
Waterproof Compound	118.46
Painting Reservoir #2: Painting Contract	18,445.00
Contract Eng'r & Cont.	2,100.00
Transmission Line Repair Material	152.86
Consulting Service-Everett Contract	2,709.27
Annual Corrosion Engr. Service	125.00
Labor Costs:	
Pumping Station O & M	304 hrs.
Telemetry O & M	52 hrs.
Cl <sub>2</sub> Houses	52 hrs.
Clean & Repair Res. #1	194 hrs.
Transmission Line Repair & Maint.	131 hrs.
Master Meter Reading & Billing.	102 hrs.
Duty Man - Weekends	208 hrs.
	<u>1043 hrs.</u>
1043 hrs. @ \$10.22 (includes benefits)	= 10,659.46
General Administration = 15% x \$10,659.46	= 1,598.92
Equipment Expense & Depreciation:	
1 Pickup Truck Depreciation 20% x 4384.77	= 877.00
Fuel 20 mpd x 365 days = 7300 mi. = 730 gal.	= 384.00

## TOTAL WHOLESALE MAINT. &amp; OPERATION COSTS

\$42,307.77

Table IV lists the Power Costs and the Maintenance & Operation Costs for the year 1977. At the conclusion of each year the DISTRICT will provide a break down of the power cost and the maintenance and operation cost similar to Table IV. The new rate will be effective January first of each year and the adjustment will be made by the second billing of the year to the CITY.

The following is the computation of the 1978 wholesale water rate including the wholesale debt service for the terminal storage reservoir under construction.

$$E = \$0.0365 \text{ per } 100 \text{ cf} \quad P = \$ 53,414.19$$

$$M = \$42,307.77 \quad ED = \$384,505.00$$

$$Q = 5352079 \text{ (100 cf)} \quad FD = \$ 80,744.00$$

$$R = \frac{E + P + M + 1.25 ED + 1.25 FD}{Q}$$

$$R = 0.0365 + 0.0100 + 0.0079 + 0.0898 + 0.0189$$

$$R = \$0.1631 \text{ per } 100 \text{ cf}$$

The new wholesale water rate to the CITY shall be 16.31 cents per 100 cubic feet and such rate will be effective the following month after date of execution of this agreement, and billings to the CITY for water consumed after this date, shall be computed at this rate for 1978, except for any changes in the "Everett Water Cost".

The District bond covenants require a bond coverage of 1.25 times the Debt Service which is incorporated in the above rate formula. The District policy is to use any coverage money not required for the bond reserve fund, refunding of bonds, or the retirement of bonds for wholesale improvements to the extent possible.

X

NOTICE OF NEGOTIATION

Notice of negotiation with City of Everett for a rate change or additional water shall be given to the CITY by written notice and the CITY shall have the right to be present at such meetings.

XI

BILLING & PAYMENT

The period of billing for water supplied under this agreement shall be on regular monthly intervals.

The "Master Meter" shall be read and recorded near the last normal work day of the month in which the service was furnished. Billing to the CITY will be made by the 10th day of the month following, and payment to the DISTRICT becomes due by the 30th day of the month in which the statement is received. If any payment or portion thereof due the DISTRICT shall remain unpaid for 15 days following its due date, the CITY shall be charged with and pay to the DISTRICT interest on the amount unpaid from its due date until paid at the rate of 8% per annum.

XII

TERM & EXPIRATION

(1) The term of this contract shall be ten years from its effective date, plus such extensions as may be mutually agreed upon.

(2) If the CITY shall cease to take water from the DISTRICT the CITY shall remain liable for its proportionate share of the then-existing wholesale bonded indebtedness as may at that time be determined including credits for certain payments and recognition given to the growth experience in the CITY and the total DISTRICT.

or to such other address as may be substituted in writing  
by the addressee.

Section 4: Entirety: All prior negotiations and  
agreements between the parties hereto relating to the subject  
matter hereof are merged into and superseded by this agree-  
ment, and shall constitute the entire agreement between the  
CITY and the DISTRICT concerning the sale of water to the  
CITY for use as hereinbefore provided.

DATED this 19 day of June, 1978.

CITY OF EDMONDS, WASHINGTON,  
A Municipal Corporation

By: W. A. Harrison  
Mayor

(Seal)

Attest: Janet Ann Moran  
City Clerk

ALDERWOOD WATER DISTRICT  
of SNOHOMISH COUNTY  
A Municipal Corporation

By: Fay Colby  
President of Board

(Seal)

Attest: Charles F. Cowley  
Secretary

**WATER PURVEYOR  
CONTRACT**

between

**THE CITY OF SEATTLE**

and

CITY OF EDMONDS

for the

**SUPPLY OF WATER**

VERSION A

November, 1981

VERSION A

WATER PURVEYOR CONTRACT

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JWM:tmd  
11-5-81

WATER PURVEYOR CONTRACT

BETWEEN

THE CITY OF SEATTLE

AND

CITY OF EDMONDS

FOR THE

SUPPLY OF WATER

THIS CONTRACT between the CITY OF SEATTLE, a municipal corporation of the State of Washington, hereinafter called the "City", and CITY OF EDMONDS, herein individually referred to as the "Purveyor", witnesseth the following RECITALS:

1. The City owns and operates a system for the supply, transmission and distribution of water and is authorized to sell and distribute water to its own inhabitants and also to other persons and customers outside the corporate limits of the City.

2. The City has met the water needs of its purveyors outside its corporate limits in the past without written Long-term Contracts, and will make provision in its long-range plans for the continuing requirements of such service in the future for those purveyors signing Long-term Contracts, who have foregone and will forego long-range capital expenditures for supply and

wholesale distribution in reliance thereon in accordance with this Contract and except as otherwise provided for herein.

NOW, THEREFORE, in consideration of mutual covenants herein, it is agreed as follows:

SECTION I. TERM OF CONTRACT AND GUARANTEES

I.A. Term of Contract

1. Subject to the other provisions contained herein, the original term of this Contract shall commence and this Contract shall become effective on the date of the City's execution hereof. This term shall continue and this Contract shall remain effective until January 1, 2012.

2. Subsequently, the contract term shall be extended for additional fifteen (15) year increments, provided both parties express their intent to do so in writing at least fifteen (15) years prior to the end of the contract term or extension thereof.

I.B. Agreement to Supply and Purchase Water

1. The City agrees to supply the water requirements of the Purveyor subject to conditions of this Contract. The Purveyor shall purchase water from the City as specified in Exhibit I-B except for the quantity of water presently obtained by the Purveyor from other sources or committed to be obtained from other sources, provided that documentation of such quantities and copies of such commitments have been transmitted to the City (along with this Contract) prior to the City's execution of this Contract.

2. In the event the Purveyor should annex to or transfer all or a portion of its service area receiving City water, adjustments shall be made in the Purveyor's

water requirements to reflect that associated with these areas.

3. Should the entire water service area of the Purveyor be annexed to the City, then this Contract shall become null and void at the time of the annexation, and the City shall become responsible for that portion of the Purveyor's costs as set forth in Paragraph I.B.4.b. of this Section.

4. Also, the Purveyor may reduce the amount of water it has contracted for in Exhibit I-B under the following conditions, except that said conditions do not apply in the case of partial annexation by the City:

a. At least five (5) years' written notice of the reduction is provided to the City and the Purveyor Committee.

b. The Purveyor holds the City and other purveyors signing Long-term Contracts on the Regional Water Supply System "harmless" by compensating them for any increased capital costs allocated to them as a result of any such reduction in water contracted for.

c. Such reduction schedule and compensation, subsequent to review by the Purveyor Committee, is subject to prior written consent of the City. Such consent shall not be unreasonably withheld.

5. The Purveyor may also obtain water from other State-approved sources upon the prior written consent of the City, in those instances where:

a. The City determines that the City's major supply facilities are not adequate to supply the Purveyor the amount of water specified in Exhibit I-B.

b. The Purveyor interconnects with other purveyors' systems or the Purveyor develops other sources for summer water supply peaking purposes when said interconnection or development is for the purpose of avoiding a demand charge.

6. The Purveyor shall not enter into any new agreements for water supply with any other entity to either purchase or wholesale water without first having obtained the written consent of the City, which consent will not be unreasonably withheld.

I.C. Assignability

1. This Contract shall be binding upon all successors and assigns of the parties. Neither party may assign or transfer its interest in this Contract without the written consent of the other party, which shall not be unreasonably denied, except that such consent shall not be required when the assignment or transfer is mandated by State law. Subject to such limitation, the City and/or the Purveyor may assign its interest to a legally constituted regional water authority.

2. It is further agreed that the City shall not demand or receive any additional consideration for such an assignment as a result of the City and the Purveyor having signed this Contract.

I.D. Continuity of Service

1. The City shall provide oral notice to purveyors, and may temporarily interrupt or reduce deliveries of water to any purveyor, if the City determines that such interruption or reduction is necessary or reasonable in case of system emergencies or in order to install equipment, make repairs, replacements, investigations and inspections or perform other maintenance work on the City's water system or those parts of the system supplying the Purveyor. Except in cases of emergency, and in order that the Purveyor's operations will not be unreasonably interfered with, the City shall give the Purveyor reasonable written notice of any such interruption or reduction, the reason therefor, and the probable duration thereof.

2. If such interruption or reduction in service should occur, thus necessitating the Purveyor to draw supplies during peak demand times that might thus subject the Purveyor to demand charges, such charges shall not be applied to the Purveyor.

SECTION II.      CONDITIONS OF SERVICE

II.A.      Minimum Hydraulic Gradient

1.      A minimum hydraulic gradient or head for each Service Connection shall be used as a criterion for the City's and Purveyor's comprehensive water planning efforts. If the City finds that it would benefit the Regional Water Supply System and purveyors as a class, the minimum hydraulic gradient or head in Exhibit II-A may be modified by the City only once during any fifteen (15) year period after review by the Purveyor Committee, provided that four (4) years' advance notice is given to the Purveyor.

2.      The City will use its best efforts to supply water from its system to that of the Purveyor at the points of connection and at not less than the minimum hydraulic gradient or head at the inlet side of the Service Connection meter as shown on Exhibit II-A, except as noted in this Contract. It is understood that circumstances may prevent the City from providing, at all times, this minimum hydraulic gradient. In such cases, the City shall supply a volume of water equivalent to and delivered at the maximum 24-hour average flow rate, required by the Purveyor in accordance with Sections I.B. and V.A., for 24 hours.

3.      Additional Service Connections between the Purveyor's and the City's water systems or adjusted minimum gradients may be established from time to time, by mutual agreement between the City and the

Purveyor, in which instance Exhibit II-A shall be appropriately amended to reflect such additional points of connection or adjusted minimum gradients.

II.B. Resale to Other Parties

The Purveyor may sell water supplied to it by the City to other parties outside its existing or expanded future boundaries for resale to ultimate consumers, only upon written consent of the City (or oral, in case of emergency) except under existing written agreements which have been transmitted to the City (along with this Contract) prior to the City's execution of this Contract.

II.C. Flushing Allowance

An allowance for actual water used for watermain and tank flushing during the period <sup>3:11</sup> November 1 through <sup>MA 6 15</sup> March 31 of each year during this Contract duration will be credited to the account of the Purveyor by the City in an amount not to exceed two percent of the Purveyor's water consumption during the previous month of October, provided, however, that the Purveyor shall furnish the City a certified statement of actual flushing water used by measurement, or calculated by formula acceptable to the City and the Purveyor Committee.

SECTION III. COST OF WATER

III.A. Rate-making Policies

1. Existing rates shall apply until adjusted in accordance with Section III.E.

2. The City, in setting future water rates, will treat the purveyors as a separate class of customers from the customers to whom it provides Direct Service through its own distribution system. The basic premise upon which purveyor rates will be set is that all costs of serving the purveyors as a class will be recovered by water rates charged to the purveyors. The cost of serving purveyors as a class will be determined by a rate study which allocates shares of operation and maintenance and capital costs to purveyors based on reasonable measures of costs incurred to serve purveyors. In performing rate studies, the City should give consideration to accepted rate-making methodologies recommended by the American Water Works Association.

III.B. Net Revenue Requirements

The purveyors' portion of the City water utility's total revenue requirement, less projected net receipts from purveyor meter charges, demand charges, other charges and any emergency surcharges will be termed Net Revenue Requirements.

III.C. Purveyor Rate Structure

1. Net Revenue Requirements will be recovered from purveyors through a commodity rate and/or rate schedule. This commodity rate and/or rate schedule

may vary to reflect differences in the City's cost of service, provided that such differences are documented or reviewed by an independent rate consultant during each rate study.

2. The commodity rate and/or rate schedule will vary to reflect the differences in the costs of providing for "old" and "new" consumption. Old consumption will be defined as the average amount of City water consumed by each purveyor in a base period which shall be the 3-year period from January 1, 1979 to December 31, 1981. New consumption will be defined as each purveyor's actual consumption of City water less its average old consumption for a corresponding period of time.

III.D. Provision for Emergency Surcharge

1. In the event of a severe drought, major catastrophe, or other extraordinary conditions that require emergency expenditures to maintain a sufficient water supply, it may be necessary for the City to impose, by Ordinance, an emergency surcharge on purveyors in order to pay for such expenditures. An equitable portion of these costs will be allocated to purveyors in accordance with the policies set forth in Section III.A. and may be recovered through an emergency surcharge.

2. An emergency surcharge based on water usage may be implemented immediately upon passage of the authorizing Ordinance and apply to all regular billings thereafter transmitted and may continue

for a total of up to ninety (90) days within one calendar year without review of the Purveyor Committee. Within thirty (30) days of implementation, the City shall submit a report to the Purveyor Committee indicating the reasons for the surcharge.

III.E. Rate Adjustment Procedure

1. The City may adjust rates to purveyors upon one hundred eighty (180) days notice of intent to do so. Rate adjustments will be effected only after completion of a cost-of-service study including an allocation of operation, maintenance and capital costs between purveyors and Direct Service customers of the City. Such study will be performed or thoroughly reviewed by an independent rate consultant. Nothing herein shall preclude phased implementation of a rate adjustment following a single rate study.

2. The independent rate consultant will be selected by the City based on recommendations from a City rate advisory committee, if one exists, the Purveyor Committee and City staff members. The City shall provide substantially completed purveyor-related sections of the rate study to the Purveyor and Purveyor Committee not less than thirty (30) days before formally transmitting any resulting rate adjustment proposal to the City Council. In addition, at least two detailed progress reports will be made to the Purveyor Committee during the course of the study.

SECTION IV. REPRESENTATION - PURVEYOR COMMITTEE

COMMITTEE

IV.A. Seattle Water Purveyor Committee

1. In order that purveyors may, in an orderly way, be involved in the operation, expansion and financing of the City's Regional Water Supply System, there shall be established the Seattle Water Purveyor Committee, herein called the "Purveyor Committee". Each purveyor signing a Long-term Contract shall select a representative (with an alternate) on the Purveyor Committee.

2. The Purveyor Committee shall organize itself and become operational no later than July 1, 1982 and adopt such rules as are necessary for its operation. The number of votes for each purveyor shall equal its percent of total annual amount of water supplied to purveyors by the City during the preceeding year (rounded to the nearest whole percent) provided that each purveyor shall have at least one (1) vote.

3. The Purveyor Committee shall have no authority to financially encumber contracting purveyors as a result of this Contract.

4. No activity by the Purveyor or the purveyors in conjunction with the Purveyor Committee shall affect the City's obligation to supply water to the Purveyor under this Contract.

SECTION V.

PLANNING

V.A. Reporting of Planning Data

1. The Purveyor agrees to report to the City:
  - a. Its annual and peak day total system demand for each year during the term hereof as of December 31st of that year.
  - b. Its forecast of water requirements to be supplied by the City including estimates of annual and maximum 24-hour requirements for the ensuing calendar year, for the fifth, tenth, and fifteenth year in the future. Such forecasts shall reflect the best judgment of the Purveyor.

Such information shall be furnished to the City no later than the following April 1st of each year.

2. The Purveyor also agrees to report certain other data relating to water supply as may be requested by the City for water planning purposes, provided that supplying such data shall be reasonably within the means of the Purveyor.

3. Records relevant to water supply and consumption within the possession of the City or the Purveyor will be provided to the other upon reasonable request.

V.B. Submittal of Purveyor Comprehensive Plans

The Purveyor shall provide its water comprehensive plan and significant amendments thereto to the City for inclusion by the City in the City's Comprehensive Regional Water Plan.

V.C.            Conservation Program

1.            The City's regional water conservation program, as contained in its Comprehensive Regional Water Plan, is to be updated by the City and, subsequent to review by the Purveyor Committee, adopted by the City. This program shall be implemented by the City with the assistance and support of the Purveyor, except that the Purveyor shall not be required to adopt special rates with respect to this program. The basis for allocating costs of this conservation program shall be reviewed and evaluated by the independent rate consultant as part of each rate study.

2.            The Purveyor shall develop and, subsequent to review by the City and Purveyor Committee, adopt its own conservation program that is supportive of the City's regional water conservation program. It is understood that the Purveyor retains final authority over the expenditure of funds needed to implement its program for its own service area.

3.            Any emergency conservation measures implemented by the City on Direct Service customers, with the exception of special rates, shall be instituted by the Purveyor if requested by the City which shall use, to the extent feasible, the notice provisions set out in Section I.D.1.

VI.A. Procedure for Amending the Contract

1. Either party may request in writing the other to consider an amendment of this Contract. If the amendment is mutually acceptable to the City and the Purveyor, an amendment of this Contract shall be prepared in writing and become effective upon execution by both parties, provided that at least ninety (90) days prior notice has been given to the Purveyor Committee.

2. All purveyors who have signed Long-term Contracts will be notified by the City of contract amendments thereof and will have the option of including same in their contract if they elect to do so within two (2) years of the date that notification is sent. This provision does not apply to amendments of Exhibits I-B and II-A which will be unique to each purveyor.

VI.B. Subsequent Contracts

The City, without having given ninety (90) days prior notice of its intent to so execute to the Purveyor and the Purveyor Committee, shall not execute Long-term Contracts for water supply with any purveyor after July 1, 1982 if that contract contains provisions inconsistent with or in addition to those contained in Contracts designated Version A and B dated November 1981. In the event that the City does execute any such contract, such provisions will be incorporated in this Contract

if the Purveyor elects to do so within two (2) years of the date notification was sent. This provision does not apply to Exhibits I-B and II-A which will be unique to each purveyor.

SECTION VII.

OTHER PROVISIONS

VII.A. Notification

1. Whenever in this Contract, notice is required to be given, the same shall be given by the following representatives by United States mail (registered or certified with return receipt requested) addressed to the respective parties at the following addresses:

CITY:

PURVEYOR:

Superintendent of Water  
Seattle Water Department  
Exchange Building, 11th Floor  
821 Second Avenue  
Seattle, WA 98104

The Honorable Harve Harrison  
Mayor, City of Edmonds  
250 - 5th Ave. N.  
Edmonds, Washington 98020

unless a different representative or address shall be hereafter designated in writing by either of the parties given by the procedure set forth above.

2. The date of giving such notice shall be deemed to be the date of mailing thereof.

3. Billings for and payments of water bills may be made by regular mail.

VII.B. Severability

If any provision of this Contract or its application is held invalid, the remainder of this Contract or its application to other entities, purveyors or circumstances shall not be affected.

VII.C. Consent

Whenever it is provided in this Contract that the prior written consent or approval of any party or the Purveyor Committee is required as a

condition precedent to any actions, in each such instance said consent or approval shall not be unreasonably withheld, and in each such instance where prior consent is sought, failure of the party to respond in writing within sixty (60) days of the request shall be deemed as that party's consent or approval unless otherwise provided for herein. This provision does not apply to amendments of this Contract.

VII.D. Initial Implementation

The intent of both parties is to work together to take such actions as are necessary to implement full compliance with this Contract in as expeditious a manner as possible, provided that such full compliance shall occur no later than three (3) years after the effective date of this Contract.

VII.E. Emergency Situations

Nothing in this Contract shall be deemed to preclude either party from taking necessary action to maintain or restore water supply in emergency situations, in accordance with Section I.D., and such action shall not be deemed a violation of this Contract.

SECTION VIII. DEFINITIONS

VIII.A. Definition of Contract Terms

As used in this Contract:

1. "Long-term Contract" means a water purveyor contract with the City for the supply of water for a length of time of fifteen (15) years or greater.
- 2.a. "purveyor" means a water district, other municipality or utility (with the exception of the Sallal Water Association) authorized to and engaging in the distribution of water under the laws of the State, which distributes, on a retail basis, water directly supplied to it by the City.
- 2.b. "Purveyor" means the purveyor which has executed this Contract.
3. "Direct Service" means delivering water to user/consumer premises at retail water rates. (The City provides direct service both inside and outside the City.)
4. "Regional Water Supply System" means the City's water supply system consisting of dams, impounded water, supply and transmission mains, pumps, treatment facilities, and all facilities utilized in conveying water from its source to the City's water storage facilities and to the purveyors.

5. "Service Connection" means a short section of pipe, with a water meter and appurtenances, through which water is delivered from the Regional Water Supply System to a purveyor's system.
6. "Comprehensive Regional Water Plan" means the latest plan, and amendments thereto, prepared by the City to comply with the requirements for "water system plan" of WAC 248-54-580 and amendments thereto.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereby execute this Contract.

PURVEYOR: City of Edmonds

A Municipal Corporation

BY: Harve H. Harrison - Mayor

BY: *H. H. Harrison* (SEAL)

BY: \_\_\_\_\_

ATTEST: *Irene Varney Moran* DATE: February 17, 1982  
Irene Varney Moran  
City Clerk

AUTHORIZING LEGISLATION: ORDINANCE/RESOLUTION \_\_\_\_\_

\* Authorized by Council Minute Entry of February 16, 1982.

CITY: THE CITY OF SEATTLE

A MUNICIPAL CORPORATION

BY: *Charles Royer* (SEAL)  
Mayor

ATTEST: *[Signature]* DATE: 4/8/82  
City Comptroller

AUTHORIZING LEGISLATION: \_\_\_\_\_ ORDINANCE: 110516

LIST OF EXHIBITS

- I-B Amount of Water to be Supplied/Purchased
- II-A Minimum Hydraulic Gradient of Water Supplied

NOTE: All exhibits attached hereto and referenced in this Contract are a part of this Contract.

AMOUNT OF WATER TO BE SUPPLIED/PURCHASED

The City shall plan for and construct facilities to supply the water requirements of the Purveyor as specified below and as forecast by the Purveyor according to Section V.A. The specified amount of water to be supplied by the City and purchased by the Purveyor will be: approximately 50%

All water requirements of the Purveyor conditioned by Sections I.B. and II.B. of this Contract.

-----

List of documents, commitments, adjustments, reductions, agreements, and/or written City approvals regarding the supply, purchase and/or resale of water according to Sections I.B. and II.B. of this Contract:

<u>ITEM</u>	<u>DATE</u>
1. <u>Alderwood Water District - Purveyor Agreement</u>	<u>June 1978</u>
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

SEATTLE WATER DEPARTMENT

MINIMUM HYDRAULIC GRADIENT OF WATER SUPPLIED (1)

City of Edmonds

METER SERVICE		STATION NUMBER (2)	SIZE OF METER (In)	PIPELINE SEGMENT NUMBER (2)	MINIMUM HEAD FOR PLANNING PURPOSES AT STATION (FT.X3)
LOCATION					
Fremont Ave. N. & N. 205 St.	110	10	.6	560	

Notes: (1) The Minimum Hydraulic Gradient is based on historic use patterns for the connection, demand projections to 1995, and a maximum demand factor of 1.3.

(2) Station and Pipeline Segment Numbers pertain to demand metering program.

(3) All Minimum Head elevations are based on City of Seattle datum and are rounded to the nearest 5 feet.

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

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8-16-10 to  
CON-5-26-1  
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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 The Wholesale Committee shall meet annually by the 15<sup>th</sup> of March to review the  
248 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 Maters 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 210<sup>th</sup> 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.

615  
616  
617  
618  
619  
620  
621

622 CITY OF EDMONDS  
623 A Municipal Corporation

624  
625  
626 By: Mark Cooper

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:

636 W. Scott Snyder  
637 City Attorney

638

639

640

641

642

643

644

645

646

647

648

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

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**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 35<sup>th</sup> Avenue W, Lynnwood)

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

Administration Site (3626 156<sup>th</sup> Street SW, Lynnwood)

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

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

- Master Meter
- Vault and ancillary assets

Lynnwood Master Meter Site (Spruce Way and 164<sup>th</sup> Street SW, Lynnwood)

- Master Meter
- Vault and ancillary assets

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

- Master Meter
- Vault and ancillary assets
- (Emergency supply at 38<sup>th</sup> Avenue W and 228<sup>th</sup> 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 35<sup>th</sup> 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 156<sup>th</sup> 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**

168<sup>th</sup> Street SW and 62<sup>nd</sup> Avenue W

## **APPENDIX B**

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# WATER FACILITIES INVENTORY (WFI) FORM - Continued

<b>1. SYSTEM ID</b> 22500 U	<b>2. SYSTEM NAME</b> EDMONDS, CITY OF	<b>3. COUNTY</b> SNOHOMISH	<b>4. GROUP</b> A	<b>5. TYPE</b> Comm
--------------------------------	---	-------------------------------	----------------------	------------------------

	ACTIVE SERVICE CONNECTIONS	DOH USE ONLY! CALCULATED ACTIVE CONNECTIONS	DOH USE ONLY! APPROVED CONNECTIONS
<b>25. SINGLE FAMILY RESIDENCES (How many of the following do you have?)</b>	0	10031	Unspecified
A. Full Time Single Family Residences (Occupied 180 days or more per year)	10031		
B. Part Time Single Family Residences (Occupied less than 180 days per year)	0		
<b>26. MULTI-FAMILY RESIDENTIAL BUILDINGS (How many of the following do you have?)</b>			
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/	0		
C. Part Time Residential Units in the Apartments, Condos, Duplexes, Dorms that are occupied less than 180 days/	0		
<b>27. NON-RESIDENTIAL CONNECTIONS (How many of the following do you have?)</b>			
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.	0	0	
<b>28. TOTAL SERVICE CONNECTIONS</b>		<b>10031</b>	

<b>29. FULL-TIME RESIDENTIAL POPULATION</b>	
A. How many residents are served by this system 180 or more days p	31310

<b>30. PART-TIME RESIDENTIAL POPULATION</b>	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?												

<b>31. TEMPORARY &amp; TRANSIENT USERS</b>	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?												

<b>32. REGULAR NON-RESIDENTIAL USERS</b>	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?												

<b>33. ROUTINE COLIFORM SCHEDULE</b>	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	30	30	30	30	30	30	30	30	30	30	30	30

**35. Reason for Submitting WFI:**

Update - Change  
  Update - No Change  
  Inactivate  
  Re-Activate  
  Name Chang  
  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: \_\_\_\_\_



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**City of Edmonds**  
**Pressure Reducing Station Data**

Name	Station Location	Upper Pressure Zone	Lower Pressure Zone	Station Elevation (ft)	Normal Pressure	
					Inlet (psi)	Outlet (psi)
PRV #2	68th Ave W & North Meadowdale Rd	596	500	430	80	30
PRV #3	72nd Ave W & North Meadowdale Rd	500	325	182	132	54
PRV #5	7082 Meadowdale Beach Rd	596	500	305	135	90
PRV #6	74th Place & Meadowdale Beach Rd	500	325	165	144	65
PRV #7	76th Ave W & Braemar Dr (west side of 76th)	425	325	200	100	60
PRV #8	76th Ave W & 176th St SW	596	425	225	165	72
PRV #9	76th Ave W & 188th (west side of 76th Ave)	596	425	307	130	50
PRV #10	80th Ave & 184th St SW	596	505	320	122	80
PRV #13	88th Ave W & 185th Place SW	596	505	345	119	70
PRV #14	8900 188th St SW	596	505	340	100	60
PRV #15	8911 192nd St SW	596	505	340	110	60
PRV #16	19822 Maplewood Dr	596	486	360	88	53
PRV #17	12th Ave & Main St (east of intersection)	596	486	310	130	69
PRV #18	Olympic Ave & Main St	486	420	240	100	58
PRV #20	6th Ave S & Elm Way	486	325	195	110	52
PRV #21	9th Ave S & Pine St (Offline/Closed)	596	486	320	120	72

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## **APPENDIX D**

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## Local Government Consistency Review Checklist

A consistency review between DOH planning and engineering documents and adopted comprehensive plans and development regulations is required in certain situations. This checklist may be used to document the consistency review as required in WAC 246-290-108. A consistency review is required for each local government with jurisdiction over the applicable service area.

Water System Name: City of Edmonds PWS ID 22500  
 Planning Document Title: Water System Plan Plan Date: May 2010  
 Local Government with Jurisdiction: City of Edmonds

Consistency Statement	Page(s) in Planning Document	Yes – No – Not Applicable
The applicable service area is consistent with the land use and zoning in the adopted comprehensive plan and adopted development regulations.	Fig. 2-3 & Fig 3-1	<b>YES</b>
<b>For Water System Plans:</b> The six-year growth projection used to forecast water demand is consistent with the adopted city/county's population growth projections. If a different growth projection was used, the alternative growth projection and methodology proposed is acceptable based on explanation given.	Pages 3-4 & 4-11	<b>YES</b>
<b>For Water System Plans:</b> Provisions of water service for new service connections are consistent with the adopted comprehensive plan and adopted development regulations.	Page 5-2	<b>YES</b>
<b>For city-owned systems only:</b> All utility service extension ordinances regarding water service are included in the plan. These policies are consistent with the adopted comprehensive plan and adopted development regulations.	Page 5-2	<b>YES</b>
Other relevant elements related to water supply (as determined by DOH) is consistent with the adopted comprehensive plan and adopted development regulations.	N/A	N/A
<b>Where the local government with jurisdiction did not provide a Consistency Review:</b> Provide documentation of efforts taken and amount of time provided. Include: name of contact, date, type of effort attempted, and response from local agency.	N/A	N/A

I certify that the above statements are true to the best of my knowledge and that these statements support the conclusion that the subject-planning document is consistent with adopted comprehensive plans, development regulations, and other policies.

  
Signature

8.16.2010  
Date

ROBERT CHAVE, PLANNING MGR, EDMONDS  
Printed Name, Title, & Jurisdiction

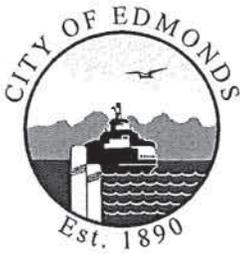
**\*\*For any issues of inconsistency, please document the inconsistency, including the citation from the comprehensive plan or development regulation. Provide direction on how this inconsistency can be resolved.\*\***

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## **APPENDIX E**

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# 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.

NOTE: Projects generating new traffic will be required to submit a Traffic Study prepared by a licensed Professional Civil Engineer. Specific requirements for the Traffic Study may vary depending upon the project, and will be provided by the City Engineer upon request. Please contact the Engineering Division at 425-771-0220 for specific study requirements. City review of the Traffic Study may require assessment of the "Development Project Peer Review" fee of \$45 plus the cost of the review.

### ***Use of checklist for nonproject proposals:***

Complete this checklist for nonproject proposals, even though questions may be answered "does not apply." IN ADDITION, complete the SUPPLEMENTAL SHEET FOR NONPROJECT ACTIONS (part D).

For 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**

- 1. Name of proposed project, if applicable:** *City of Edmonds Comprehensive Water System Plan*
- 2. Name of applicant:** *City of Edmonds*
- 3. Address and phone number of applicant and contact person:**  
*Rob English  
City Engineer  
121 5<sup>th</sup> Ave N  
Edmonds, WA 98020  
425-771-0220*

4. **Date checklist prepared:** *June 2, 2010*
5. **Agency requesting checklist:** *City of Edmonds.*
6. **Proposed timing or schedule (including phasing, if applicable):**  
*The Edmonds City Council is likely to hold a public hearing on Water System Plan in July 2010. Projects in the Plan will be implemented over the twenty-year planning horizon.*
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.*
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.*
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.*
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*
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 six 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 conservation program, water system standards and operations and maintenance.*
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 the for the southwest portion of the City that is served by Olympic View Water & Sewer District. These limits are generally defined as the area that extends north to Meadowdale Beach Park, south to 244<sup>th</sup> 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, 76<sup>th</sup> 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 220<sup>th</sup> Street SW and 244<sup>th</sup> Street SW.*

## **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 generally slopes downward from east to west towards the Puget Sound with the exception of the southeast corner of the service area which slopes down towards Lake Ballinger.*

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

*Greater than 40%.*

- c. **What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.**

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

- 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.*

- e. **Describe the purpose, type and approximate quantities of any filling or grading proposed. Indicate source of fill.**

*Not applicable.*

- 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.*

- g. **About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?**

*Not applicable.*

- h. **Proposed measures to reduce or control erosion, or other impacts to the earth, if any:**

*Construction temporary erosion and sediment control plans will be developed for construction activities and best management practices used to minimize and control erosion.*

## 2. AIR

- a. **What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.**

*Not applicable.*

- b. **Are there any off-site sources of emissions or odor that may effect your proposal? If so, generally describe.**

*Not applicable.*

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

*None.*

## 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, 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 western shores of the Puget Sound and contains a number of relatively small streams including Willow Creek, Shellabarger Creek, Shell Creek, Hindley Creek, Northstream, Frutidale Creek, Perinville Creek, Meadowdale Creek and a number of smaller unnamed creeks. Portions of Lake Ballinger are also located within the City of Edmonds' jurisdiction.*

- (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.*

- (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.*

- (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 Plat prior to delivery to the City of Everett, AWWD, the City of Edmonds, and several other water systems in Snohomish County.*

*Projected water demand*

<i>Description</i>	<i>2014 projected</i>	<i>2028 projected</i>
<i>Demand Data (gpm)</i>		
<i>Average Day Demand without Conservation</i>	<i>2,407</i>	<i>2,581</i>
<i>ERU Basis Data (gal/day/ERU)</i>		
<i>Demand per ERU without conservation</i>	<i>236</i>	<i>236</i>
<i>Equivalent Residential Units (ERU's)</i>		
<i>Total System ERU's</i>	<i>14,700</i>	<i>15,700</i>

- (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 flood plain as identified 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.*

- (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.*

**b. Ground:**

- (1) Will ground water be withdrawn, or 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 164<sup>th</sup> 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.*

- (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.*

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.

*No applicable.*

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

*Not applicable.*

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

*None.*

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 \_\_\_\_\_
- wet soil plants: cattail, buttercup, bulrush, skunk cabbage, other: \_\_\_\_\_
- water plants: water lily, eelgrass, milfoil, other: \_\_\_\_\_
- \_\_\_\_\_ other types of vegetation: \_\_\_\_\_

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

*None.*

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 do not show any rare, threatened, or endangered plant species in the City of Edmonds.*

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

*None.*

## 5. Animals

- a. Check or circle any birds and animals which have been observed on or near the site or are known to be on or near the site:

birds: hawk, heron, eagle, songbirds, other: \_\_\_\_\_

\_\_\_\_\_ mammals: deer, bear, elk, beaver, other: *various marine mammals may visit waters adjacent to the City in Puget Sound.*

\_\_\_\_\_ fish: bass, salmon, trout, herring, shellfish, other: \_\_\_\_\_

- 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)*

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

*Edmonds is located within the Pacific Flyway.*

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

*None.*

## 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.*

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

*No.*

- 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.*

## 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.*

**(1) Describe special emergency services that might be required.**

*None.*

**(2) 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 water quality monitoring of its distribution system in accordance with WAC 246-290-300.*

**b. Noise**

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

*None.*

**(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 hours noise would come from the site.**

*None.*

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

*None.*

**8. Land and Shoreline Use**

**a. What is the current use of the site and adjacent properties?**

*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) is primarily located south and north of the downtown; in the vicinity of the Edmonds-Woodway High School site and Stevens 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 Stevens 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.*

- b. Has the site been used for agriculture? If so, describe.**  
*No.*
- c. Describe any structures on the site.**  
*Typical urban development.*
- d. Will any structures be demolished? If so, what?**  
*No.*
- e. What is the current zoning classification of the site?**  
*Varies depending on location within the City of Edmonds.*
- f. What is the current comprehensive plan designation of the site?**  
*Varies depending on location within the City of Edmonds.*
- 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 the Puget Sound and Lake Ballinger.*
- h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.**  
*Critical areas are defined in ECDC 23.40 through ECDC 23.90.*
- i. Approximately how many people would reside or work in the completed project?**  
*The City of Edmonds population is approximately 40,000. The population located within the service area is approximately 32,349. Projected population within the service area at the end of the twenty-year planning horizon is 35,743.*
- j. Approximately how many people would the completed project displace?**  
*None.*
- k. Proposed measures to avoid or reduce displacement impacts, if any:**  
*None.*
- 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.*

**9. Housing**

- a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.**  
*None.*

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

*None.*

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

*None.*

#### 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.*

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

*None.*

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

*None.*

#### 11. **Light and Glare**

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

*None.*

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

*No.*

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

*None.*

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

*None.*

#### 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.*

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

*No.*

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

*None.*

#### 13. **Historic and Cultural Preservation**

- a. **Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.**

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

- b. **Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.**

*None known.*

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

*None.*

#### 14. **Transportation**

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

*Numerous streets through out the City. Main arterials include State Route 104, State Route 564, and Highway 99.*

- b. **Is site currently served by public transit? If no, what is the approximate distance to the nearest transit stop?**

*Yes. Ferry, train, and bus.*

- c. **How many parking spaces would the completed project have? How many would the project eliminate?**

*None.*

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

*No*

- e. **Will the project 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.*

- f. **How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.**

*None.*

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

*None.*

#### 15. **Public Services**

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

*No.*

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

*None.*

**16. Utilities**

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

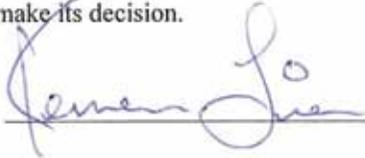
*All utilities are available within the City of Edmonds..*

- 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.*

**C. SIGNATURE**

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.



---

SEPA Checklist prepared by  
Kernan Lien, Associate Planner

6-2-10

---

Date Submitted

## 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 emission 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 now allow or encourage incompatible 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, although they 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.*

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# CITY OF EDMONDS

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

RCW 197-11-970 Determination of Nonsignificance (DNS)

## DETERMINATION OF NONSIGNIFICANCE

**Description of proposal:** The City of Edmonds is updating its Comprehensive Water System Plan. The Comprehensive Water System Plan is a planning document used to evaluate the City of Edmonds water system and plan future improvements for six 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 conservation program, water system standards and operations and maintenance.

**Proponent:** City of Edmonds

**Location of proposal, including street address if any:** City-Wide

**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.

XX There is no comment period for this DNS.

\_\_\_\_\_ 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 \_\_\_\_\_.

**Project Planner:** Kernen Lien, Associate Planner

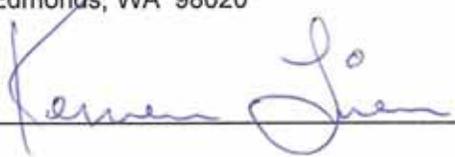
**Responsible Official:** Robert Chave

**Position/Title:** Manager - Planning Division

**Phone:** 425-771-0220

**Address:** City of Edmonds, 121 5th Avenue North, Edmonds, WA 98020

**Date:** June 3, 2010

**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 **June 17, 2010**. 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 **June 3, 2010**, at the Edmonds Public Library, Edmonds Community Services Building, and the Edmonds Post Office.

XX Emailed to Department of Ecology along with a copy of the SEPA Checklist

Mailed notice of the SEPA Determination to the following:

<u>XX</u>	Environmental Review Section Department of Ecology P.O. Box 47703 Olympia, WA 98504-7703	<u>XX</u>	City of Shoreline Attn.: Project Manager 17544 Midvale Avenue North Shoreline, WA 98133-4921
<u>XX</u>	COMCAST Outside Plant Engineer, North Region 1525 75 <sup>th</sup> St SW Ste 200 Everett, WA 98203	<u>XX</u>	Town of Woodway Attn.: Clerk-Treasurer 23920 113th Place West Woodway, WA 98020
<u>XX</u>	Washington State Dept. of Transportation Attn: Ramin Pazooki SnoKing Developer Services, MS 221 15700 Dayton Ave. N. PO Box 330310 Seattle, WA 98133-9710	<u>XX</u>	City of Mukilteo 11930 Cyrus Way Mukilteo, WA 98275
<u>XX</u>	Washington State Dept. of Commerce 906 Columbia Street SW P.O. Box 48300 Olympia, WA 98504-8300	<u>XX</u>	Stevens Hospital 21601 76th Avenue West Edmonds, WA 98026
<u>XX</u>	Puget Sound Partnership P.O. Box 40900 Olympia, WA 98504-0900	<u>XX</u>	Edmonds School District No. 15 Attn.: Planning and Property Manager 20420 68th Avenue West Lynnwood, WA 98036-7400
<u>XX</u>	DNR SEPA Center P.O. Box 47015 Olympia, WA 98504-7015	<u>XX</u>	Community Transit Attn.: Brent Russell 7100 Hardezon Road Everett, WA 98203
<u>XX</u>	Puget Sound Regional Council Attn.: S.R.C. 1011 Western Avenue, Suite 500 Seattle, WA 98104-1035	<u>XX</u>	Olympic View Water & Sewer District 23725 Edmonds Way Edmonds, WA 98020
<u>XX</u>	Snohomish County Planning & Development Services 3000 Rockefeller Everett, WA 98201	<u>XX</u>	Alderwood Water District 3626 156th Street Southwest Lynnwood, WA 98037
<u>XX</u>	Snohomish County Public Works Attn.: Environmental Coordinator 3000 Rockefeller M/S 607 Everett, WA 98201	<u>XX</u>	Port of Edmonds 336 Admiral Way Edmonds, WA 98020
<u>XX</u>	Snohomish County Fire District No. 1 Headquarters Station No. 1 Attn.: Director of Fire Services 12310 Meridian Avenue South Everett, WA 98208-5764	<u>XX</u>	Burlington Northern Railroad 2900 Bond Everett, WA 98201
<u>XX</u>	EIS Reviews Metro King County Environmental Planning 821 2nd Avenue Seattle, WA 98104	<u>XX</u>	National Marine Fisheries Service Northwest Regional Office 7600 Sand Point Way NE Seattle, WA 98115-0070
<u>XX</u>	City of Lynnwood Attn.: Senior Planner P.O. Box 5008 Lynnwood, WA 98046	<u>XX</u>	Puget Sound Energy Attn: Elaine Babby PO Box 97034, M/S EST-11W Bellevue, WA 98009-9734
<u>XX</u>	City of Mountlake Terrace Principle Planner 6100 219 <sup>th</sup> St. SW, Suite 200 Mountlake Terrace, WA 98043	<u>XX</u>	Dean Saksena, Senior Manager Snohomish Co. PUD PO Box 1107 Everett, WA 98206-1107
		<u>XX</u>	Kojo Fordjour Department of Ferries Environmental Manager 2901 3 <sup>rd</sup> Ave., Suite 500 Seattle, WA 98121-3014
		<u>XX</u>	City of Everett Planning & Community Development 2930 Wetmore Ave, Ste 8A Everett, WA 98201



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City of Edmonds  
Water Use  
Efficiency Report

January 2008

## 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:

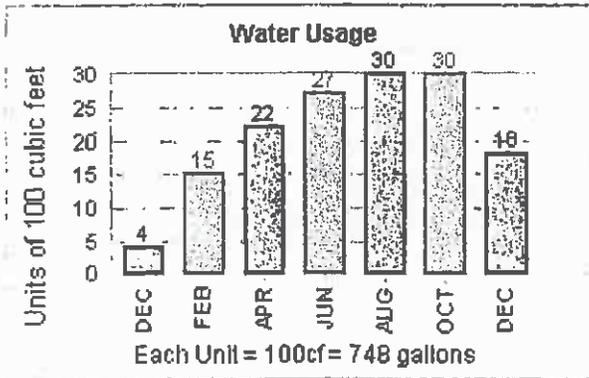
**Leak Detection Surveys** – Each year the City contracts with a specialty company to survey approximately one-third of the water distribution system. Once leaks are identified they are repaired immediately.

**Water Main Replacement Program** – Each year the City replaces approximately 1.5 miles of the distribution system, which consists of the remaining thin-walled steel pipes.

**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).

Example of consumption history on a typical residential customer's bill:

Meter #	Prev Read 1	Prev Read 2	Prev Read 3	Curr Date	Curr Read 1	Curr Read 2	Curr Read 3	Amount Due:	\$119.10
2530	1,316	0	0	11/19/2007	1,334	0	0	TOTAL	18



**PROPERTY OWNER RESPONSIBILITY:** The property owner is legally responsible for all charges on this bill. ALL COMBINED UTILITY BILLS REMAIN AGAINST THE PROPERTY EVEN IF THERE IS A CHANGE OF OWNERSHIP.

**PAYMENT TERMS:** Your Combined Utility Bill is due and payable upon receipt, and is considered delinquent if not paid in full by the Due Date. Make your check or Money Order payable to the City of Edmonds. DO NOT SEND CASH. Full payment must be received in our office no later than 4:30 p.m. on the Due Date. You may use our payment drop box located at City Hall, 121 5th Ave. N, 425-771-024 pay in person at City Hall, or mail your payment to us 5-7 days prior to the Due Date.

**RETURNED CHECKS:** If your check is returned to us unpaid by your bank, repayment will be required in the form of cash, Cashier's Check or Money Order along with a \$30 returned check fee. If your payment was made after the Due Date to avoid "Turn Off", your services will be disconnected immediately and additional charges will be applied to your account.

**DELINQUENCY:** Once your account becomes delinquent, your account may be subject to a 10% penalty on the unpaid balance.

**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 presentations were redesigned in 2005 to keep the content fresh and relevant, which resulted in a significant increase in the number of presentations.

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 includes 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 help 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 formerly printed on the utility bill itself.

The kits include a low-flow showerhead, a kitchen faucet aerator, two bathroom faucet aerators, a toilet tank water displacement bag, toilet leak detection tablets, a gauge to measure losses from household leaks, and a conservation brochure. 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 1,160 kits have been distributed to City of Edmonds residents beginning 2001 through 2007.

**Outdoor Irrigation Kits** – As part of the EWUC program, the City has offered free outdoor water conservation kits to residential customers since 2001. The kits target households with irrigated landscape areas, primarily single family homes that do not have automatic irrigation systems. The kits 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 kits are marketed through announcements in local newspapers, the city newsletter, and formerly printed on the utility bill itself.

The kits include an automatic shut-off watering timer for use with a lawn sprinkler or drip hose, an adjustable spray hose nozzle, a gauge to measure rainfall and/or sprinkler output, a package of hose washers to reduce leaks, and a conservation brochure. These kits are estimated to save an average of 40 gallons of water per day. Approximately 1,400 outdoor kits have been distributed to City of Edmonds residents beginning 2001 through 2007.

**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 2002. The program is targeted at schools with large irrigation demands. Most schools have large sports 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 incentives 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.

**Pre-Rinse Spray Head Program** – As part of the regional EWUC program, the City participated in a program in 2005 to replace pre-rinse spray heads in food service establishments. The program was a joint effort with Puget Sound Energy and the Snohomish County PUD and was modeled after a similar, successful effort in Seattle/King County. Under the program, a contractor was hired to market the program and install the spray heads. The contractor also installed aerators on other faucets at the participating facilities. The program was jointly funded by the three sponsoring agencies.

Each spray head is estimated to save about 100 gallons of water per day. Each faucet aerator is estimated to save 30 gallons of water per day. Through the end of 2005, 30 spray heads and approximately 25 aerators were installed within the City of Edmonds.

## **Water Use Efficiency Goal Establishment**

During the previous 2002 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 November 2007 Edmonds City Council Committee Meeting, staff advised the committee and the general public of the requirement to obtain public comment on water use efficiency measures which would benefit the City of Edmonds.

On December 4, 2007, a public hearing was held which included public input to establish the water use efficiency measures as an overall water savings goal. 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. Please refer to the Hearing Notice, the meeting minutes, and the local newspaper's December 13, 2007 article contained in this report.

**Estimated Annual Savings** – The estimated conservation savings the City has achieved in the past six years has averaged approximately .75 percent of the total annual water consumption citywide. Based on current experience and the projected savings that were established by the City of Everett, Edmonds anticipates that overall annual water savings will be a continued reduction of .75 percent and a minimum of reduction of one percent annually on a per capita basis. This equates to a decrease of 9 million gallons per year or 25,600 gallons per day. Please refer to the attached Annual Water Consumption Chart.

**Distribution System Leakage** – Based on 2006 water consumption records, the overall non-revenue water amount equates to 5.7 percent 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 2008 – 2013** – 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 contract for annual surveys.

**Water main replacement program** – The City will continue this program at a cost of approximately \$1 million annually.

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

**Toilet rebates** – 1.6 gallons per flush – The City will begin to offer rebates for customers to replace less efficient toilets with 1.6 gallons per flush (GPF) toilets, which is the maximum allowed under the plumbing code. The rebate amounts have yet to be decided but will likely range from \$50 to \$75 for the residential sector and \$100 or more for the non-residential sector. The target audience is existing customers with pre-code models. New customers and construction are excluded since their fixtures will already be 1.6 models due to the plumbing code. This program will be offered to the single-family, multi-family, and non-residential sectors.

**School-based education** – As part of the regional EWUC program, the City will continue to participate in school-based education programs including classroom presentations, 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** – This measure is a modification of the indoor retrofit kits 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. 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 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 has 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 via flapper leaks.

**Clothes washer rebates** – As part of the regional EWUC program the City will begin offering \$100 rebates for customers to replace less efficient residential-capacity clothes washers with more efficient models. This measure is applied to the single-family and multi-family sectors, both existing and new customers, and non-residential laundromats. For multi-family, this measure targets both clothes washers in individual households and common laundry areas. This measure is applied to both existing and new customers. The measure targets customers who are ready to purchase a new machine and is not intended to accelerate replacement before the normal lifespan ends.

**School irrigation system audits** – This measure is a modification of the school irrigation audit and upgrade program already described, as part 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 customers. 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.

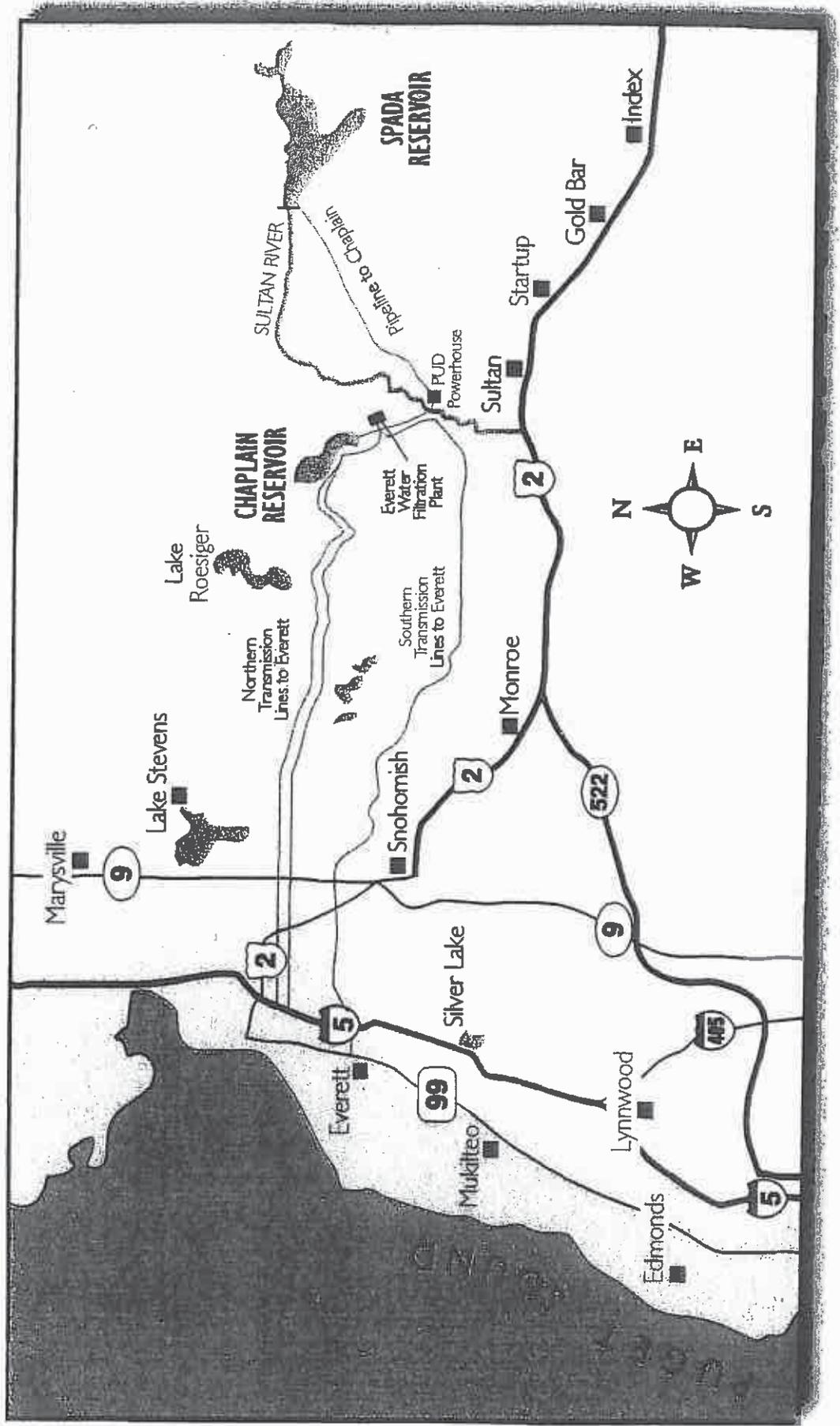
**Conservation rate structures** – Currently Edmonds customers are billed based on a relatively small fixed charge, along with a uniform rate for actual consumption. As part of the next comprehensive plan update in 2008, the City will review conservation rate structures, including inclining block and seasonal rates.

**Reclaimed water opportunities** – The next comprehensive plan update will also investigate the feasibility and opportunities to use reclaimed water. One reclaimed water project that is planned to be implemented is the installation of a vehicle wash station for city vehicles.

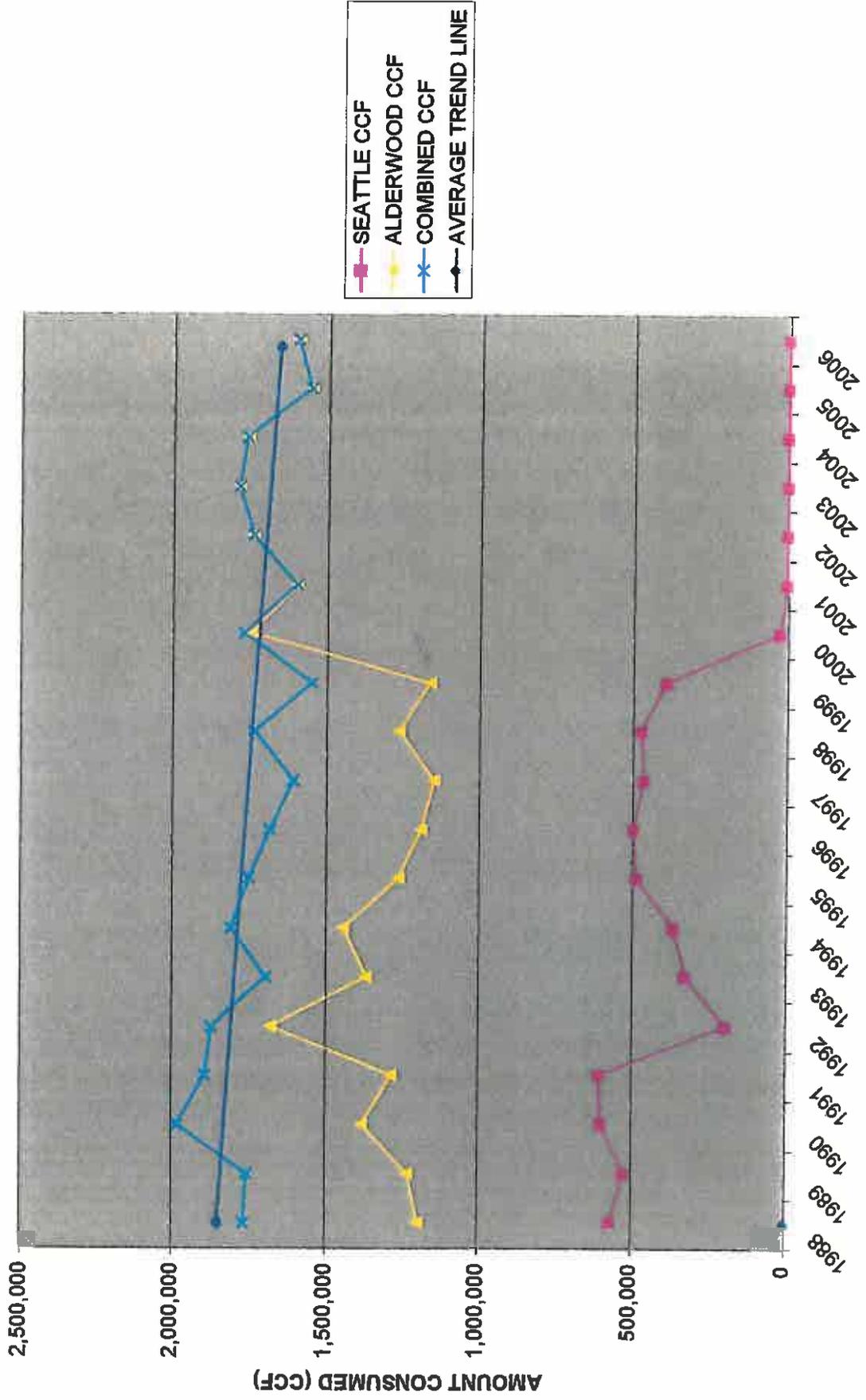
**Water Supply Summary** – The City of Edmonds water supply originates in the Cascade Mountains at Spada Lake, a man-made reservoir formed from damming the Sultan River in the 1960's. The reservoir receives rainfall and snowmelt which then is piped downstream to Chaplain Reservoir and further delivered 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 diagram 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.



# CITY OF EDMONDS ANNUAL WATER CONSUMPTION





## MEMORANDUM

---

**Date:** September 11, 2009  
**To:** Tom Lindberg, MSA  
**From:** Steve Koho and Noel Miller  
**Subject:** Thoughts on reclaimed water at the WWTP and City wide

The City isn't producing any reclaimed water, as defined by the regulations, for several reasons:

1. There is insignificant demand. There is a naturally high groundwater table in the near by residential areas which keeps many yards damp thus reducing the need for irrigation water. The nature of most businesses in the City core also doesn't require a significant need for large volumes of potable water.
2. No ability or capital funding to produce it. We would need significant space in order to provide the additional polishing of our effluent, and there is no area left on the site where this could be done.
3. Cost and energy prohibitive. The geography in the area of the plant is near sea level. Thus, all reclaimed water would need to be pumped uphill. The pumps would need to be large to overcome the head caused by the elevation gain. There is no reclaimed water piping infrastructure, and no funds available for the purchase and installation of the purple pipe.

Although we don't use or produce truly reclaimed water, we do recycle our effluent (non-potable water, or non-pot) in a number of ways to conserve potable water:

1. We use non-pot for the wet scrubbers that serve as air pollution control devices for the incinerator. This flow volume is approximately 300 gpm for an average of 15 hours per day.
2. We use non-pot for all spray systems and also for washing equipment down.
3. We use non-pot for the make-up water for our odor scrubber.
4. We own heat pumps for heating and cooling the office building because we use non-pot water as the heating/cooling source for the heat pumps.

We modified a treatment process to use raw sewage for carrier water instead of the previous system that used high volumes of non-pot water. While this effort didn't conserve potable water consumption, it did reduce power consumption by reducing the amount of energy used by the non-pot water system.

On the private business side, there are two vehicle wash stations in the City for the general public that use reclaimed water systems. The City uses these stations to wash its passenger vehicles.

At the Public Works Operations and Maintenance Center, a vehicle wash station using a reclaimed water system is planned to be installed in 2011.

At the Port of Edmonds, a boat washing facility was installed in the past 5 years which uses a reclaimed water system.

In 2008, a PCC Natural Market store was built which has a rainwater harvest system to reduce potable water consumption. The City encourages other businesses to do the same.