

1
2
3
4
5 BEFORE THE BOUNDARY REVIEW BOARD FOR THE COUNTY OF KING
6
7

8 **In re: Assumption of the Ronald**
9 **Wastewater District by the City of**
10 **Shoreline within King County.**

File No. 2357

11 **Declaration of**
12 **Julie Ainsworth-Taylor**

13 I, Julie Ainsworth-Taylor, declare under penalty of perjury under the laws of the State
14 of Washington state as follows:
15

16 1. I am not a party to this action, I am over the age of eighteen, and I make this
17 declaration based on my personal knowledge.

18 2. I am the Assistant City Attorney for the City of Shoreline.

19 3. Attached as Exhibit A is a true and correct copy of an index produced by the King
20 County Archives. This index was provided to me by Rebecca Pixler, Assistant Archivist at
21 the King County Archives.
22

23 4. Attached as Exhibit B is a true and correct copy of King County Ordinance 17019.
24 This copy was downloaded from the King County Council's Legislative Search Database -
25 http://www.kingcounty.gov/council/clerk/search_archive.aspx

DECLARATION OF
AINSWORTH-TAYLOR - 1

SHORELINE CITY
ATTORNEY'S OFFICE

17500 MIDVALE AVENUE N.
SHORELINE, WA 98133-4921
(206) 801-2223
FAX (206) 801-2781

1 5. Attached as Exhibit C is a true and correct copy of representative interlocal
2 agreements that the Ronald Wastewater District has entered into with other entities. These
3 documents were provided to the City of Shoreline by the Ronald Wastewater District.

4 6. Attached as Exhibit D is a true and correct copy of minutes of the Transition
5 Committee for the Ronald Wastewater District Assumption and a true and correct copy of the
6 Project Charter for that Committee.

7 7. Attached as Exhibit E is a true and correct copy of Ronald Wastewater District
8 Resolution 02-66. This document was provided to the City of Shoreline By the Ronald
9 Wastewater District.

10 8. Attached as Exhibit F is a true and correct copy of excerpts of the Ronald Wastewater
11 Comprehensive Sewer Plan (January 2010).

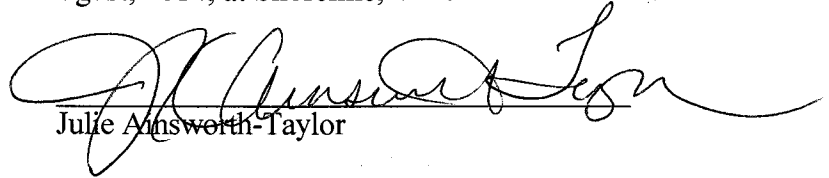
12 9. Attached as Exhibit G is a true and correct copy of Snohomish County Motion 10-185
13 approving the Ronald Wastewater District Comprehensive Sewer Plan. This document was
14 obtained from Snohomish County's on-line council document database -
15 <http://snohomishcountywa.gov/940/Online-Council-Documents>
16

17 10. Attached as Exhibit H is a true and correct copy of the City of Shoreline's July 7,
18 2014 response to the North City Water District's comment letter.

19 11. Attached as Exhibit I is a true and correct copy of excerpts from the Washington State
20 Legislature Local Governance Study Commission's 1985 report - *The Quiet Crisis of Local*
21 *Governance in Washington.*
22
23
24
25

1 12. Attached as Exhibit J is a true and correct copy of excerpts from the February 2009
2 Draft Supplemental Environmental Impact Statement for Snohomish County's
3 Comprehensive Plan Amendments.

4 DATED this 15th day of August, 2014, at Shoreline, WA.

5
6 
7 Julie Ainsworth-Taylor
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

County Archives Records Database System

Cards Client Report

Title	Record Group	Series	Date	Type	Item Format	Agency Id	Container	Location
Annexing territory to Sewer District #23 - Ronald Sewer District [18-26-4]	102 - Commissioners	124 - Resolutions	01/10/1955	Item	Legislative File / Textual Materials	15312	Box 49	239-4-4
Annexing territory to Sewer District #23 - Ronald Sewer District [6-26-4]	102 - Commissioners	124 - Resolutions	01/30/1956	Item	Legislative File / Textual Materials	16134	Box 53	239-4-4
Annexing territory to Ronald Sewer District #23 [6-26-4]	102 - Commissioners	124 - Resolutions	01/30/1956	Item	Legislative File / Textual Materials	16135	Box 53	239-4-4
Annexing territory to Sewer District #23 (Ronald Sewer District) [18-26-4]	102 - Commissioners	124 - Resolutions	10/15/1956	Item	Legislative File / Textual Materials	16761	Box 56	239-4-4
Annexing territory to Ronald Sewer District #23 [1-26-3]	102 - Commissioners	124 - Resolutions	03/03/1958	Item	Legislative File / Textual Materials	18181	Box 62	239-4-3
Annexing territory to Sewer District #23 (Ronald Sewer District)	102 - Commissioners	124 - Resolutions	12/14/1959	Item	Legislative File / Textual Materials	20587	Box 74	239-4-2
Annexing territory to Sewer District #23 (Ronald Sewer District) [12-26-3]	102 - Commissioners	124 - Resolutions	11/20/1961	Item	Legislative File / Textual Materials	23448	Box 87	239-4-1
Annexing territory to Sewer District #23 (Ronald Sewer District) [1-26-3]	102 - Commissioners	124 - Resolutions	07/26/1965	Item	Legislative File / Textual Materials	30342	Box 118	239-3-3
Annexing territory to Sewer District #23 (Ronald Sewer District) [1-26-3]	102 - Commissioners	124 - Resolutions	08/19/1965	Item	Legislative File / Textual Materials	30467	Box 118	239-3-3
Annexing territory to Sewer District #23 (Ronald Sewer District) [4-26-4] [3-26-4]	102 - Commissioners	124 - Resolutions	11/14/1966	Item	Legislative File / Textual Materials	32651	Box 128	239-3-2
Annexing territory to Sewer District #23 (Ronald Sewer District) [5-26-4] [4-26-4]	102 - Commissioners	124 - Resolutions	01/16/1967	Item	Legislative File / Textual Materials	32954	Box 130	239-3-2
Annexing territory to Sewer District #23 (Ronald Sewer District) [1-26-3]	102 - Commissioners	124 - Resolutions	02/27/1967	Item	Legislative File / Textual Materials	33153	Box 131	239-3-2
Annexing territory to Sewer District #23 (Ronald Sewer District) [1-26-3]	102 - Commissioners	124 - Resolutions	07/26/1965	Item	Legislative File / Microfilm	30342	Reel 29 Volume 9 Page 133	234-6-3

County Archives Records Database System

Cards Client Report

Title	Record Group	Series	Date	Type	Item Format	Agency Id	Container	Location
Annexing territory to Sewer District #23 (Ronald Sewer District) [1-26-3]	102 - Commissioners	124 - Resolutions	08/19/1965	Item	Legislative File / Microfilm	30467	Reel 29 Volume 9 Page 550	234-6-3
Annexing territory to Sewer District #23 (Ronald Sewer District) [4-26-4] [3-26-4]	102 - Commissioners	124 - Resolutions	11/14/1966	Item	Legislative File / Microfilm	32651	Reel 33 Volume 13 Page 1674	234-6-3
Annexing territory to Sewer District #23 (Ronald Sewer District) [5-26-4] [4-26-4]	102 - Commissioners	124 - Resolutions	01/16/1967	Item	Legislative File / Microfilm	32954	Reel 34 Volume 14 Page 833	234-6-3
Annexing territory to Sewer District #23 (Ronald Sewer District) [1-26-3]	102 - Commissioners	124 - Resolutions	02/27/1967	Item	Legislative File / Microfilm	33153	Reel 34 Volume 14 Page 1561	234-6-3

**KING COUNTY**

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report**January 24, 2011****Ordinance 17019****Proposed No. 2010-0304.1****Sponsors Ferguson**

1 AN ORDINANCE relating to the annexation of
2 approximately 79 acres of land into the Ronald wastewater
3 district, known as the Holyrood Cemetery Area
4 Annexation, for the purpose of providing sewer service.

5 STATEMENT OF FACTS:

- 6 1. A notice of intention proposing the annexation of approximately 79
7 acres of land into the Ronald wastewater district, known as the Holyrood
8 Cemetery Area Annexation, for the purpose of providing sewer service
9 was filed with the county council on May 14, 2010.
- 10 2. The Ronald wastewater district has found the petition for transfer to be
11 sufficient and has concurred with the proposed transfer in Resolution No.
12 10-10, passed on April 20, 2010.
- 13 3. The Ronald wastewater district filed a determination of nonsignificance
14 on the proposed annexation dated April 5, 2010.
- 15 4. The utilities technical review committee recommended county council
16 approval of the proposed annexation.
- 17 5. The county council held the legally required public hearing and has
18 considered the criteria in RCW 57.02.040.

19 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

20 SECTION 1. The annexation of approximately 79 acres of land into the Ronald
21 wastewater district for the purpose of providing sewer service described in Attachment A
22 to this ordinance is approved. Approval of this proposed annexation is consistent with
23 RCW 57.02.040.

24 SECTION 2. The Ronald wastewater district is the appropriate entity to serve the
25 area proposed to be annexed.

26 SECTION 3. Completion of this annexation does not constitute county approval

27 or disapproval of any other permits, certifications or actions necessary to provide service
28 to this annexation area.

29

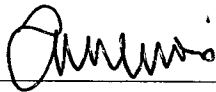
Ordinance 17019 was introduced on 5/24/2010 and passed by the Metropolitan King County Council on 1/24/2011, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 31 day of JANUARY, 2011.



Dow Constantine, County Executive

Attachments: A. Legal Description

17019

ATTACHMENT A

EXHIBIT A

2010-304

Legal description
Holyrood Cemetery Annexation

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 26 NORTH, RANGE 4 EAST;

THENCE SOUTHERLY TO THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 5;

THENCE WESTERLY TO THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 5;

THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF SAID SECTION 5;

THENCE EASTERLY TO THE POINT OF BEGINNING.

AGREEMENT BETWEEN RONALD WASTEWATER DISTRICT
AND
OLYMPIC VIEW WATER AND SEWER DISTRICT
RELATING TO USE OF SEWER SYSTEM.

THIS AGREEMENT is between Ronald Wastewater District, hereinafter "Ronald," a Washington municipal corporation, and Olympic View Water and Sewer District, hereinafter "Olympic View," a Washington municipal corporation.

RECITALS:

- A. Ronald was previously known as Ronald Sewer District and Shoreline Wastewater Management District.
- B. In 1992 Ronald entered into an agreement with the Town of Woodway relating to the Town's use of the Ronald's sanitary sewer system to serve a portion of the Town. A copy of that "Agreement" which was recorded under King County Recorder's No. 9202260057 is attached to this agreement as Exhibit "A" and its terms are incorporated herein by this reference to it.
- C. The Town of Woodway has transferred its sanitary sewer system to Olympic View by an agreement dated the 1st day of March, 2004. As a result of said agreement the Town of Woodway assigned its rights and responsibilities under the agreement with Ronald to Olympic View.
- D. In consideration of the following promises and agreements Ronald and Olympic View make the following amendments and/or modifications to the said "Agreement."

AGREEMENT:

- 1. Section 2 of the Sewer Use Agreement shall be modified to add one additional point of discharge from the Olympic View service area to the Ronald Wastewater District system and service area. The total points of discharge are now three: 23rd Place NW at 201st St. NW; at or near Ronald Wastewater District's manhole A6003 on NW 205th St approximately 500 east of Richmond Beach Drive NW; and at or near the Ronald's manhole at Lift Station 13 in Snohomish County.
- 2. Under this agreement, two additional residential connections to the Ronald system shall be allowed, increasing the maximum total number of connections from 163 to 165.

3. Section 5.1 of the aforementioned Sewer Use Agreement is modified to set the maintenance and operation fee for each of the aforementioned two connections at the current fee established by Section 5.1 plus \$1.00 per month, subject to future increases under the formula set forth in Section 5.1.
4. Except as otherwise provided herein, the terms and conditions set forth in the original agreement between the Town of Woodway and Ronald Wastewater District relating to the use of Ronald's system by Olympic View shall be binding on both Olympic View Water and Sewer District and Ronald Wastewater District, except as modified hereby.

RONALD WASTEWATER DISTRICT

By: Michael O'Donnell

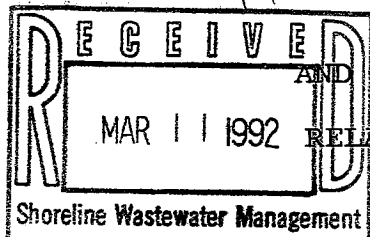
Title: General Manager

OLYMPIC VIEW WATER & SEWER
DISTRICT

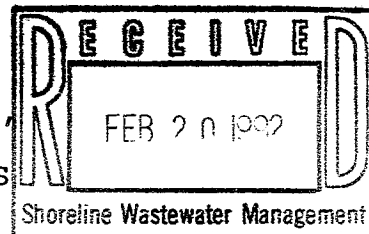
By: [Signature]

Title: GENERAL MANAGER

NOV 30 REC'D



AGREEMENT BETWEEN THE TOWN OF WOODWAY
AND SHORELINE WASTEWATER MANAGEMENT DISTRICT,
a/k/a RONALD SEWER DISTRICT
RELATING TO THE USE OF THE DISTRICT'S SEWERS



THIS AGREEMENT is between **SHORELINE WASTEWATER MANAGEMENT DISTRICT, a/k/a RONALD SEWER DISTRICT**, a municipal corporation formed pursuant to RCW 56, in King County ("the District"), and the **TOWN OF WOODWAY**, a code city in Snohomish County, Washington ("the Town"), providing for the terms and conditions regarding the discharge of a portion of the Town's sanitary sewage into the District's sanitary sewage facilities.

SECTION 1 - BACKGROUND

The District owns and operates facilities in an area known as Richmond Beach (previously a part of King County Sewerage District No. 3) which is contiguous to the southerly boundary of the Town of Woodway. The District has adopted Resolutions establishing the Rules and Regulations for the operation of its system and a Rate Resolution establishing rates and charges to be levied against its ratepayers and others using its sewer system, all of which are subject to amendment by the District's Board of Commissioners as its legislative body.

The Town has entered into an agreement with METRO for the construction of a force main which will transport sewage previously treated at METRO's Richmond Beach Plant to the City of Edmonds' secondary treatment plant currently under construction as a result of the "Flow Transfer Agreement" negotiated between the City of Edmonds and METRO.

The southerly portion of the Town has been unsewered and residences located in that area have been served by septic tanks. Since 1983, the Town has considered providing sanitary sewer service to this portion of the Town and has considered different options available to it. As a result of the Flow Transfer Agreement, the Town commenced negotiations with the District. Those negotiations have resulted in this Sanitary Sewer Service Agreement between the District and the Town.

In 1989, the Legislature of the State of Washington amended R.C.W. 56.08.010 establishing procedures for the calculation of a Connection Charge to be levied against property owners seeking to connect to and make use of the District's system of sewers. The District has, in accordance with R.C.W. 56.08.010, amended its Comprehensive Plan by its Resolution 91-52 to include its long-term planned projects in accordance with the 1989 amendment to R.C.W. 56.16.030.

On February 4, 1991, the Board of Commissioners of the District adopted Resolution 91-09 establishing the General Facilities Charge contemplated by R.C.W. 56.08.010. The District's General Facilities Charge for 1990 and 1991 connections was established at \$801.00 per Residential Customer Equivalent. Thereafter, the General Facilities Charge for Residential Customer Equivalents "shall be established annually by the District's Board of Commissioners" when establishing its budget for the next calendar year.

SECTION 2 - ESTIMATED NUMBER OF RESIDENTIAL UNITS TO BE SERVED

There is one point of discharge from the portions of the Town to be served under this Agreement. The estimated number of residential connections to serve into the District's system which has been supplied by the Town's consulting engineer, Gray and Osborne, Inc. is approximately 158 connections entering the District's system at 23rd Place N.W. at N.W. 201st Street.

Ronald Sewer Dist.
17505 Linden North
Seattle, Wa. 98133

9202260057

9112100944

14.00

008 JD

KING COUNTY RECORDS

10:04:00 AM

911210-0944

9202260057

NOV 30 REC'D

SECTION 3 - DESCRIPTION OF SERVICE AREAS

The boundaries of the Area to be served are described on attached "Exhibit 1".

Upon execution of this Agreement, the Town shall be authorized to discharge sanitary sewage from the Area to be served into the District's sanitary sewage facilities in accordance with the terms and conditions described in Section 4.

SECTION 4 - TERMS AND CONDITIONS

- 4.1 The Town shall, prior to the implementation of this Agreement, adopt a Comprehensive Plan, a copy of which, together with a certified copy of the Town's enabling ordinance, shall be attached to this Agreement as "Exhibit 2".
- 4.2 The Town shall discharge only Domestic Sewage into the District's facilities. The District may refuse to transport Domestic Sewage that does not conform to the Rules and Regulations of the District, METRO, DOE and EPA standards for Domestic Sanitary Sewage.
- 4.3 This Agreement and the Town's discharge of sewage into the District's system of sanitary sewers shall at all times be subject to the District's existing Rules and Regulations and any amendments to the District's Rules and Regulations as may in the future be adopted by the Board of Commissioners under its legislative powers.
- 4.4 The Town shall adopt rules and regulations establishing standards for the installation and inspection of its mainlines and all side sewer connections from house to stub located within the area to be served and ensure that only water tight lines are installed. A written record of each side sewer installation and its inspection shall be made and maintained by the Town and be available to the District upon written request by the District. The Town's rules and regulations pertaining to the allowances of inflow and infiltration entering into the part of its system which discharges into the District's system shall be no less stringent than the District's Rules and Regulations relating to all other District customers. Connection of storm water sources to the Town's sanitary sewer system shall not be allowed.
- 4.5 The Town shall install measuring manholes at points to be approved by the District's Consulting Engineer to provide for periodic review of flows to determine if excess flow is entering the District's system and to provide for computation of charges by the District. The Town shall be responsible for all costs related to the creation and maintenance of this information. If the District determines that flow is excessive, the Town shall remove such excessive flows from the system or the parties shall renegotiate the terms of this Agreement.
- 4.6 The gravity line constructed by METRO along N.W. 204th Street and 23rd Avenue N.W. between N.W. 205th Street and N.W. 201st Street will transport Domestic Sewage only from the Town, and all costs of the construction, maintenance, repair and replacement of this line which shall be maintained by METRO shall be the responsibility of the Town. The District shall not be responsible for any present or future costs or expenses incurred in the original construction of, or future maintenance, repair and replacement of this line.
- 4.7 The District shall perform all of the maintenance and repairs of its sewage facilities into which the METRO line described in Section 4.6, above, connects, and shall be responsible for the transmission of Domestic Sewage (Note 1) after it enters the District's sewage facilities.

9112100944

- 4.8 The Town shall report to the District any and all new connections into any part of the Town's sewage system which is connected to the District's sewage system for the purpose of establishing the District's computation of the Town's obligation for monthly Sewer Service Charges due to the District, as well as the computation and collection of the District's General Facilities Charge authorized by R.C.W. 56.08.010 and the District's Resolution 91-09.
- 4.9 The District shall be informed of each connection to be made within the area of the Town to be served by the Town under this Agreement in advance of any connection being made. Each connection shall be inspected by a District representative to permit approval and conformity with the District's standards. The District's inspection fee shall be \$30.00 to be paid by the owner of the property. The District's inspection permit fee provided for under this Agreement for the Town's residents shall be the same as that charged the District's ratepayers.
- 4.10 The Town shall negotiate its own contract for sewage treatment with METRO, and it shall provide the District with copies of all of its reports to METRO in order to permit the District to verify that there are no duplications of charges by METRO for the sewage delivered by the Town to METRO through the District's system. The Town will pay all METRO charges directly to METRO.
- 4.11 The Town assumes joint responsibility (on a pro-rata basis) for any and all liabilities incurred or created by the use of the shared line, as provided for in Section 5 of this Agreement.

SECTION 5 - FINANCIAL TERMS

- 5.1 The Town shall pay the District an annual Maintenance and Operation Fee based on fifty cents (50¢) per month per residential unit connecting to the Town's sewer system which shall serve into the District's sewer system.

The estimated number of the Town's connections is 158 (Note 2).

The upper limit on the number of connections shall be 160. Connections in excess of 160 will be the basis for the need to reanalyze the capacity formula and percentages etc. under this Agreement.

Future increases in these charges will be determined by the percentage increase in the monthly Sewer Service Charges to the District's ratepayers every five (5) years following the execution of this Agreement. For example:

If the District's monthly charges to its ratepayers increase five percent (5%) during the first five (5) years from the date of this Agreement, the charge to the Town shall, on the first day of the sixth (6th) year, increase in a like percentage.

5.2 Billing and Payment:

- 5.2.1 On or before January 31 of each year, the Town shall provide the District with a list of existing connections, by street address, including a statement of new connections made in the previous year together with the date upon which each connection was made.
- 5.2.2 On June 1 of each year, the District will submit a bill to the Town based on the charges for the previous year ending December 31;

- 5.2.3 The Town shall make its payment to the District within 30 days of the billing date;
- 5.2.4 Penalties for late payment shall accrue as interest on the delinquent payment at the rate of 1% per month after the 30 day period has elapsed.

5.3 Collection of General Facilities Charge:

- 5.3.1 The District and the Town agree that at the execution of this Agreement, the District's Connection Charge to property owners in the Town who are provided for under this Agreement shall be \$350.00. This rate shall remain in effect through December 31, 1992. Thereafter, the Connection Charge shall be revised by the District as part of its annual budgetary reassessment, and it shall increase or decrease in the same proportion as the District's General Facility charge levied each year upon ratepayers within the District.
- 5.3.2 The Town shall, upon issuing permits to property owners for connection to that portion of the Town's Sanitary Sewage System which serves into the District's Sanitary Sewage System, provide for the property owners' payment of the General Facilities Charge levied by the District. The Town shall pay to the District the District's General Facilities Charge for each property to be connected to the System prior to permitting the connection to be made. Such payment shall be delivered by the Town to the District within thirty (30) days following the Town's issuance of a permit.
- 5.3.3 The Town may, in dealing with its sewer customers who serve into the District's Sanitary Sewage System, enter into whatever payment plan may be acceptable to the Town, but such arrangements shall have no effect on the Town's obligation to remit payment to the District of the General Facility Charge within the 30-day period following issuance of permit and prior to the Town's actually providing service by permitting the connection.
- 5.3.4 On or before December 1 of each year, commencing with December 1, 1992, The District shall notify the Town of the amount of the General Facilities Charge established by the District's Board of Commissioners for the Town's area covered by this Agreement for the next calendar year.
- 5.3.5 The District shall for a period of thirty (30) years from the date of this Agreement bear all the costs of maintenance, repair and replacement of its mainline (1,225 feet in length) into which the Town serves, and shall hold harmless and indemnify the Town from all such costs. Thereafter, the District and the Town shall share in such costs on a pro rata basis, based upon the number of residential equivalent units each shall serve into the District's mainline.

5.4 Hold Harmless and Indemnity:

- 5.4.1 The Town shall indemnify, hold harmless and defend the District against any and all claims or actions filed or brought against the District by any third party as a result of any work done by the Town, its contractors or subcontractors, or conditions existing as a result of any contracts let by the Town for the construction or maintenance and repair of any part of the Town's Domestic Sewage System

9112100944

9202260057

flowing into the District's Domestic Sewage System and the work done under such contracts, except for work done by the District.

- 5.4.2 The Town shall indemnify, hold harmless and defend the District from any claims or damages which the District may now or in the future sustain as a result of any work done or any condition caused by or resulting from the Town's use of the District's facilities, including the cost of the defense of any action brought against the District.
- 5.4.3 The indemnity of the District by the Town shall include the District's reasonable attorney's fees, expenses, and all other costs of defense the District may incur.
- 5.4.4 In the event that the Town fails to defend any action brought against the District as a result of this contract, the District shall have the right, but not be obligated, to defend that action, and, if the defense of it is unsuccessful, pay such judgment as may be recovered against the District and recover from the Town the amount of any judgment, including any costs and attorneys' fees which may be levied against the District and all costs and attorneys' fees incurred by the District in the defense of that action by the District.*

SECTION 6 - OTHER

6.1 Disputes:

- 6.1.1 In the event of a dispute between the District and the Town arising under the terms and conditions of this Agreement, the dispute shall be first negotiated by the Manager of the District and the Mayor of the Town who shall use their best efforts to resolve the dispute and submit their proposals for settlement to their respective legislative bodies for approval.
- 6.1.2 If the dispute cannot be resolved by the Manager and the Mayor, the dispute shall be submitted to the Board of Commissioners of the District and the Town Council of the Town for negotiation and resolution if possible.
- 6.1.3 If the dispute cannot be resolved by negotiations between the Board of Commissioners and the Town Council, the dispute shall be submitted to a single arbitrator to be agreed upon by both parties. The decision of the arbitrator shall be final and binding on both parties. The arbitrator shall not be required to take the position of either one party or the other, but may resolve the dispute in an equitable manner as the arbitrator may deem equitable and appropriate. The parties by agreement may waive arbitration. The arbitrator's fees and costs shall be paid by the non-prevailing party, or if the arbitrator's decision shall be a compromise of the positions of the parties, the fees and costs shall be shared equally by the parties.

In the event that the parties shall be unable to agree on the appointment of an arbitrator, they shall jointly or either one may independently file a petition to the presiding judge of the Superior Court of King County for the appointment of an arbitrator and such appointment shall be binding upon both parties.

9112100944

9202260057

6.2 Term:

The term of this Agreement shall be for thirty (30) years, commencing on November 15, 1991, and may thereafter be extended by mutual agreement between the parties.

NOTE 1 - Acceptable sewage is defined as sewage meeting METRO, DOE and EPA standards.

NOTE 2 - Any other areas of the Town which may serve into Lift Station 13 or into the District's facilities described in this Agreement are excluded from this Agreement. Prior to authorizing design plans for Lift Station 13, the District will contact the Town, and the Town will have thirty (30) days to request the opportunity to purchase capacity, negotiate its contribution to the construction or renovation of the Lift Station and negotiate a separate contract for service.

RONALD SEWER DISTRICT

TOWN OF WOODWAY

By Constance King
President and Commissioner

By Carol H. Simons
Mayor

By Irvin A. Potter
Secretary and Commissioner

Dated: 11-20-91

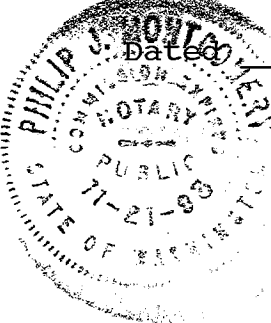
By Harold G. Gillingham

Attest: Debbie H. Sawyer
Clerk/Treasurer

Dated: 25 Nov 91

State of Washington)
County of King) ss.

I certify that I know or have satisfactory evidence that Constance King and Irvin A. Potter are the persons who appeared before me, acknowledged signing this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the President and Secretary, respectively, of Ronald Sewer District, a municipal corporation, as their free and voluntary act for the uses and purposes mentioned in the instrument.



Dated: Nov 25, 1991.

Philip J. Montgomery
Notary Public in and for the State
of Washington, residing at Sedro
My appointment expires 11-21-93

State of Washington)
County of ~~King~~ Snohomish) ss.

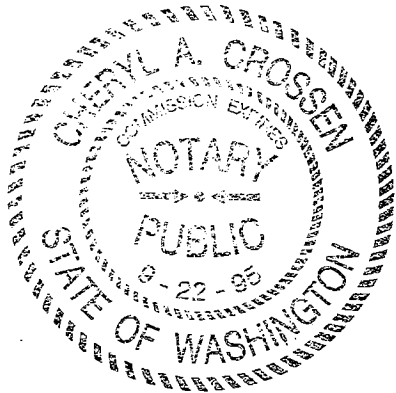
I certify that I know or have satisfactory evidence that Carol H. Simons is the person who appeared before me, acknowledged signing this instrument, on oath stated that she was

authorized to execute the instrument and acknowledged it as the Mayor of The Town of Woodway as ^{per} his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated 11-20-91, 1991.

Cheryl A. Crossen

Notary Public in and for the State
of Washington, residing at Mt. Rainier
My appointment expires 9-22-95.



9112100944

9202260057



**MOUNTLAKE
TERRACE**

COPY

September 2, 2003

SEP 09 2003

Michael Derrick
Ronald Wastewater District
17505 Linden Avenue North
Shoreline, WA 98133-0490

**Subject: Second Amendment to the Agreement for Use of Sewage Disposal
Facilities
Transmittal of Signed Documents**

Dear Michael:

Enclosed is the fully executed Original No. 1 of the Second Amendment to the Agreement dated December 3, 1979 for Use of Sewage Disposal Facilities. This document is provided for your use and your records.

Thanks for your cooperation.

Sincerely,

Willem H. Van Ry, P.E.
City Engineer

Attachments

WHVR/ac

cc: Project File & CD Read File

N:\ENGINEER\Sanitary\Sewer Agreements\Ronald Agmt Mod\Ronald Amendment - transmittal 09-02-03.doc

www.ci.mountlake-terrace.wa.us

City Hall
23204 58th Ave West
Mountlake Terrace WA 98043
425.776.1161
fax 425.778.6421

Police Department
5906 232nd St SW
Mountlake Terrace WA 98043
425.670.8260
fax 425.776.5788

Fire Department
23204 58th Ave West
Mountlake Terrace WA 98043
425.776.1161
fax 425.778.6421

Recreation & Parks
5303 228th St SW
Mountlake Terrace WA 98043
425.776.9173
fax 425.775.2365

SECOND AMENDMENT

RE:

AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL
FACILITIES

RONALD SEWER DISTRICT - CITY OF MOUNTLAKE TERRACE

This Amendment made and executed this 30th day of July, 2003,
between the City of Mountlake Terrace, a municipal corporation of the State of
Washington, hereinafter referred to as "City", and the Ronald Wastewater District,
formerly Ronald Sewer District, hereinafter referred to as "Ronald".

WITNESSETH

WHEREAS, the parties entered into an Agreement dated December 3, 1979, and a
subsequent modification addendum thereto dated March 17, 1980, which is currently in
effect, and

WHEREAS, the 1979 Agreement designated the service area boundary within the City
that must flow into the Ronald sewer system, and

WHEREAS, the Agreement includes Exhibit A and Exhibit B that described pictorially
and in words the service area boundary within City that must flow into the Ronald sewer
system along with the service area boundary of Mountlake's Terrace Ridge Pump
Station, and that portion of the service area of the Terrace Ridge Pump Station that may
also flow to the Ronald system, and

WHEREAS, a recent engineering analysis indicates that boundary of the area within City
that must flow into the Ronald system must be modified to more accurately identify areas
that must flow to Ronald sewer system because of the lack of City sewers capable of
providing gravity service to the City trunk sewer mains.

NOW, THEREFORE, THE PARTIES AGREE TO AMEND THE DECEMBER 3, 1979
AGREEMENT AS FOLLOWS:

SECOND AMENDMENT
AGREEMENT FOR USE OF SEWAGE DISPOSAL FACILITIES
RONALD SEWER DISTRICT - CITY OF MOUNTLAKE TERRACE

Page 2 of 2


1. Original Exhibits A and B shall be stricken and deleted and new Exhibits A, B-1, B-2, and B-3 attached hereto and incorporated by reference as though fully set forth, shall replace the deleted Exhibits A and B to the Agreement.
2. Ronald will accept sewage from those areas currently flowing to Ronald's facilities and those areas identified in the revised and updated Exhibits A, B-1, B-2, and B-3.
3. All conditions of the Agreement and Modification Addendum not inconsistent with this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto executed this agreement the day and year first above written.

ATTEST:


City Clerk

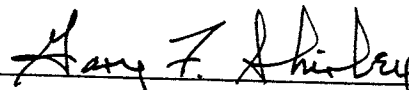
CITY OF MOUNTLAKE TERRACE

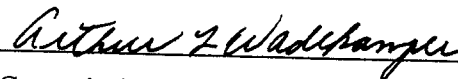

Connie L. Fessler, City Manager

ATTEST:

Secretary

RONALD WASTEWATER DISTRICT


Commissioner


Commissioner

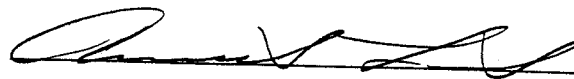

Commissioner

Exhibit B1

Ultimate Service Boundary Which Must Flow into Ronald's System

Legal Description July 2003

That portion of the south $\frac{1}{2}$ of Section 33, T 27N, R4E, W.M., described as follows:

1. commencing at the southwest corner of the southeast $\frac{1}{4}$ of said Section 33,
2. thence northerly along the west boundary line of the southeast $\frac{1}{4}$ of said Section to its intersection with an extension of the north margin line of the right-of-way of 244th Street Southwest and the True Point of Beginning;
3. thence easterly along said margin line to the southeast corner of lot 6, Block 1 of the plat of Pine Hill as recorded in Volume 14, page 18 of the Records of Plats, Snohomish County, Washington;
4. thence northerly along the east boundary of said lot 6, Block 1 to the northeast corner of said lot 6,
5. thence westerly along the north boundary lines of lots 6 through 13, all in Block 1, to the southeast corner of lot 14, Block 2;
6. thence northerly along the east boundary line of said lot 14, its northerly extension, and the east boundary of lot 14, Block 3 to the northeast corner of said lot 14;
7. thence westerly along the north boundary line of said lot 14 to its intersection with the east margin of the west 100 feet of the plat of Hanburys North Race Track Addition as recorded in Volume 7, page 6 of the Records of Plats, Snohomish County, Washington;
8. thence northerly along said margin and its extension to its intersection with the centerline of the right-of-way of 242nd Street Southwest;
9. thence westerly along said centerline to its intersection with the centerline of the right-of-way of 52nd Avenue West;
10. thence northerly along said centerline to its intersection with the easterly extension of the south boundary line of the north half of Lot 6 of the Plat of Lake Forest Crest as recorded in Volume 10, page 107 of the Record of Plats, Snohomish County, Washington;

EXHIBIT B1

to the

SECOND AMENDMENT

RE: AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL FACILITIES

RONALD SEWER DISTRICT - CITY OF MOUNTLAKE TERRACE

Page 2 of 3

11. thence westerly along said line to the east boundary of the west 180 feet of Lot 6 of the plat of Lake Forest Crest,
12. thence southerly along the said boundary to its intersection with the north boundary line of lot 7 of said plat;
13. thence westerly along said boundary line to the northeast corner of lot 14 of said plat;
14. thence westerly along the north boundary line of said lot 14 to its intersection with the east boundary line of the west 120ft of lot 15;
15. thence northerly along the said boundary line to the intersection with the south boundary of the north 60ft of the west 120 feet of said lot 15;
16. thence westerly along said line and its westerly extension to its intersection with the centerline of the right-of-way of 54th Avenue West;
17. thence northerly along said centerline to its intersection with the easterly extension of the north boundary line of lot 26 of said plat;
18. thence westerly along said line to its intersection with the west boundary of the east halves of lots 26, 27 and 28;
19. thence southerly along said line to its intersection with the north boundary line of the south ½ of said lot 28;
20. thence westerly along said line to its intersection with the west boundary line of said lot 28;
21. thence southerly along said line to the northeast corner of lot 32 of said plat;
22. thence westerly along the north boundary line of said lot 32 to its intersection with the east boundary line of the west 170.52 feet of said lot 32;
23. thence southerly along said line to the north boundary line of lot 31 of said plat;
24. thence westerly along said line to its intersection with the east boundary line of the west 120 feet of said lot 31;

EXHIBIT B1

to the

SECOND AMENDMENT

RE: AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL FACILITIES

RONALD SEWER DISTRICT – CITY OF MOUNTLAKE TERRACE

Page 3 of 3

25. thence southerly along said line to its intersection with the north margin line of the right-of-way of 244th Street Southwest;
26. thence easterly along said margin line and its extensions to the True Point of Beginning.

All situated in Snohomish County, State of Washington.

N:\ENGINEER\Sanitary\Sewer Agreements\Ronald Agmt Mod\Exhibit B1 legal - clean.doc

Exhibit B2

**Ultimate Service Boundary of
Terrace Ridge Pump Station**

**Legal Description
July 2003**

That portion of the southeast 1/4 of Section 33, T27N, R4E, W.M.; described as follows:

1. commencing at the southwest corner of the southeast 1/4 of Section 33,
2. thence easterly along the south boundary line of said Section 33 to an intersection with the southerly extension of the west boundary line of lot 5, Block 1 of the Plat of Pine Hill, as recorded in Volume 14, page 18 of the Records of Plats, Snohomish County, Washington;
3. thence northerly to the southwest corner of said lot and the True Point of Beginning;
4. thence continuing northerly along said lot boundary line to the northwest corner of said lot;
5. thence easterly along the north boundary lines of lots 5 through 2 of said block to the northeast corner of lot 2,
6. thence northerly along the west boundary line of lot 1, Block 2, its northerly extension across 243rd Street SW, and the west boundary of lot 1, Block 3, all within the Plat of Pine Hill to the northwest corner of said lot 1, Block 3 and an intersection with the south boundary line of lot 1, Block 1 of Gemmett's Park as recorded in Volume 14, page 36 of the Record of Plats, Snohomish County, Washington;
7. thence westerly along said south boundary line to the southwest corner of said lot 1;
8. thence northerly along west boundary line of lots 1 and 2 and its extension to its intersection with the centerline of the right-of-way of 242nd Street Southwest;
9. thence easterly along said right-of-way centerline to its intersection with the centerline of the right-of-way of 48th Avenue West;
10. thence northerly along said right-of-way centerline to a point within the intersection of 48th Avenue West and 240th Street SW, said point being the intersection of the centerline of 48th Avenue West and the westerly extension of the south boundary line of Tract 28 of Hanbury's North Race Track Additions as recorded in Volume 7, page 6 of the Records of Plats, Snohomish County, Washington;
11. thence easterly along said south boundary line of Tract 28, said line lying within the right of way of 240th Street SW, to its intersection with the east boundary line of the west 102

EXHIBIT B2

to the

SECOND AMENDMENT

RE: AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL FACILITIES

RONALD SEWER DISTRICT - CITY OF MOUNTLAKE TERRACE

Page 2 of 4

feet of Tract 28,

12. thence northerly along said east boundary line of the west 102 feet of Tract 28 to its intersection with the north boundary line of the south 1/2 of Tract 28;
13. thence easterly along said north boundary line to its intersection with the west boundary line of the east 264 feet of the west 1/2 at Tract 28;
14. thence northerly along said west boundary line to its intersection with the north boundary line of Tract 28;
15. thence easterly along said north boundary line to a point within the right of way of 46th Avenue West, that point being the southwest corner of the Plat of Cedar Creek Division No. 1, as recorded in Volume 37, page 99 and 200 of the Records of Plats, Snohomish County, Washington;
16. thence northerly along the west boundary line of said plat to the northwest corner of said plat;
17. thence easterly along the north boundary line of said plat and its easterly extension to its intersection with the east section line of said section 33,
18. thence southerly along said line to its intersection with the north margin line of the right-of-way of 244th Street Southwest;
19. thence west along said line to the southeast corner of lot 8 of the plat of Giebner-Hendrickson Acre Homes Addition Division No. 2 as recorded in Volume 14, page 18 of the Records of Plats, Snohomish County, Washington;
20. thence northerly along the east boundary line of said lot to its northeast corner;
21. thence westerly along the north boundary lines of lots 8 and 9 to the northwest corner of lot 9;
22. thence southerly along the west boundary line of lot 9 to its intersection with the south boundary line of the north 1/2 of lots 10 and 11;
23. thence westerly along said line and its westerly extension to its intersection with the centerline of the right-of-way of 48th Avenue West;

EXHIBIT B2

to the

SECOND AMENDMENT

RE: AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL FACILITIES

RONALD SEWER DISTRICT – CITY OF MOUNTLAKE TERRACE

Page 3 of 4

24. thence southerly on said centerline to its intersection with the easterly extension of the north margin line of the right-of-way of 244th Street Southwest;
25. thence westerly along said line to the True Point of Beginning.

EXHIBIT B2
to the
SECOND AMENDMENT
RE: AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL FACILITIES
RONALD SEWER DISTRICT - CITY OF MOUNTLAKE TERRACE

Page 4 of 4

TOGETHER WITH that portion of the southwest 1/4 of the southwest 1/4 of Section 34, T 27 N, R4E, W.M., described as follows:

1. commencing at the southwest corner of said Section 34;
2. thence N 0°18' 48" E along the Section line thereof 30.00 feet to the True Point of Beginning;
3. thence continuing along said Section line, 950.24 feet;
4. thence N 49° 33' 47" E, 154.59 feet;
5. thence S 0° 18' 48" W, parallel to the west line of Section 34 252.60 feet,
6. thence S 88° 58' 33" E, parallel to the southerly line of said Section 34, 27.88 feet;
7. thence S 0° 18' 48" W, parallel to the west line of said Section 34, 268 feet;
8. thence S 31° 29' 13" E, 37.95 feet;
9. thence S 0° 18' 48" W, parallel to the westerly line of said Section 34, 500 feet;
10. thence N 88° 58' 33" W, along a line 30 feet northerly of and parallel to the southerly line of said Section 34, 165.00 feet to the True Point of Beginning.

All situated in Snohomish County, State of Washington.

Exhibit B3

**That Portion of the Ultimate Service
Boundary of Terrace Ridge Pump Station Which
Can also Flow into Ronald's System.**

**(This area is included in the description of
the "Ultimate Service Boundary of Terrace
Ridge Pump Station")**

**Legal Description
July, 2003**

That portion of the southeast 1/4 of Section 33, T27N, R4E, W.M.; described as follows:

1. commencing at the southwest corner of the southeast 1/4 of Section 33,
2. thence easterly along the south boundary line of said Section 33 to an intersection with the southerly extension of the west boundary line of lot 5, Block 1 of the Plat of Pine Hill, as recorded in Volume 14, page 18 of the Records of Plats, Snohomish County, Washington;
3. thence northerly to the southwest corner of said lot and the True Point of Beginning;
4. thence continuing northerly along said lot boundary line to the northwest corner of said lot;
5. thence easterly along the north boundary lines of lots 5 through 2 of said block to the northeast corner of lot 2,
6. thence northerly along the west boundary lines of lot 1, Block 2, and lot 1, Block 3 of the Plat of Pine Hill to the northwest corner of said lot 1, Block 3 and an intersection with the south boundary line of lot 1, Block 1 of Gemmett's Park as recorded in Volume 14, page 36 of the Record of Plats, Snohomish County, Washington;
7. thence westerly along said south boundary line to the southwest corner of said lot 1;
8. thence northerly along west boundary line of lots 1 and 2 and its extension to its intersection with the centerline of the right-of-way of 242nd Street Southwest;
9. thence easterly along said right-of-way centerline to its intersection with the centerline of the right-of-way of 48th Avenue West;
10. thence southerly along said right-of-way center-line to its intersection with the westerly extension of the north line of lot 11 of Giebner-Hendrickson Acre Homes Addition No. 2 as recorded in Volume 14, Page 18 of the Records of Plats, Snohomish County, Washington;

EXHIBIT B3

to the

SECOND AMENDMENT

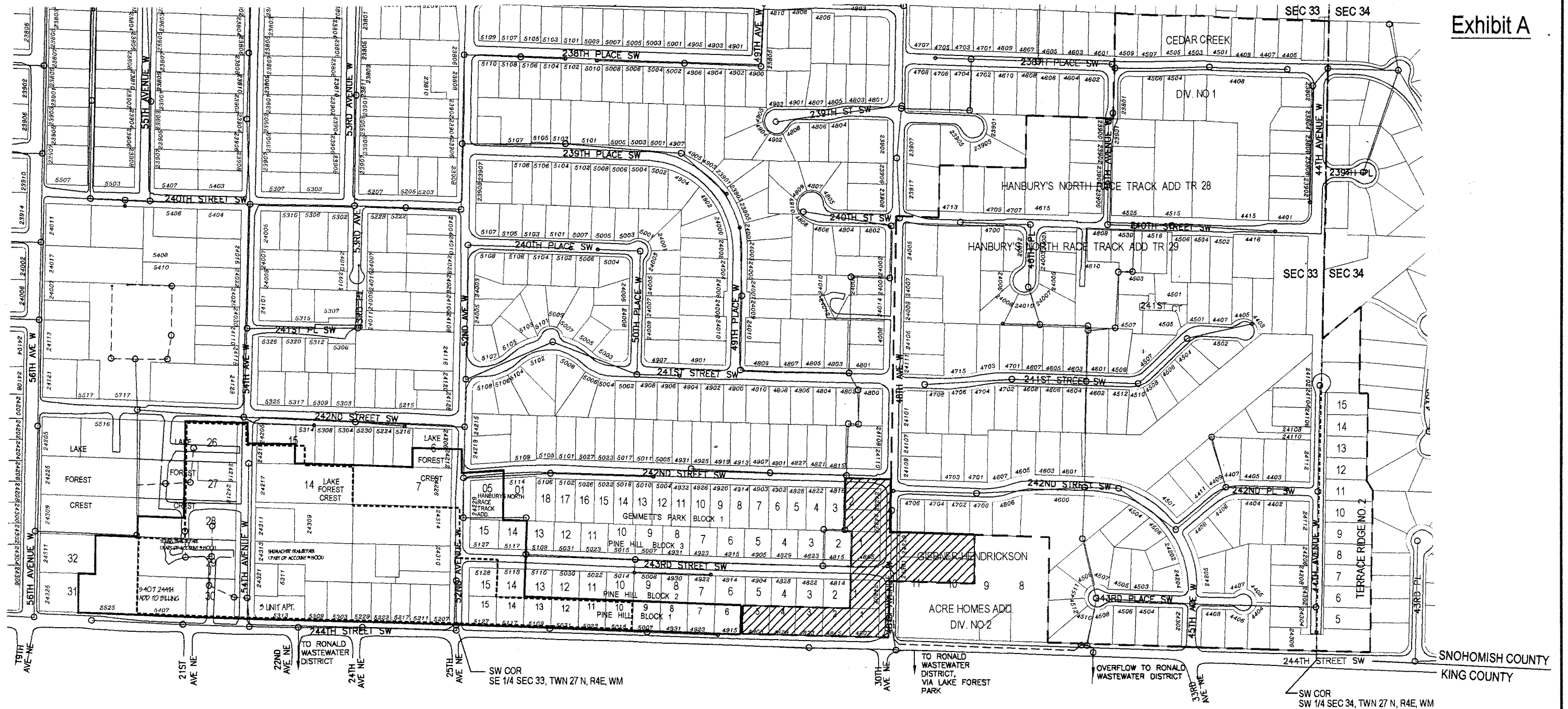
RE: AGREEMENT DECEMBER 3, 1979 FOR USE OF SEWAGE DISPOSAL FACILITIES

RONALD SEWER DISTRICT - CITY OF MOUNTLAKE TERRACE

Page 2 of 2

11. thence easterly along the north line of said plat to the northeast corner of lot 10 of said plat
12. thence southerly along the east boundary line of lot 10 to its intersection with the south boundary line of the north 1/2 of lots 10 and 11;
13. thence westerly along said line and its westerly extension to its intersection with the centerline of the right-of-way of 48th Avenue West;
14. thence southerly on said centerline to its intersection with the easterly extension of the north margin line of the right-of-way of 244th Street Southwest;
15. thence westerly along said line to the True Point of Beginning.

All situated in Snohomish County, State of Washington.



SEWER FLOW FROM CITY OF MOUNTLAKE TERRACE TO RONALD WASTEWATER DISTRICT (2003)

Exhibit B

ULTIMATE SERVICE BOUNDARY
WHICH MUST FLOW INTO
RONALD'S SYSTEM
(1979 BOUNDARY)

Exhibit B1

ULTIMATE SERVICE BOUNDARY
WHICH MUST FLOW INTO
RONALD'S SYSTEM
(2003 BOUNDARY)

Exhibit B3

THAT PORTION OF THE ULTIMATE
SERVICE BOUNDARY OF TERRACE
RIDGE PUMP STATION WHICH CAN
ALSO FLOW INTO RONALD'S SYSTEM
(2003 BOUNDARY)

Exhibit B2

ULTIMATE SERVICE BOUNDARY
OF TERRACE RIDGE PUMP STATION
(2003 BOUNDARY)



MOUNTLAKE
TERRACE

APPROXIMATE SCALE



THIS MAP PRODUCED USING THE CITY OF MOUNTLAKE TERRACE
GEOGRAPHIC INFORMATION SYSTEM (GIS).

OPERATIONS AND MAINTENANCE AGREEMENT

This Agreement (the "Agreement") is made by and between the Ronald Wastewater District, a Washington special purpose municipal corporation ("District") and the City of Lake Forest Park, a Washington municipal corporation ("City") (collectively referred to herein as the "Parties" and individually as a "Party"). The effective date of this Agreement shall be the date it has been signed by both Parties ("Effective Date").

RECITALS

- A. The Parties share a common border. Each owns and operates wastewater facilities and installations that serve the other's customers and that extend into or pass through the other's jurisdiction.
- B. The Parties are each municipal corporations authorized to contract with each other with respect to operation and maintenance of their facilities.
- C. The Parties desire to identify their facilities that serve the other's customers or that extend into or pass through the other's jurisdiction and to establish principles and policies with respect to maintenance and operation of those facilities.

Now, therefore, in consideration of the mutual promises contained herein, the Parties agree:

1. The wastewater facilities ("Wastewater Facilities") that are the subject of this Agreement are identified on Exhibit A, which is attached hereto and incorporated herein. At this time there are 81 City homes serving into Wastewater Facilities owned and operated by the District and 79 District homes serving into Wastewater Facilities owned and operated by the City. There are approximately 21 manhole to manhole lines along the border between the two agencies that are impacted by this Agreement. The owner of the property on which a "home" is located shall be considered the "customer" for the purposes of this Agreement.
2. A wastewater customer located in the City is, and shall remain, a City customer even though the customer connects to or is served by a District Wastewater Facility. A wastewater customer located in the District is, and shall remain, a District customer even though the customer connects to or is served by a City Wastewater Facility. Sewer service shall be provided by the municipality in which the property being served is located and that municipality shall be known as the "Administering" Party.
3. The Administering Party shall issue certificates of sewer availability, side sewer permits, other regulatory permits, and shall collect and retain all charges, including its sewer service charges, treatment charges, and general facility charges. The owner of the Wastewater Facility

(the Inspecting Party) shall be responsible for inspecting all connections to its Wastewater Facilities and the Administering Party shall be responsible for giving notice to the Inspecting Party prior to actual connection to the sewer system. The District appoints the City its agent for administering connections to District Wastewater Facilities. The City appoints the District its agent for administering connections to City Wastewater Facilities.

Attached hereto are;

- a) a Certificate of Sewer Availability form (Exhibit B), and
- b) a Side Sewer Permit form (Exhibit C) to be used to administer connections to the Wastewater Facilities. Right of Way Permits remain the responsibility of the city with jurisdiction.

4. Each Party shall be responsible for operating and maintaining, at its own expense, its Wastewater Facilities (the Responsible Party). Neither party shall charge the other a wheeling charge or service charge. Responsibility for operating and maintaining a Wastewater Facility shall be as indicated on Exhibit A. In general ownership, operation and maintenance of manholes belongs to the agency owning the downstream line and ownership, operation and maintenance of a Wastewater Facility ends at the exterior point of connection of an incoming line to a manhole. If the Party responsible for maintaining a Wastewater Facility fails to do so after being given 7 days written notice regarding the required work, the other Party may perform necessary maintenance or make necessary repairs. In the event of an emergency situation related to sewer service, either Party may perform necessary maintenance or make necessary repairs. The Party performing the work shall bill the Responsible Party according to hourly rates for labor and equipment adopted by the Party doing the maintenance or repairs. Each Party shall annually establish a schedule of such hourly rates and charges and provide the other Party with such schedule on or before January 31 of each year.

5. The Parties shall provide each other mutual aid as follows:

- a. Either Party may, in writing or orally, request the other Party to provide mutual aid in the form of equipment or labor. Oral requests shall be confirmed in writing as soon as practicable.
- b. The responding Party shall determine whether its resources are available to respond to a request and, as soon as possible, advise the requesting Party whether the resources are available and when they can be provided. The responding Party's decision shall be final and no liability shall attach to the Party or any person by virtue of that decision.
- c. Control of resources shall, whenever possible, remain with the Responding Party, however, the Requesting Party shall coordinate use of the resources. Resources may be withdrawn if needed by the Responding Party; provided, that notice of withdrawal shall be given to the Requesting Party as soon as possible.

- d. All personnel provided by the Responding Party shall remain employees of the Responding Party and subject to that Party's control.
- e. The Requesting Party shall reimburse the Responding Party for assistance rendered according to the Responding Party's adopted hourly rates for labor and equipment.
- f. The Requesting Party shall indemnify and defend the Responding Party, its Elected Officials, officers, contractors and employees, from any and all claims, suits, or actions by or on behalf of third parties, including the cost of defense, arising from or related to responding to requests for assistance under this Agreement. The Requesting Party shall release the Responding Party, its Elected Officials, officers, contractors and employees, from any and all claims it may have arising from or related to responses to requests for assistance under this Agreement. Each Party shall obtain and maintain insurance covering activities under this agreement. Coverage under such insurance shall be sufficiently broad to respond to claims under this paragraph and limits shall be no less than the limits applicable to a Party's activities within its jurisdiction.

6. The term of this Agreement shall be for five years, which term shall be automatically renewed for additional five year terms, unless either Party gives notice of an intent not to renew no less than one year before the expiration of a term. The Parties shall meet five years from the effective date of this Agreement and every five years thereafter to review the terms and conditions of this Agreement and changes, if any, of service requirements, system capacity, or land uses for the purpose of making such adjustments as may be required.

7. Any notice desired or required to be given under this Agreement shall be in writing and be deemed given when personally delivered, sent by facsimile machine, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the Parties as set forth below or to such other address as either Party shall have previously designated by such a notice:

City of Lake Forest Park
17425 Ballinger Way N.E.
Lake Forest Park, WA 98155
(206) 368-5400
Fax: (206) 364-6521
Attention: City Administrator

Ronald Wastewater District
P.O. Box 33490
Shoreline, WA 98133
(206) 546-2494
Fax: (206) 546-8110
Attention: General Manager

8. If either Party commences litigation against the other Party relating to the performance, enforcement or breach of this Agreement, the prevailing Party in such action shall be entitled to all costs, including reasonable attorneys' fees and costs and any such fees or costs incurred on appeal.

9. This Agreement and its exhibit attachments contain the entire understanding between the Parties relating to the subject matter of this Agreement. This Agreement merges all prior discussions, negotiations, letters of understanding or other promises, whether oral or in writing. Subsequent modification or amendment of this Agreement shall be in writing and signed by the parties to this Agreement.

10. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement.

11. Neither Party shall assign, transfer or otherwise dispose of this Agreement, in whole or in part, to any individual, municipality, firm or corporation without the prior written consent of the other Party. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon and enure to the benefit of the respective successors and assigns of the Parties hereto. This Agreement is made only for the benefit of the City and the District and their respective successors in interest. No third party or person shall have any rights hereunder, whether by agency or as a third party beneficiary, or otherwise.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any lawsuit to enforce, or relating to, this Agreement shall be brought in King County Superior Court, King County, Washington. If any term or provision of this Agreement is determined to be invalid, the remainder of this Agreement shall remain in effect.

THE CITY OF LAKE FOREST PARK
("CITY")

By David R. Hutchinson
David R. Hutchinson, Mayor

RONALD WASTEWATER DISTRICT
("DISTRICT")

By Arthur Z. Wedekemper
President, Board of Commissioners

ATTEST:

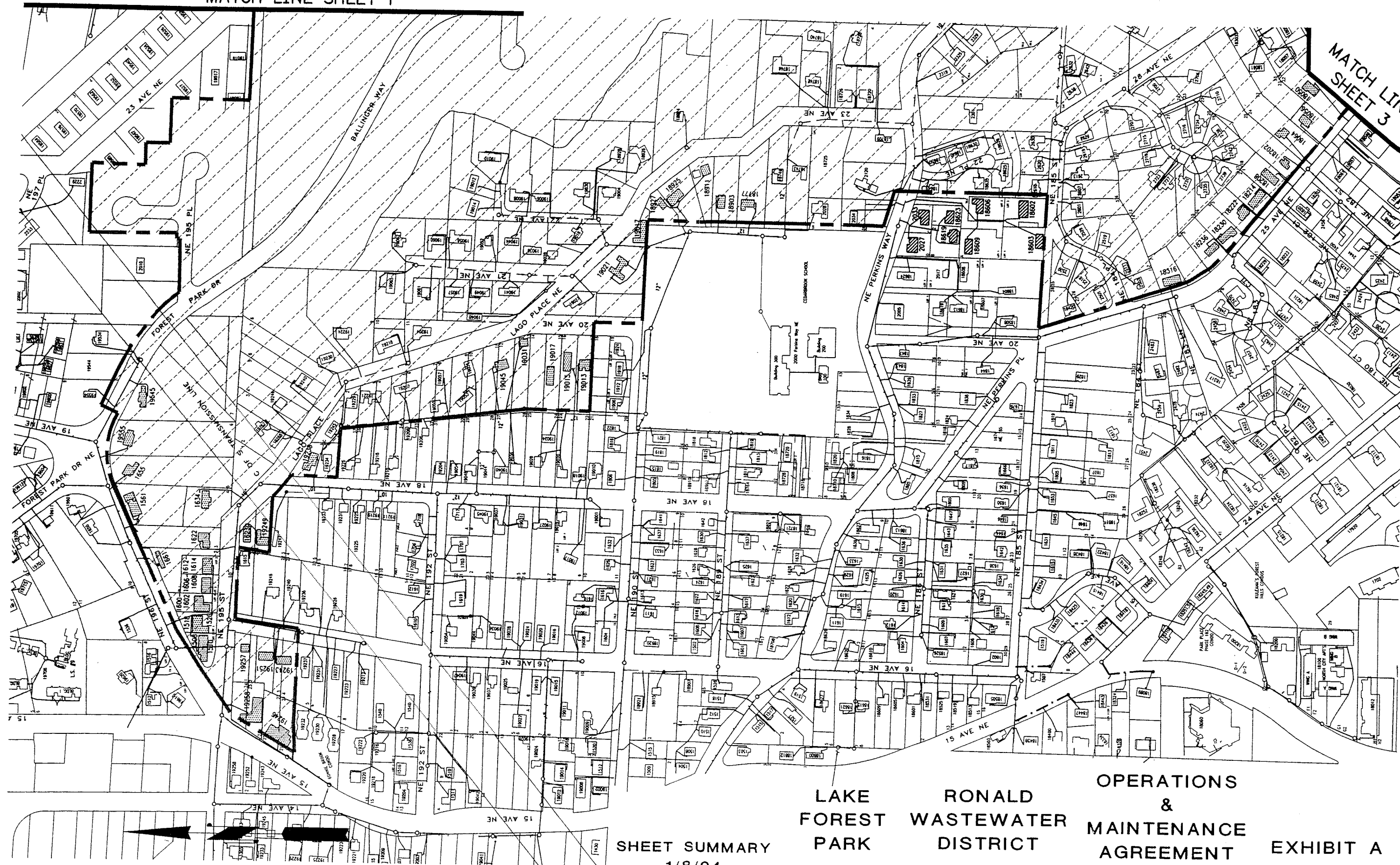
Susan Stine
Susan Stine, City Clerk

ATTEST:

Gary F. Shirley
Secretary, Board of Commissioners

MATCH LINE SHEET 1

MATCH LINE
SHEET 3



LAKE
FOREST
PARK

RONALD
WASTEWATER
DISTRICT

OPERATIONS
&
MAINTENANCE
AGREEMENT

EXHIBIT A

SHEET SUMMARY
1/8/04

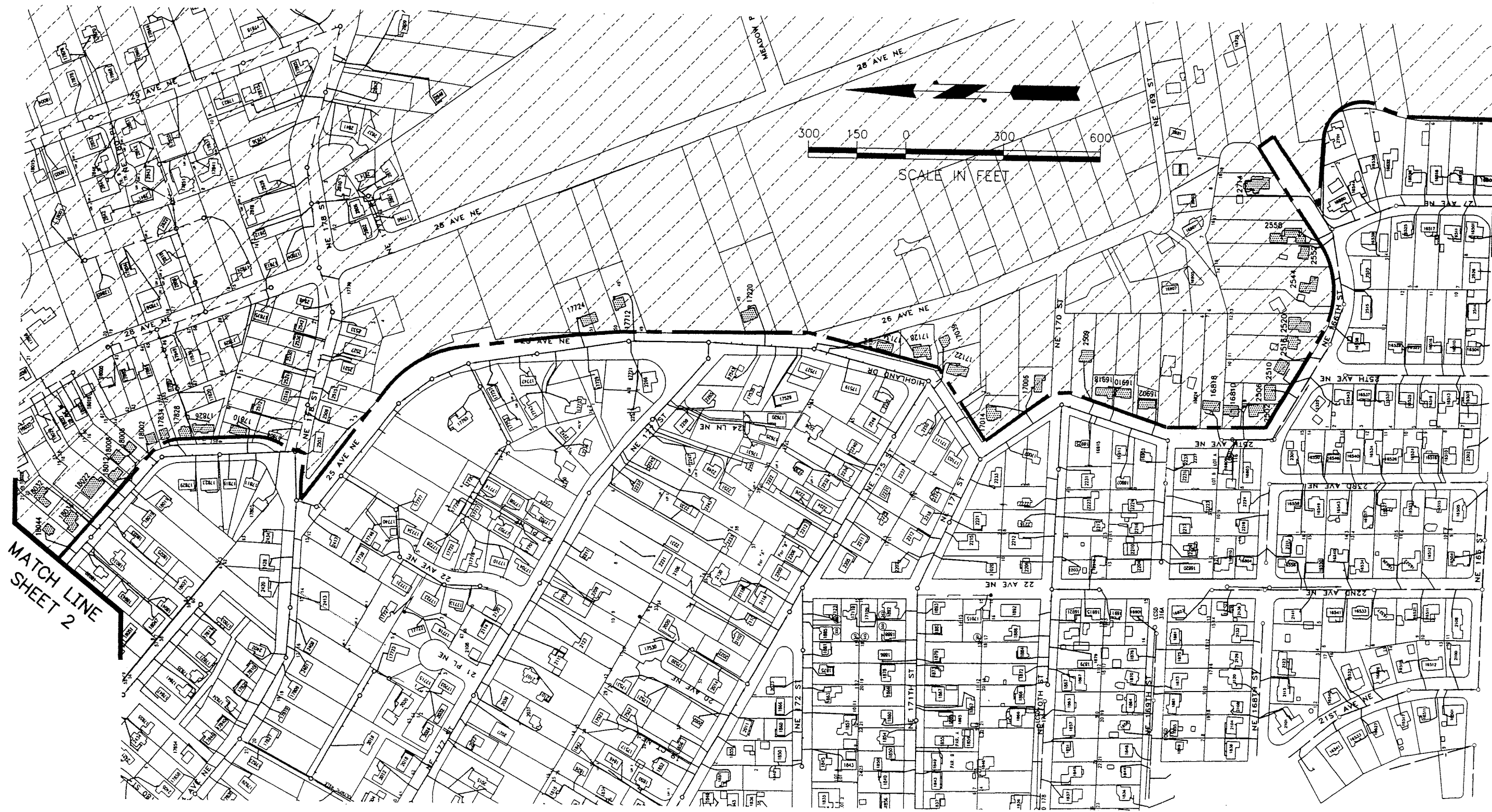
42 UNITS LFP TO RWD
8 UNITS RWD TO LFP

SHEET 2 OF 4



300 150 0 300 600

SCALE IN FEET



MATCH LINE
SHEET 2

MATCH LINE SHEET 4

SHEET SUMMARY
1/8/04
36 UNITS LFP TO RWD

LAKE
FOREST
PARK

RONALD
WASTEWATER
DISTRICT

OPERATIONS
&
MAINTENANCE
AGREEMENT

EXHIBIT A

SHEET 3 OF 4





LEGEND

- LAKE FOREST PARK
- LFP SEWER MAIN
- RWD SEWER MAIN
- HOMES IN RWD SERVING INTO LFP
- HOMES IN LFP SERVING INTO RWD

SUMMARY ALL SHEETS

1/8/04
82 UNITS RWD TO LFP
80 UNITS LFP TO RWD

LAKE FOREST PARK

RONALD WASTEWATER DISTRICT

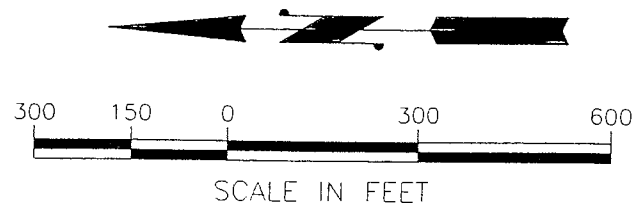
OPERATIONS & MAINTENANCE AGREEMENT

EXHIBIT A

SHEET SUMMARY
1/8/04
74 UNITS RWD TO LFP

MATCH LINE SHEET 2

MATCH LINE SHEET 3



SHEET SUMMARY
1/8/04
2 UNITS LFP TO RWD

LAKE
FOREST
PARK

RONALD
WASTEWATER
DISTRICT

OPERATIONS
&
MAINTENANCE
AGREEMENT

EXHIBIT A

**Ronald Wastewater District and City of Shoreline
Assumption Transition Committee of Elected Officials (CEO)
June 5, 2014, 9:00 - 10:30 am
Conference Room 104, Shoreline City Hall
17500 Midvale Avenue North**

Summary Meeting Notes

PRESENT: Commissioner Atkinson, Councilmember McConnell, Commissioner Ransom, and Councilmember Roberts

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Mark Relph, Public Works Director, Dan Repp, Utilities and Operations Manager, Michael Derrick, General Manager, Mark Gregg, District Accounting Manager

GUESTS: Julie Ainsworth-Taylor, Assistant City Attorney, City of Shoreline

Welcome, Introductions and Confirm Agenda

- The meeting began with introductions and a confirmation of the agenda. As no meeting chair was prescribed, Councilmember Roberts assumed the subcommittee chair duties for the initial meeting of the group.

Filing of the Notice of Intent with the Boundary Review Board

- The CEO first heard from Shoreline Assistant City Attorney Julie Taylor regarding the current status of the City's Boundary Review Board filing with King and Snohomish Counties. Questions were asked of the City Attorney about the filing process and the status of the filings. One question was asked specifically about who could invoke jurisdiction in the process, and if this could be an individual rate payer. Ms. Taylor noted that individual rate payers could not invoke jurisdiction, and that it would need to be a governmental entity or some other type of entity with standing, or it could be a petitioning group of rate payers.

Review of Draft Project Charter

- The CEO reviewed the draft project charter that was provided in their meeting materials. The CEO was generally comfortable with the charter with some proposed amendments. These primarily included adding items to section 1.3.2 of the charter for issues for the CEO to review.
- The CEO agreed to rotate the chair duties of the subcommittee meeting in the order of last name. As Councilmember Roberts chaired this first meeting, Commissioner Atkinson agreed to chair the next meeting.

- The CEO also agreed to use less formal language when communicating with one another, and did not think it was necessary to refer to one another by their formal elected titles.
- It was agreed that the CEO meetings would be held on the 4th Thursday of the month at Shoreline City Hall, Conference Room 104 from 9:00 to 10:30 am. The CEO agreed that these meetings would be open to the public.
- It was also agreed that these meetings would be publicized on the City's and District's organizational calendars on their respective websites, that the City would create a webpage in its utility section dedicated to the CEO and assumption transition, that the meetings would be noted by the City Manager during her City Manager report, that they would be formally noticed by the City Clerk's Office, and that the District would note the meetings on their billing statements.

Next Steps

- The CEO provided direction to staff to start with the issue of bond debt and other financial policy issues (Charter Section 1.3.2.h). This issue will be discussed at the next meeting along with a proposed prioritization of the issues in Section 1.3.2.
- The CEO would then like to begin focusing on Personnel Issues (Section 1.3.2.b), as it was acknowledged that this will be a significant and complex issue.
- Staff also mentioned that a timeline that incorporated the agreed upon issue priorities could be created. This would then serve as the proposed work plan for the project.
- There was also a discussion regarding how individual jurisdictional issues may affect the Transition Plan and how those types of issues should be addressed. Rate setting was brought up as an example. It seemed that there was consensus around the idea that until assumption occurs, the Board is ultimately in control of decisions they make, as is the City, as long as those decisions conform to any terms agreed to in the 2002 Interlocal Operating Agreement. However, the CEO also acknowledged that the CEO Committee Meetings would provide a good forum to discuss any issues which may have a larger impact on assumption, and that the members of the CEO should use this forum to have those discussions. It was then suggested that it may be a good idea to create a standing agenda item regarding germane issues occurring in each jurisdiction that the other members should be aware of.

The meeting adjourned at 10:30 am.

**Ronald Wastewater District and City of Shoreline
Assumption Transition Committee of Elected Officials (CEO)
June 26, 2014, 9:00 - 10:30 am
Conference Room 104, Shoreline City Hall
17500 Midvale Avenue North**

Summary Meeting Notes

PRESENT: Commissioner Atkinson, Councilmember McConnell, Commissioner Ransom, and Councilmember Roberts

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Mark Relph, Public Works Director, Dan Repp, Utilities and Operations Manager, Michael Derrick, General Manager, Mark Gregg, District Accounting Manager

GUESTS: None

Welcome and Confirm Agenda

- The meeting began at 9:05 am with Commissioner Atkinson chairing the meeting. She asked the CEO to confirm the agenda and no changes were made.

Adoption of Draft Summary Notes of 6-5-14 CEO Meeting

- The summary notes from the 6-5-14 CEO meeting were approved unanimously.

Recap of Staff Meeting

- John Norris provided a recap of the staff meeting held on June 16th. Staff spent this meeting working on the work item priorities in the draft project charter and on an initial discussion of financial policies.
- It was noted that staff will be working on a project timeline/work break down of the project that aligns with the prioritized issues to consider noted in the project charter.
- Mr. Norris also mentioned that he hoped that the Transition Plan, which is the work product that the CEO will approve, will serve as a road map for how transition occurs. The Plan will also serve as a commitment document for both the City and RWD in regards to how issues will be addressed during the upcoming work phases.
- The work phases of the assumption were described as the City and RWD currently being in the Assumption Planning phase. Once planning is completed and the Transition Plan is accepted, the City and RWD will begin the Assumption Transition phase, which will last from Transition Plan adoption until actual assumption and District dissolution.

Finalize Draft Project Charter

- The CEO looked over the final draft version of the Project Charter and approved it.
- Special attention was provided to the proposed prioritized list of work issues in Section 1.3.2 of the Charter. John Norris read through the priority list to provide staff's reasoning for why the priorities were constructed in this way. The CEO agreed with this priority list and had no modifications. Councilmember Roberts asked if the priorities were 'set in stone', and the CEO and staff agreed that the Charter would be a working document and that the CEO could revisit the priority list if need be.

Review of Draft Financial Policies Issue Paper

- The CEO began their review of the Draft Financial Policies issue paper, which posed many policy questions for the CEO.
- The CEO agreed that this section of the Transition Plan should focus on District cash and debt, and wanted staff to bring back recommended policy language for the CEO to review. RWD currently has no debt.
- The CEO also agreed that it made sense for the District to conduct an updated Sewer Comprehensive Plan prior to assumption occurring in 2017. The last Comprehensive Plan was conducted in 2010, and six years is a pretty typical timeframe to update a Comp Plan. There was some discussion as to whether the Comprehensive Plan update should be more cursory or in-depth. Staff suggested that the Comp Plan be more in-depth, and that the City could support the District in doing the update during the Assumption Transition phase. This was identified as a potential "Interim Opportunity" to work on together prior to assumption.
- Councilmember Roberts asked RWD staff how complete the CIP list is from the 2010 Comprehensive Plan, and staff responded that it is somewhat complete. Councilmember Roberts also asked if staff could provide a map of all District facilities, and staff agreed that they would put this into the packet for the next CEO meeting. It was also suggested that the CEO and City staff may want to tour a lift station to get a sense of what they looked like. There was interest in holding a tour.
- There was also a discussion about how RWD members of the CEO and RWD staff should engage the entire CEO regarding District issues that may affect assumption or the City. It was noted by staff that the expectation is that these future discussions, if held, should be collaborative. It was also acknowledged by the CEO that until assumption occurs, RWD is a sovereign governmental entity that is beholden to its own Board and ratepayers. However, there was also an acknowledgement that what commitments RWD and the City make to the CEO and to each other will also be expected to be upheld.

Jurisdictional Items/Issues to Share

- Although this item was the last on the agenda, Commissioner Ransom brought up a few RWD issues that he wanted the CEO to discuss. This discussion occurred early in the meeting, after the discussion about the work item priorities in the Charter.
- Commissioner Ransom brought up the issue of contracted sewer treatment services from King County, and how the future contract might intersect with the assumption transition planning. It was agreed that this would be an item that the CEO would discuss in the near future.
- Commissioner Ransom also brought up the issue of placing solar panels on the RWD roof and at City Hall. There is a \$500,000 grant available for purchase and installation of the panels, and Commissioner Ransom stated that RWD needed to act quickly to be able to capitalize on this grant funding. Staff was concerned about the timing of this

discussion, given that the CEO will not be discussing facilities for quite a while and given that it is unknown what the plan is for the RWD building. Commissioner Ransom asked the CEO if Larry Owens could present information about the program and grant opportunity to the CEO at their next meeting. The CEO agreed that this was premature. It was then discussed that there could be a possibility to have Mr. Owens present at a future RWD Board meeting, but that would have to be a discussion between the RWD Board and District Manager.

- Finally, Commissioner Ransom also discussed an issue regarding side sewer projects that the District engages in.

The meeting adjourned at 10:40 am.

The next CEO meeting will be July 31 at 9:00 am.

Ronald Wastewater District and City of Shoreline Transition Team for Assumption

Project Charter

June 26, 2014

Project Charter Approval Table




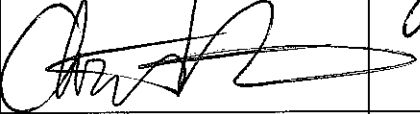
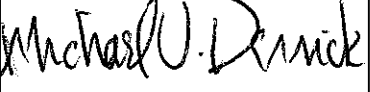
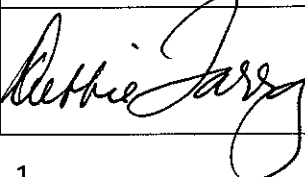
Name	Title	Signature	Date
Robert Ransom	Ronald Wastewater District Commissioner		June 26, 2014 July 31, 2014
Gretchen Atkinson	Ronald Wastewater District Commissioner		7-31-14
Doris McConnell	Shoreline City Council member		July 2, 2014
Chris Roberts	Shoreline City Council member		July 2, 2014
Michael Derrick	General Manager, RWD		31 July 2014
Debbie Tarry	City Manager, City of Shoreline		7/9/14

Table of Contents

1. Project Overview	3
1.1. Project Statement.....	3
1.2. Project Objective Statement.....	3
1.3. Project Scope.....	3
2. Project Plan.....	4
2.1. Project Structure and Approach.....	4
2.2. Committee Reporting.....	5
2.3. Appointments and Assignments	5
3. Revision History.....	5
Attachments:	5

1. Project Overview

1.1. Project Statement

The Ronald Wastewater Commissioners and City of Shoreline City Council have jointly agreed to create two subcommittees, a Committee of Elected Officials ("CEO") and a Staff Committee, to plan for the eventual assumption of the District by the City per the 2002 Inter-local Operating Agreement (IOA).

1.2. Project Objective Statement

The CEO shall develop, evaluate and recommend to their respective elected bodies a "Transition Plan" (Plan) for the assumption of the District by the City. This Plan shall identify and address all policy issues necessary for the assumption of the District. The CEO shall be in place until the Plan is finalized, or until some other action is taken by either elected body.

1.3. Project Scope

1. The Plan shall include a list of the issues and recommended actions to be considered necessary for the assumption of the District. Each issue shall include, but not be limited to:
 - a. Brief description of the issue
 - b. Statement as to why it is being considered
 - c. Specific policy issues needing to be addressed
 - d. Alternatives or options being considered
 - e. Recommendations for policies and/or actions
 - f. Work plan and schedule for addressing each action
2. A preliminary list of issues to consider include (in priority order):
 - a. Financial Policies - debt issuance and all of the transition terms identified in Section 5.6 of the IOA (call of bonded debt, liability and indebtedness assumption, use of cash reserves, maintenance of reserve funds, etc.)
 - b. Communication - with the public and internal to each entity
 - c. Personnel - wages, benefits, job descriptions, policies
 - d. Budget - format, timing, forecasting, rates
 - e. Capital Improvement Program (CIP) - coordination, forecasting
 - f. Facilities
 - g. Financial Systems - accounting, utility billing, IT services
 - h. Asset Management - inventory, GIS
 - i. Purchasing
 - j. Equipment - fleet, tools, clothing
 - k. Utility Advisory Board – as contemplated in Section 4.7 of the IOA
 - l. Policy and Code Changes for Council and/or Board
 - m. Interim Opportunities - shared resources (staffing, equipment, facilities, etc.)

2. Project Plan

2.1. Project Structure and Approach

1. The CEO:
 - a. Shall be comprised of two District Commissioners and two City Council members appointed from their respective elected bodies.
 - b. At the completion of the Plan, the CEO shall submit a final Plan to each elected body for review and adoption.
 - c. The CEO shall rotate one member at each meeting to act as the Chair of the Committee with the responsibility to facilitate the discussion.
 - d. The CEO shall confirm and set the agenda of each meeting.
2. Staff Committee:
 - a. There shall be a staff committee ("Staff Committee") responsible for supporting the CEO, and will discuss, review, and prepare the materials for each CEO meeting. This Staff Committee will include:
 - i. City Manager
 - ii. District General Manager
 - iii. Assistant City Manager
 - iv. Public Works Director
 - v. District Accounting Manager
 - vi. Public Works Operations & Utilities Manager
 - b. The Staff Committee may invite other staff from either entity to participate as necessary.
 - c. The Staff Committee will provide policy recommendations to the CEO for their consideration and direction.
3. Project Manager:
 - a. There shall be a single Project Manager (PM), who will coordinate the activities and distribute information of the CEO and the Staff Committees.
 - b. The PM shall be responsible for developing summary notes from each CEO and Staff Committee meeting.
 - i. Draft notes from each CEO meeting shall be included in the next agenda material for the following CEO meeting.
 - ii. Draft notes from each Staff Committee meeting shall be included in the next agenda material for the following Staff Committee meeting.
 - iii. The CEO shall review, modify and approve summary notes at each CEO meeting.
 - iv. The Staff Committee shall review, modify, and approve summary notes at each Staff Committee meeting.
 - c. The PM shall be responsible for preparing and maintaining a project schedule.

4. Communications Plan:

- a. The Staff Committee shall propose a Communication Plan (CP) for the CEO to review and approve.
 - i. The CP shall include a specific work plan to communicate the CEO's purpose, scope, progress and recommendations to the public.
 - ii. The CP shall address external interests as well as internal interests of both entities.
 - iii. The PM shall coordinate and distribute information to be shared for each respective web page and other external communications.

5. Meeting schedule:

- a. The CEO shall meet on the 4th Thursday of each month from 9:00 am to 10:30 am in Conference Room 104 of Shoreline City Hall, or unless modified by consensus of the CEO. The Committee meetings will be noticed as open public meetings.
- b. The Staff Committee shall meet once a month, at least one week prior to the CEO meeting, or unless modified by either the City Manager or General Manager.

2.2. Committee Reporting

The CEO members shall periodically report to their respective elected bodies as each entity deems appropriate.

2.3. Appointments and Assignments

1. Ronald Wastewater District Elected Representatives: Robert Ransom and Gretchen Atkinson
2. Shoreline City Council Representatives: Doris McConnell and Chris Roberts
3. Project Manager: City of Shoreline Assistant City Manager

3. Revision History

Document all changes and updates to the Charter throughout the project process

<i>Date</i>	<i>Version</i>	<i>Name</i>	<i>Description Change</i>

4. Attachments

- 2002 Inter-local Operation Agreement between the City of Shoreline and the Ronald Wastewater District

ORIGINAL

RESOLUTION NO. 197

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON AUTHORIZING AN INTERLOCAL OPERATING AGREEMENT RELATING TO PROVISION OF SANITARY SEWER SERVICES

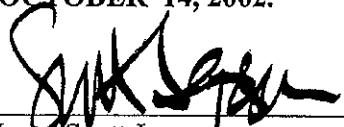
WHEREAS, City and Ronald Wastewater District are authorized under chapter 39.34 RCW, the Interlocal Cooperation Act, and RCW 35.13A.070 to contract for the coordinated exercise of powers and sharing of resources for the efficient delivery of services to their residents; and

WHEREAS, the City and District have negotiated a Franchise and concomitant Interlocal Operating Agreement to coordinate the provision of sanitary sewer services in the City of Shoreline; now therefore

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON THAT

1. The City Manager is authorized to execute the INTERLOCAL OPERATING AGREEMENT BETWEEN THE CITY OF SHORELINE AND RONALD WASTEWATER DISTRICT RELATING TO SANITARY SEWER SERVICES WITHIN SHORELINE'S CITY LIMITS attached hereto as Exhibit 1.

ADOPTED BY THE CITY COUNCIL ON OCTOBER 14, 2002.



Mayor Scott Jepsen

ATTEST:



Sharon Mattioli, CMC
City Clerk

ORIGINAL

CITY OF SHORELINE	
Clerk's Receiving	
No:	1956
Date:	10/22/02

Exhibit 1

INTERLOCAL OPERATING AGREEMENT BETWEEN THE CITY OF SHORELINE AND RONALD WASTEWATER DISTRICT RELATING TO SANITARY SEWER SERVICES WITHIN SHORELINE'S CITY LIMITS

THIS AGREEMENT is made and entered into this 22nd day of October, 2002, by and between the city of Shoreline, a Washington Non-Charter Optional Municipal Code City (the "City") and Ronald Wastewater 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 sanitary sewer service to properties located in the District and properties lying in the City's corporate boundaries and also to properties not located in the District or the City; and

WHEREAS, the City does not own or operate a sanitary sewer system; and

WHEREAS, the District and the City agree that the District has provided its service area, including the area now located within the City of Shoreline, with sanitary sewer service for over 42 years and that the District has the skills, assets, willingness and ability to provide the entire City with sanitary sewer service; and

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

WHEREAS, the City and the District have separately negotiated a 15 year Franchise Agreement to establish the terms and conditions under which the District is granted the authority to maintain it's sanitary sewer system within the City's Rights of Way to be simultaneously executed 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 of both parties have passed resolutions approving the execution of this Agreement;

12/15/1910

NOW THEREFORE, in consideration of the terms and provisions contained herein, and the Franchise Agreement executed contemporaneously by the parties, the City and the 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 the District to provide the citizens of the entire City and the ratepayers served by the District with an efficient, high quality and well maintained sanitary sewerage wastewater system at a reasonable cost and to provide an orderly and predictable transition of the wastewater utility from District to City ownership.

Section 2. Term of Agreement. The term of this Interlocal Operating Agreement shall be fifteen (15) years from the date of its execution.

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" for a concurrent term of 15 years and terminating on the termination date of this Agreement.

3.2 Assumption by the City. The City agrees 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 of this Agreement, it shall not, during the 15 year term of this Agreement and the concurrent Franchise Agreement granted to the District, attempt to exercise its statutory authority (RCW chapter 35.13A, as currently in effect or 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.

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 this Interlocal Operating Agreement, as herein below described.

3.4 Future Statute Authorizing a City Utility Tax on the District. In the event that the State of Washington Legislature should in the future authorize a City to impose a Utility Tax upon a District based upon the District's revenues, or upon any other basis, the payments hereinbelow provided as the District's contractual consideration for this Agreement shall be credited against such Utility Tax as the City may impose and the District shall be obligated to pay only the statutorily supported tax liability in excess thereof; provided however, this section shall not allow a credit against consideration of this Agreement for

ORIGINAL

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 a utility tax. For purposes of this section "utility tax" refers a city tax on business activities subject to the tax imposed by chapter 82.16 RCW.

3.4.1 Pass Through of Excess Utility Tax. In the event a Utility Tax on the District by the City is in the future authorized by law, the District shall pay such additional monies and may pass such additional tax liability on to the District's ratepayers as a separate billing item.

3.5 Requirement to Connect to Sanitary Sewer. The City shall, within the first year of this Agreement, study the adoption of rules and regulations related to the requirement that residences and other buildings or improvements located within the City not receiving sanitary sewer service (those using septic tanks or other on site systems), shall, under certain terms and conditions, be required to connect the sewer facilities located in or on such properties to the District's Sanitary Sewer System.

3.5.1. The City shall enforce such rules and regulations if adopted.

3.5.2 The District shall cooperate with the City in such enforcement action.

3.6 City's Option to Extend this Agreement The City, at its sole option, may no less than twelve (12) calendar months prior to the end of the term of this Agreement inform the District, in writing, of its desire to extend this Agreement for an additional five (5) years under terms and conditions as may be mutually agreed to by the Parties.

3.6.1 Should the City give such notice to the District and the District be interested in such a proposal, the Parties shall enter into Good Faith Negotiations to complete and execute a mutually acceptable extension Agreement, within six (6) months from the City's Notice.

3.7 Protection of District Employees upon Assumption by the City. The Parties agree that a fair and equitable transition of the employees of the District at the time of assumption by the City is critical to maintain the efficient operations of the wastewater services. The employees at the District represent a valuable asset to the City as they assume operations of the District. Therefore, in addition to compliance with RCW 35.13A.090, the City agrees to the following protections for employees of the District at the time of the transfer of the utility system:

3.7.1 All full-time regular non-probationary employees of the District at the time of assumption shall be offered the same or equivalent positions in the City's job classification system, which are consistent with the knowledge, skills, abilities, experience, and technical requirements of the District's employees.

3.7.2 The City agrees not to reduce the salary of a District transferred employee. However, the City reserves the right to freeze a District transferred employee's rate of compensation within a job classification until the City's rate of compensation is equal to or exceeds the transferred employee's rate of compensation.

3.7.3 City agrees it shall not lay off a transferred District employee for at least one year following the date of the transfer to City employment, however, the City reserves the right to terminate District transferred employee for cause.

3.7.4 Service credit for City purposes will be calculated based upon the initial full-time employment date of the transferred employee with Ronald Wastewater District.

3.7.5 Transferred employees will continue participation with the appropriate public employees' retirement system as provided for in RCW35.13A.090 (1).

3.7.6 The City currently allows employees retiring under the PERS Retirement System to purchase health insurance. The transferred employees will be able to participate in that benefit so long as this is still a benefit offered to City employees at the time of assumption of the District.

3.7.7 The City agrees to abide by the Washington Wastewater Collection Personnel Association certification requirements or equivalent for all sewer maintenance workers.

3.7.8 District agrees that an employment agreement for any employee shall not be extended beyond the City assumption date without review and approval of the City Manager.

3.7.9 The Parties recognize that all agreements with bargaining units will terminate upon transfer to the City.

ORIGINAL

3.7.10 District agrees that at the time of transfer it shall pay off any accrued sick leave owed to transferred District employees, based on District sick leave policy then in effect.

3.7.11 The Parties agree that District employees transferred to the city shall not carry over more vacation accrual than allowed by City vacation leave policy then in effect, and the District shall pay off vacation in excess of the City's accrual limit upon transfer.

3.8 Obligations On Assumption:

3.8.1 City shall assume all liabilities and contractual obligations of the District or pay those obligations in full where required by contract, bond covenant or other agreements. The District will negotiate all new contracts and loan agreements during the term of this agreement including any mutually agreed upon extension so that the obligations of the District may be assumed by the City upon assumption of the District without cost or penalty. It is agreed that the district's Parity Revenue Bond covenants, as now written, can not, and will not change during this Agreement, therefore, any such Parity Revenue bond obligations of the District will require full defeasance or transfer of the obligation of the District according to the bond covenants at the time of the transfer of assets.

3.8.2 All District assets, personal, real and intangible property will be transferred to the City.

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

4.1 Interlocal Operating Agreement Fee. In consideration of and compensation for the City's forbearance of its rights to assume the District under RCW 35.13A, as it now exists or may be amended, and the rights granted the District under this Agreement to operate its existing and future sewer facilities within the City's corporate limits, including any future annexed areas, the District agrees to pay the City an "Interlocal Operating Fee" pursuant to the payment schedule set forth herein.

4.2 Schedule of Payments. The schedule of payments shall be as follows:

Year	Amount
2002	\$500,000*
2003	\$550,000

101921

2004	\$600,000
2005	\$618,000
2006	\$637,000
2007	\$656,000
2008	\$676,000
2009	\$696,000
2010	\$717,000
2011	\$739,000
2012	\$761,000
2013	\$784,000
2014	\$808,000
2015	\$832,000
2016	\$857,000
2017	\$883,000

*In the year 2002, the \$500,000 Interlocal Agreement Fee will be paid in full by Ronald Wastewater District prior to December 31, 2002, less any previously paid fees paid during the year 2002 under the Seattle Public Utilities Franchise Agreement assumed by the District.

In all years subsequent to 2002 through 2016, the Interlocal Agreement Fee will be paid by the District to the City with quarterly payments being made on or before March 15, June 15, September 15, and December 15 of each year.

In the final year, 2017, the District's payment to the City will be pro-rated to the date of the Contract Termination.

The fee paid by the District under this section is a business expense that will not be separately identified on customer billings.

4.3 Storm Water and Water Supply System. The District shall not provide a storm water system or a water supply system within the City without the approval of the City being first obtained.

ORIGINAL

4.4 Standard Sewer Billing Rate Structure. It shall be the goal of the District to perform a Comprehensive Sewer Rate and Cost of Service Analysis in order to develop a uniform rate schedule following the District's acquisition of the Seattle Public Utilities/Lake City Sewer District Sanitary Sewer System which study shall include but not be limited to the following:

4.4.1 The impact of the overall rate revenue requirements, which analysis shall reflect the impact of diverting the costs and revenue of sewer system customers within the City of Lake Forest Park, if and when service to those customers is taken over by the City of Lake Forest Park.

4.4.2 An evaluation of reasonable options and impacts of phasing in a blending of sewer rates, revising the sewer rates and costs of maintenance and operation, both pre and post Seattle Public Utilities/Lake City Sewer District acquisition of customer segments.

4.4.3 Develop a strategy to expedite a blending of sewer rates to a single set of rate structures that will have the least negative impact on all District ratepayers, now and in the future.

4.4.4 Attempt to create a level billing rate structure for each class of customer throughout the District and the City unless the level of service provided any segment of those properties served requires a "special benefit" surcharge.

4.5 Agreement to Annex. The District shall exercise its legislative authority to seek annexation of those areas which it serves which are not yet within its corporate boundaries and those areas which are within the City's corporate boundaries except areas served by the Highland Sewer District. The District shall proceed with the annexation process as soon as the City of Lake Forest Park exercises its right to annex those areas within its corporate boundaries, and which are presently served by the District's Sanitary Sewer System.

4.5.1 City's Cooperation With Annexation. The City shall promote, cooperate with, and use its best efforts to assist the District in the annexation process articulated in Section _____ of this agreement.

4.6 Seattle Public Utilities Service System Reliability. The District shall prepare plans to upgrade the systems acquired from Seattle Public Utilities to conform to the District's overall operational and maintenance standards.

4.7 Advisory Board. Members of the Board of Commissioners of the District in office at the time of this Agreement who wish to do so, may at their

option, sit as an advisory Board to the Shoreline City Council for a three (3) year period beyond the term of this Agreement.

- 4.8 Cooperation with Assumption and Dissolution. The District agrees to take no action to protest or challenge the assumption of the District following the term of this agreement or any extension thereof. By its execution of this Agreement below the District grants to the City a limited power of attorney to execute a joint petition to Superior Court for dissolution of the District pursuant to RCW 35.13A.080 when authorized by the City Council following the term of this Agreement provided the City is not in breach of this Agreement including terms that survive the term of the Agreement

Section 5. Mutual Responsibilities. In satisfaction of the intent of the parties, the City and District shall have the following responsibilities:

5.1 Common Goals and Interests. The parties shall agree to identify potentially desirable common activities and projects of mutual interest and benefit, which shall include, but not be limited to the following:

- 5.1.1 Common Vehicle and equipment storage facilities
- 5.1.2 Common vehicle and equipment maintenance
- 5.1.3 Emergency/after hours call center
- 5.1.4 Combined permitting/licensing offices
- 5.1.5 Joint but separate communications - emergency radio/telephone
- 5.1.6 Creation of a joint committee to discuss, evaluate and select cost-effective common programs relating to:
 - i. Energy management
 - ii. Equipment sharing
 - iii. Information technology
 - iv. Staff training, where possible
 - v. Joint insurance programs

5.2 Inter-Agency Communications. A committee consisting of the City's City Manager and Public Work's Director, and the District's General Manager and Maintenance Manager will meet annually to evaluate projects which may be agreed upon to have a mutual benefit, and which may be jointly undertaken.

ORIGINAL

5.3 Capital Improvement Plan: Each of the Parties shall provide the other with a copy of their respective present Capital Improvement Plan to better facilitate the use of the streets, sidewalks and rights of way and the areas under them.

5.4 Coordination of City and District's Comprehensive Plans. The City's Manager and District's General Manager shall meet annually to coordinate activities related to their respective Comprehensive Plans and their respective Capital Improvement Plans. The parties shall address revisions to their respective Comprehensive Plans at the earliest opportunity to reflect the transition of wastewater service delivery by the City at the end of this Agreement.

5.5 Information and Document Exchange. The Parties shall exchange information and documents relating to the location of the facilities which they each operate within the affected rights of way.

5.6 Assumption Transition. No later than 24 months prior to the end of the term of this Agreement, the City and District shall negotiate in good faith the terms of final transition. Transition terms shall include plans that the City and the District agree to implement to ensure a smooth transition from District to City operations. These plans would include operational issues, financial issues, and employee transition issues. Transition terms shall include but not be limited to the following:

5.6.1 Defeasance or call of all bonded debt principal outstanding and interest owed if required by bond covenants.

5.6.2 Assumption of all indebtedness and other liabilities subject to the terms and conditions of related agreements and contracts.

5.6.3 Terms for application and future use of any cash reserves at the time of the transfer of the system then restricted as to use for system rehabilitation and replacement per District Resolution

5.6.4 District agrees to maintain its reserve funds in the same manner as current policy, and shall maintain adequate reserve levels subject to periodic review by the District's Board of Commissioners in establishing policies related to the financial needs of the District.

Section 6. Termination. In addition to all other 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.

Section 7. Indemnification. The parties shall indemnify and hold harmless each other and their respective officers, agents, and employees from all costs, claims or liabilities of any nature, including attorneys' fees, costs and expenses for or on account of injuries or damage by any persons or property resulting from the negligent activities or omissions of that Party or their respective agents or employees arising from the performance of this agreement.

Section 8. 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 9. Remedies. In addition to the remedies provided by law, this Agreement shall be specifically enforceable by any Party.

Section 10. Venues. In the event of litigation pertaining to this Agreement, the exclusive venues and places of jurisdiction shall be in King County, Washington.

Section 11. 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 breach of this Agreement, shall be submitted to, and settled by, arbitration to be held in King 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.

Section 12. Binding. This Agreement shall inure to the benefit of and be binding upon the Parties, their successors and assigns.

ORIGINAL

Section 13. Enforceability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.

Section 14. Applicable Law. This Agreement shall be construed under the laws of the State of Washington.

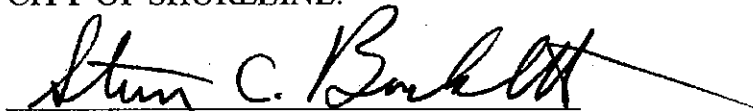
Section 15. Attorneys Fees. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the prevailing party shall in such dispute be entitled to recover its reasonable attorneys' fees.

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. Survival. All of the provisions, conditions and requirements of Sections 3.7, 3.8, 4.7, 4.8, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16 shall survive the fifteen (15) year term of this Agreement.

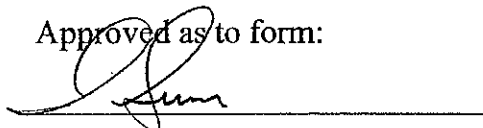
Section 18. Effective Date and Term of Contract. This agreement shall be in full force and effect and binding upon the parties hereto upon the execution of the Agreement and shall continue in full force and effect fifteen (15) years from the effective date.

CITY OF SHORELINE:



Steven C. Burkett, City Manager

Approved as to form:



Ian R. Sievers, City Attorney

RONALD WASTEWATER DISTRICT:



President, Board of Commissioners

Attest:

A handwritten signature in black ink, appearing to be "James L. Smith", written over a horizontal line.

Secretary, Board of Commissioners

RONALD WASTEWATER DISTRICT
A Special Purpose District Formed Pursuant to RCW Chapter 57

Resolution 02-66

A Resolution of the Board of Commissioners of Ronald Wastewater
District authorizing the Execution of an Interlocal Operating Agreement between the City of
Shoreline and Ronald Wastewater District Relating to Sanitary Sewer Service
within Shoreline's City Limits

Ronald Wastewater District has been in negotiations with the City of Shoreline for the development and execution of an Interlocal Operating Agreement. The purpose for the agreement between the two municipalities is to guide the activities, resources and efforts of the City and the District to provide the citizens of the entire City and the ratepayers served by the District with an efficient, high quality and well maintained sanitary sewage wastewater system at a reasonable cost.

The Interlocal Operating Agreement between the City of Shoreline and Ronald Wastewater District has been reviewed by the Board of Commissioners, and having been accepted and executed by the City of Shoreline. NOW THEREFORE,

BE IT RESOLVED by the Board of Commissioners of Ronald Wastewater District, that the Interlocal Operating Agreement between the City of Shoreline and the District is approved and attached as Exhibit "A" to this Resolution.

BE IT FURTHER RESOLVED by the Board of Commissioners of the District that the President and Secretary of the Board of Commissioners are authorized to execute the Agreement on behalf of the District.

ADOPTED by the Board of Commissioners of Ronald Wastewater District on Oct. 22, 2002.


ATTEST


 Secretary/Commissioner

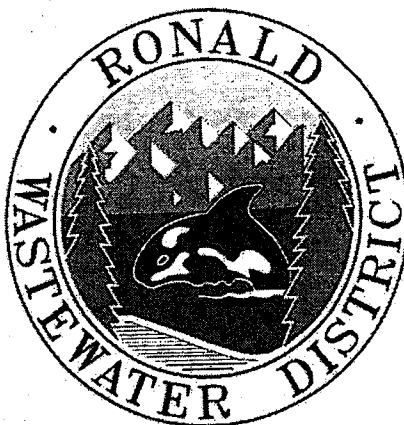

 President/Commissioner


 Vice President/Commissioner

I, the undersigned Secretary of the Board of Commissioners of Ronald Wastewater District, a municipal corporation of King County, Washington, CERTIFY that the preceding document is a true and correct copy of Resolution 02-66 of the Board, duly adopted on October 22, 2002 at its regular meeting.

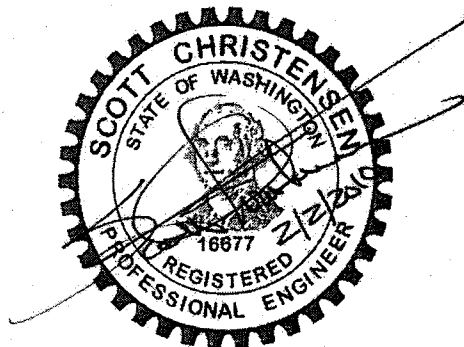

 Secretary/Commissioner

Ronald Wastewater District COMPREHENSIVE SEWER PLAN



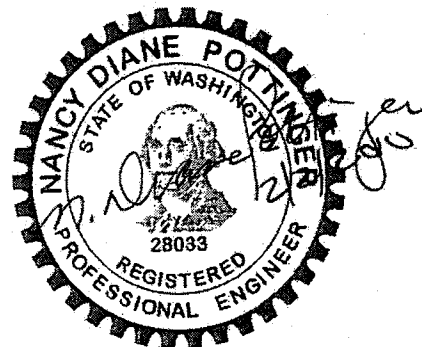
Ronald Wastewater District King County, Washington

January 2010
CHS Engineers, LLC



This report was prepared under the direction
of a registered professional engineer.

Prepared by: N. Diane Pottinger
Checked by: [Signature]
Approved by: [Signature]
Date: 2/2/2010



EXECUTIVE SUMMARY AND RECOMMENDATIONS

BACKGROUND

The subject of this report is the public sewer collection system owned, operated and maintained by Ronald Wastewater District. The District is a municipal corporation in the form of a special purpose district, under RCW 57. The District provides public sewer service to the majority of the City of Shoreline in King County and an unincorporated portion of Snohomish County. This area is known as the District's corporate or service boundary (see Figure 1.1).

The District is bordered on the west by Puget Sound and on the north by the Town of Woodway. The eastern boundary line is the Town of Woodway and the City of Lake Forest Park. The southern boundary is the Highlands Sewer District and the City of Seattle. The District presently includes approximately 6,870 acres. The sewer service area and District corporate boundary are shown on Figure 1.2.

The District was formed as Ronald Sewer District in 1951. The first sewers were installed in 1960. The District office is located at 177505 Linden Avenue North, Shoreline, Washington 98133, telephone (206) 546-2494.

The following paragraphs present a condensed summary of the Comprehensive Sewer Plan, covering the principal features of this report. Specific recommendations are presented in this summary based on findings and conclusions reached during the study of the sewer system.

PHYSICAL CONSIDERATIONS

Elevations range from 250 feet to just over 500 feet throughout the District and down to the marine shoreline of Puget Sound. There are some wetlands, unclassified streams, and geologic hazard areas prone to landslide, seismic and erosion hazards primarily located on the bluffs along Puget Sound or along creek beds. The water supply is provided by Shoreline Water District, Seattle Public Utilities and Olympic View Water and Sewer District. There are 953 wells that are active in the District with the majority of them resource protection wells.

POPULATION

The annual population growth rate has been of within the City of Shoreline has been 0.2% since 2000 or 1.9% total for the current nine year period according to the Washington State Office of Financial Management. Areas of future growth have been identified by the City of Shoreline and within the Point Wells area of Snohomish County. These areas are expected to have an increase in population of 19,425 people and 5,687 future jobs over the next 20 years. This equates to 11,555 future residential customer equivalents (RCEs) by 2030.



DESIGN CRITERIA

The design criteria used in this comprehensive plan is based on "Criteria for Sewage Works Design" established by the State of Washington Department of Ecology, District historical design criteria, actual usage records and other accepted standards for wastewater system design and construction.

SEWER SYSTEM

The Ronald Wastewater District collection system is composed of approximately 190 miles of gravity sewer mains and 16 lift stations. The District has completed at least one or more improvement projects since 2000. Infiltration and inflow (I/I) has been studied within the District and a side sewer replacement project was completed, which significantly reduced I/I. The District's maintenance staff complete regularly scheduled lift station inspections, manage a Fats, Oils and Grease (F.O.G.) inspection program with local commercial and multi-family customers, monitor infiltration and inflow, clean and inspect sewer mains. Maintenance related problems are identified through the District's maintenance management system. If a sewer main has structural problems, requires root removal on a regularly scheduled basis and/or has degenerated pipe, it may likely be scheduled for repair, rehabilitation or replacement. Sewer mains expected to be overcapacity at build out conditions are identified by a District wide hydraulic model.

WASTEWATER TREATMENT

The District does not own or operate a wastewater treatment facility. Sewage from the District's collection and transmission system is eventually treated at either King County Wastewater Treatment Facilities or the City of Edmonds wastewater treatment plant. Removing I/I reduces the amount of water that has to be treated at these treatment plants. King County and Seattle Public Utilities have been looking at reclaimed water options throughout King County and the District's service area.

AGREEMENTS

The District has agreements with adjacent purveyors and land use agencies for a variety of reasons. One of the agreements with Seattle Public Utilities (SPU) includes a provision for the District to share in the cost of upgrading sewer mains, should the areas within the District and Seattle grow as identified. The overcapacity lines in the SPU areas are identified and shown in Figure 7-1.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan identifies projects that will be necessary to extend sewer service throughout the District corporate area, including the District's new side sewer replacement policy. Several of the projects are recommended for completion over the next ten years, as summarized in Tables 8-1 and 8-2.



2. Automated the financial, administrative and maintenance functions of the District by upgrading to computerized systems.
3. Funded repair and replacement projects by establishing a special fund financed by a portion of monies collected as sewer service fees.

In May 1994, Shoreline Wastewater Management District (later renamed Ronald Wastewater District) obtained a franchise agreement with Snohomish County to upgrade Lift Station No. 13 which provides sewer service for a portion of unincorporated Snohomish County known as the Point Wells area. This area had become part of the RWD with the King County Sewer District No. 3 which was transferred in 1984. This franchise agreement is in effect through May 2019.

In October 2002, the District entered into an Interlocal Agreement and Non-Exclusive Franchise Agreement with the City of Shoreline to encompass the entire City, except for the area within the Highlands Community. These 15-year agreements are in affect through October 2017 with the potential for a five year extension, pending agreement by both parties.

1.4 BOUNDARY AND SERVICE AREA

The District is located within the City of Shoreline and unincorporated Snohomish County. The City of Shoreline is located in the northwest corner of King County. Figure 1.1 is a vicinity map for the District. The District is located within the Local Service Area of King County as established in the King County Wastewater Treatment Service Center Area and the City of Edmonds Wastewater Treatment service area. Figure 1.2 indicates the corporate boundaries for the District as well as the city limits of Shoreline. The District boundaries are generally described as follows:

North -	King County-Snohomish County line except for a portion in Snohomish County which is bounded by the North line of the Southwest quarter of Section 35, Township 27 North, Range 3 East.
West -	Puget Sound
Southwest -	Highlands Sewer District
South -	City of Seattle
East -	City of Lake Forest Park except for the portion in Snohomish County which is bounded by the East line of SW quarter of Section 35, Township 27 North, Range 3 East and the western limits of the Town of Woodway.

The corporate boundaries of the District are coincident to the western boundary of the City of Lake Forest Park. Due to the topography of the area, the District provides sewer service by gravity to 80 homes within the City of Lake Forest



Park. The City of Lake Forest Park also provides sewer service to 82 residents of the City of Shoreline via gravity. Agreements outline in Chapter 7 of this plan explain the arrangements made between neighboring districts and agencies for sewer service.

The District presently serves an area of approximately 6,870 acres and serves over 99% of the City of Shoreline's 54,320 residents (25,649 residential customer equivalents). Due to the size and natural drainage characteristics of the District, the domestic wastewater collected from within the District is treated at two separate wastewater treatment facilities: the City of Edmonds' treatment plant and King County's West Point treatment plant.

According to the 2005 City of Shoreline Comprehensive Plan, "The City is now substantially developed, with only a little over one percent of its total area remaining vacant or available for use. Shoreline is primarily residential in character and over 50 percent of the households are single family homes". Commercial development occurs along traffic corridors with some limited industrial development. Less than 5 percent of the land within the District is classified public/park, open spaces or are water bodies. Trends in developed portions of King County, including the District areas, point towards small "in-fill" projects and the development of new multiple-family housing projects.

There is limited potential for significant increases in sewage flows into the District's system due to present land use patterns, current zoning restrictions and topographic conditions. Municipalities bordering the District have also limited the potential for boundary expansion. For the purpose of this plan, the District corporate area boundary, service area boundary and service area boundary are one and the same. It is anticipated that future expansion will be derived from developer extensions and possible changes in the residential land patterns from single family to multiple family dwellings. Future demographic changes and expansion possibilities within the District are discussed more thoroughly in Chapters 3 and 7, respectively.

1.5 HISTORY AND BACKGROUND

The Ronald Wastewater District was formed in July 1951 under the name of Ronald Sewer District, in accordance with the laws of the State of Washington to construct, operate and maintain a sewage collection system. The formation of the District, by petition and election, was in response to requests by residents of the area for improved sewage disposal facilities. In 1992, Ronald Sewer District changed its name to Shoreline Wastewater Management District to better describe its expanded general service area then known as "the Shoreline Community". On January 1, 2001, the District changed its name to the Ronald Wastewater District.



The first sewers were constructed in 1960 and were sized from 8" to 15" in diameter. They were of concrete pipe construction with O-ring type flexible joints. Manholes were of precast concrete construction with cast-in-place concrete bases. Since the inception of the District in 1951, its standards have changed to keep up with the latest technology in sewer design, materials and construction. District Resolution 07-18, as amended, describes the rules and regulations regarding sewer installations and general policies and requirements of the District. These regulations are upgraded periodically to meet current needs.

In 1960, the District constructed a sewage collection system in a portion of the northern area of Shoreline surrounding Echo Lake that was within the boundaries of Utility Local Improvement District (ULID) 2. Treatment and disposal were provided for by contract with the City of Mountlake Terrace. Sewage was transported via the Mountlake Terrace system to the City of Edmonds' treatment plant.

In 1962, the District constructed ULID's 3 and 4 which included the area from N.W. 195th Street to the Seattle City Limits and the balance of the original boundaries forming ULID 2. ULID's have continued through 1983 when ULID 18, known as Appletree Lane, was formed and constructed with the help of an EPA grant.

In 1970, the District constructed ULID 14 which included the area known as Innis Arden (approximately 550 single family residences). ULID 14 was the last major unsewered area in the portion of northwest King County between Lake Washington and Puget Sound.

Design provisions in Lift Station #5 (one of four lift stations in ULID 14) were made to accommodate sewer flows from the area known as "The Highlands" which is located directly south of Innis Arden. In June, 1971, the District entered into a joint use agreement with the Highlands Sewer District to allow for sharing costs of operation and future capital improvements of Lift Station #5 (Resolution 1050).

In 1984, King County began a process to divest themselves from providing direct residential sanitary sewage collection and thus, King County Sewer District No. 3 (KC#3) was transferred to the District on January 1, 1986. The KC#3 area includes the northwest portion of unincorporated King County and the Point Wells Chevron facilities area of unincorporated Snohomish County. King County prepared a Sewer Comprehensive Plan for KC#3 in 1984. Portions of the KC#3 system were built in 1939 and 1940. A sub-district to the KC#3 Sewer District was added in 1965.



In 1985 an area known as Holyrood, adjacent to the ULID 2 area, was annexed to the District and several years later, a 485-unit apartment complex called Ballinger Commons was constructed on this site.

In 1988, the District and other component agencies entered into an agreement with the City of Edmonds to share in financing the design, construction and ongoing maintenance of a new wastewater treatment plant at Edmonds. The District sold \$2 million dollars in bonds to pay for their share of the Edmonds plant based on 9.488% of ultimate plant capacity (0.861 MGD). The ULID 2 customer rates were adjusted as of January 1, 1989 to provide revenue for the new debt. The City of Edmonds assumes responsibility for all services related to the transport, treatment, and disposal of sewage for the ULID 2 area once it leaves the District's boundary.

In 1988, the METRO Council adopted a plan to eliminate the METRO Treatment Plant at Richmond Beach instead of upgrading it to secondary treatment. The plan provided for a new pump station at the Richmond Beach Site. All sewage flowing to the abandoned Richmond Beach treatment plant is now pumped to the City of Edmonds' treatment facility. The plan also includes the potential for additional sewer flows in the District to be routed to METRO's upgraded West Point regional treatment facility. The regional wastewater service plan is discussed in more detail later in Chapter 6.

In 1991, the District entered into an agreement with the Town of Woodway addressing the transport of South Woodway's sewage through District lines to King County facilities for pumping to the City of Edmonds treatment facility.

In 1995, the City of Shoreline was incorporated and assumed responsibility for land use planning from King County for most of the District's service area.

In 1997, the District and the City of Shoreline entered into an interlocal agreement under which the District would conduct assessments, analysis and prepare a plan to assume operation of the Seattle Public Utilities service area north of 145th Street within the boundaries of the City of Shoreline. This area is known as the old Lake City Sewer District (LCSD). Most of the system was built in the 1950's and 1960's and was funded by Utility Local Improvement Districts. The one exception to this was the collection system associated with the then Naval Hospital (later known as Fircrest) on N.E. 150th St. and 15th Ave. NE. This private collection system was installed prior to the mid-1950s and is now owned by the Department of Social and Health Services.

In 2000, the District signed a "Letter of Understanding" with the City of Lake Forest Park that the District had the City of Lake Forest Park's authority to negotiate with City of Seattle to purchase the entire system north of Seattle city limits.



In 2001, the District sold revenue bonds to purchase the system from SPU. Later that same year, the District began servicing and maintaining the LCSD service area north of 145th Street.

In 2002, the District sold the portion of their sewer system located within the City of Lake Forest Park. This included portions of the LCSD and other portions of the District located in the northern part of Lake Forest Park.

The most recent agreements/ordinances that have been adopted are as follows:

- 1994 – Snohomish County No. 94-030, Granting a utility franchise agreement to Shoreline Wastewater Management District (now Ronald Wastewater District). The franchise agreement is to use the rights-of-way of certain county roads for the purposes of constructing, installing, and maintaining a sanitary sewer system.
- 1996 – City of Shoreline No. 83, Establishing minimum requirements, procedures, and application information for franchise and right-of-way use agreements within the City.
- 2002 – City of Shoreline Ordinance No. 306 – Granting Ronald Wastewater District a non-exclusive franchise to construct, maintain, operate, replacement and repair a sanitary sewer system within public rights-of-way of the City of Shoreline, Washington.

1.6 RELATED MUNICIPALITIES AND AGENCIES

Several organizations, agencies and governmental bodies are involved with the aspects of planning, financing, regulating and operating wastewater treatment works and collection systems for the District corporate area. Various rules, procedures and requirements are applicable to the process of providing sewage service and all must be considered. Presented below is a list and short description of the primary agencies associated with providing wastewater services for the corporate area (the list is not intended to be all-inclusive).

- Board of Commissioners, Ronald Wastewater District – owns and operates the wastewater collection and pumping system in the District; provides operation and maintenance services to sewer customers in the corporate area.
- Environmental Protection Agency (EPA) - the lead federal agency responsible for setting regulatory requirements, financing the planning and construction of wastewater treatment systems; evaluates environmental impacts of projects with federal funding.
- U.S. Army Corps of Engineers - responsible for navigable waters; issues permits for construction in tidelands and wetlands, provides construction



Today, Shoreline has a preponderance of residential uses, supporting commercial and retail uses as well as various institutional uses. Only about one percent of the total land within the City limits remains vacant. Single lots scattered throughout the city primarily characterize the vacant land.

3.3 LAND USE, ZONING AND SERVICE AREA

Land use decisions within the District corporate boundaries are made by the land use authorities, City of Shoreline, Town of Woodway and Snohomish County.

City of Shoreline: The City of Shoreline adopted the first Comprehensive Plan in 1998. The city created a special study area, the North City Business District, in 2001 to "guide and encourage redevelopment of the area". The revised City of Shoreline Comprehensive Zoning Map was adopted by Ordinance 292 on January 7, 2002. Included in that map were the Briarcrest and Paramount Special Study Areas. Several other special study areas (SSAs) and areas with mixed use development have been identified since that time. Included in each of these SSAs are increased residential and commercial development which impacts the collection system both within the SSA and the surrounding areas. Updates (including land use revisions) were completed annually until the entire plan was revised in 2005. Amendments have been made to the City of Shoreline Land Use Designations and Zoning maps since 2005. The current land use maps dated January 2009 is shown in Figure 3.1. The Point Wells area has been identified as a Potential Annexation Area (PAA) for the City of Shoreline. Shoreline has identified Mixed Use for the Point Wells PAA.

In 2007, Shoreline's Buildable Lands Study quantified the development potential of the SSAs. City of Shoreline staff identified vacant and redevelopable sites and used recent development trends to estimate a 20-year capacity in terms of household and jobs. This was completed as part of King County's second, five year Buildable Lands Study, which is required by RCW 36.70A.215. Individually, one redevelopment project may not have an impact on the sewer collection system. However, multiple projects can collectively impact the sewer system as flows continue to accumulate as they progress downstream.

The zoning map was recently updated (June 2009) to correct minor differences between the zoning and land use maps throughout the City of Shoreline. A specific plan was developed for many of the SSAs including the Crista Campus, Fircrest, & Point Wells. The remaining SSAs will have specific master development plans in the future, which will include review of the area land use. The resulting projected population increase has been factored into the gross projected population growth for the entire District over the next 20 years.

Town of Woodway: There are four parcels within the Town of Woodway currently served by the District. Per the 2004 Town Comprehensive Plan, the land use is Suburban Residential and the zoning is Residential 14.5. These



designations are not expected to change for the four Woodway parcels. The Town of Woodway has included the Point Wells area in their PAA in their Comprehensive Plan. The lowland area would remain Industrial whereas the upland area would be Open Space/Critical Area and some Low Density Residential.

Snohomish County: There are two separate land uses within the Snohomish County area of the District: Urban Low Density Development and Heavy Industrial. The Urban Low Density Development area can develop to a current zoning of R-9,600. The Heavy Industrial does not have a limit as to how large an area can be developed and at what level. No residential dwellings are currently located on these parcels. The Snohomish County GMA Comprehensive Plan identifies the potential for the parcels currently with a land use of Heavy Industrial to be changed to Mixed Use/Urban Center land use. Snohomish County's Comprehensive Plan identifies residential dwellings in Urban Centers to be not less than 12 dwellings per acre with maximum densities being established as part of more detailed planning.

A Final Environmental Impact Statement (FEIS) has been submitted to Snohomish County in June 2009 and approved in August 2009. The FEIS proposed a site-specific non-project amendment to the Future Land Use Map designation and associated rezone of the lower portion of the Point Wells area from Heavy Industrial designation to Urban Center/Mixed Use with Planned Community Business zoning.

Figure 3.1 indicates the present land use within the District boundaries combining land use designations from the City of Shoreline, Town of Woodway and unincorporated Snohomish County. Prior to 1995, most of the District's service area was in unincorporated King County. Land use designations were developed in the County's Shoreline Community Plan. In 2001 the District adopted its first Comprehensive Plan utilizing Shoreline's current (at the time) Land Use Map. A comparison has been made between the previous Shoreline Land Use Map (4/2000) and the current updated version (1/2009). The following are the major land use changes between the two maps:

- Areas of the northern portion of the Aurora Corridor have been changed from Med/High Density Residential to Mixed Use
- A small area along 175th Ave near Aurora has been changed from Low-Density Residential to Mixed Use
- The Point Wells Area is identified as Mixed Use
- The Ballinger Special Study Area has been identified and various land use changes are shown in this area



Commercial zoning is restricted to Aurora Avenue, the Ballinger Way area and the area adjacent to I-5. There is no major industrial development within the District boundary at this time. The projected population, based on proposed land use classifications, is the best way to estimate the future number of dwelling units throughout the City. Using the residential land use classifications within the District's service area, the population density over the next twenty years was assumed to be 2.4 residents per unit, unless specifically identified as part of a special study area. Commercial densities are discussed later in this section. The potential population density (persons per acre) has been determined for each land use designation, as indicated in Table 3.1.

TABLE 3.1

LAND USE RESIDENTIAL POPULATION DENSITY

Land Use Designation	Units, Acre	Density, persons/acre
City of Shoreline		
Low Density Residential	6 or fewer	14.4
Medium Density Residential	8-12	28.8
High Density Residential	18-48	115
Mixed Use	48	115
Neighborhood Business	N/A	0
Community Business	N/A	0
Regional Business	110	Up to 198
Public Facilities	N/A	1
Institution	N/A	1
Town of Woodway		
Suburban Residential	4	9.6
Unincorporated Snohomish County		
Urban Low-Density Residential	6	14.4
Mixed Use/Urban Center	48	115
Urban Industrial	N/A	25 ²

¹Current building or area population estimates were made by individuals within each organization.

²Assumed to be similar to a commercial use with no residential dwellings.

Note: Units/Acre is based on the predominate underlying zoning within each land use designation.



CHAPTER 8

CAPITAL FACILITIES PLAN

8.1 INTRODUCTION

The development of a capital facilities plan for the maintenance and operation of the Ronald Wastewater District sewer system is set forth in this chapter. The population projections, land use, and design criteria presented in previous chapters were used to formulate the plan.

The existing system was reviewed to determine the necessity of replacing or repairing any components of the system. Once deficiencies were noted each project was evaluated and a recommended sequence for construction was established. The timing of construction or upgrading such facilities is contingent upon that point in time for which system demand is expected to exceed the rate that the existing facilities can operate properly.

Following is a discussion of the service area of Ronald Wastewater District and a capital improvement plan which includes cost estimates and a recommended schedule.

8.2 SERVICE AREA

The District presently has no plans or schedules for construction of sewer line extensions within its boundaries. It is expected that future construction within the District will occur by means of developer extension contracts in accordance with established District standards and policies as outlined in the District's Developer Extension Project Manual (see Appendix D).

Currently, Ronald Wastewater District provides sanitary sewer service to nearly all the existing residences within the District boundaries. The District expects to connect the few remaining residences via side sewer permits. Unsewered lots or lots that are redeveloped for increased densities will be served following the developer extension process.

There are two areas outside the District's corporate area but within the City of Shoreline and receiving service by the District: Holyrood Cemetery and Seattle Golf and Country Club. Both areas could be annexed to the District following RCW 57.24. Both options will require going through annexation process of the King County Boundary Review Board.



included in Table 8.2. Projects may be reprioritized during the next two years based on future development.

TABLE 8.1

CAPITAL IMPROVEMENT PROJECTS 2010-2030, in 2009 dollars

Project No.	Drainage Basin	Project Title	Total Estimated Project Cost
A	1	Richmond Beach Drive Sanitary Sewer Improvements	\$ 757,000
B	1	Lift Station No. 13 Improvements	\$ 2,020,000
Alt. AB	1	Point Wells Sanitary Sewer Improvements	\$ 4,200,000
C	12	SR 99 Sanitary Sewer Improvements	\$ 203,000
D	14	Carlyle Hall Road Sanitary Sewer Improvements	\$ 1,097,000
E	14	N 160th St and Fremont Place Sanitary Sewer Improvements	\$ 1,517,000
F	14	Aurora Ave N Sanitary Sewer Improvements	\$ 831,000
G	15	Echo Lake Trunk Replacement	\$ 1,546,300
H	16	NE 185th St Sanitary Sewer Improvements	\$ 417,000
I	16	16th Ave NE/Perkins Way Sanitary Sewer Improvements	\$ 1,108,000
J	16	Ballinger PL/15th Ave NE Sanitary Sewer Improvements	\$ 444,000
K	16	Lago Place Sanitary Sewer Improvements	\$ 1,966,000
L	17	1st Ave NE Sanitary Sewer Improvements	\$ 719,000
M	17	Basin 17 Sanitary Sewer Improvements	\$ 1,305,000
N	18	11th Ave NE Sanitary Sewer Improvements	\$ 1,792,000
O	18	NE 170th St Sanitary Sewer Improvements	\$ 831,000
P	19	Ballinger Sanitary Sewer Improvements	\$ 520,000
Q	SPU18	SPU Basin 18 – total project cost \$209,000	\$ 84,000
R	SPU20	SPU Basin 20 – total project cost \$ 406,000	\$ 162,000
S	SPU21	SPU Basin 21 – total project cost \$ 29,000	\$ 12,000
T	SPU23	SPU Basin 23 – total project cost \$1,217,000	\$ 487,000
U	Various	Annual Sewer Repair & Replacement Projects	\$ 27,620,000
V	14	Redesign of Administration Building	\$ 150,000
W	14	Remodel of Administration Building	\$ 1,000,000
X	25	Lift Stations No. 16 Improvements	\$ 245,000
Y	16	Lift Stations No. 8 Predesign	\$ 30,000
Z	16	Lift Stations No. 8 Design/Construction	\$ 700,000
AA	1	Lift Station No. 12 Predesign	\$ 30,000
AB	1	Lift Station No. 12 Design/Construction	\$ 650,000
AC	16	Lift Stations No. 9 Predesign	\$ 30,000
AD	16	Lift Stations No. 9 Predesign	\$ 500,000
AE		Garage close out	\$ 10,000
AF		Maintenance Equipment	\$ 5,000
AG		Quarter Section Update	\$ 31,000
AH		Two flow meters	\$ 22,000
AI		Annex Seattle Golf Club	\$ 5,000
AJ		Annex Holyrood Cemetery	\$ 5,000
AK		Computers & Software Upgrades	\$ 20,000
AL		1995 Ford Response Van replacement	\$ 45,000



TABLE 8.1 continued

CAPITAL IMPROVEMENT PROJECTS 2010-2030, in 2009 dollars

Project No.	Drainage Basin	Project Title	Total Estimated Project Cost
AM		1997 Ford Dump Truck replacement	\$ 40,000
AN		Air Compressor replacement	\$ 27,000
AO		1999 Ford F-250 replacement	\$ 25,000
AP		2000 Ford Explorer	\$ 44,000
AQ		Office Equipment replacement	\$ 10,000
AR		2001 Ford F-150 replacement	\$ 26,000
AS		Office Building Roof replacement	\$ 40,000
AT		2002 Peterbuilt Vactor replacement	\$ 390,000
AU		2003 Ford Ranger replacement	\$ 24,000
AV		2003 Ford Escape replacement	\$ 27,000
AW		2005 CCTV replacement	\$ 129,000
AX		Office Equipment	\$ 10,000
AY		Hardware/Software replacement	\$ 12,000
AZ		Scanner-Hardware & licensing	\$ 17,340
		Misc projects previously authorized	\$ 697,700
O-3A	15	Aurora Phase 3A – relocation of sewer main	\$ 800,000
O-3B	12	Aurora Phase 3B – relocation of sewer main	\$ 2,000,000
Fircrest	20	Purchase & Upgrade Fircrest System	\$ 1,000,000
Total 21 year Capital Improvement Plan³			\$ 54,235,340

Notes:

1. Per agreement with SPU, District share of cost for increasing capacity for common sewer facilities south of the District's corporate boundary (N/NE 145th Street) is 40% of total project cost.
2. Assumed side sewers located every 50 feet along sewer main for replacement purposes.
3. Does not include Alternative AB cost

TABLE 8.2
RONALD WASTEWATER DISTRICT PROJECT SCHEDULE

YEARS 2010 - 2015

Project	Project Name	Funding Source	2010	2011	2012	2013	2014	2015
	Prior Year Authorized Projects		\$ 697,700					
G	Echo Lake Trunk Replacement	Bonds, GFC, R/R	2010					
U	Annual Sewer Replacement Projects	R/R	Annual	\$ 1,100,000	\$ 1,000,000	\$ 995,000	\$ 1,100,000	\$ 1,300,000
V	Redesign of Administration Building	R/R	2010	\$ 150,000				
X	Lift Station No. 16 Improvements	R/R & PWTF	2010	\$ 245,000				
AE-AH	Misc. Admin Projects	R/R	2010	\$ 68,000				
AZ	Scanner-Hardware & Licensing	R/R	2010	\$ 17,340				
C	SR 99 Sanitary Sewer Improvements	Bonds, GFC, R/R	2011	\$ 203,000				
H	NE 185th St Sanitary Sewer Improvements	Bonds, GFC, R/R	2011	\$ 417,000				
W	Admin Building Remodel	R/R	2011	\$ 1,000,000				
AI-AL	Misc. Admin Projects	R/R	2011	\$ 75,000				
O-3A	Aurora Phase 3A - relocation of sewer main	Bonds, GFC, R/R	2011	\$ 800,000	\$ 1,966,000			
K	Lago Place Sanitary Sewer Improvements	Bonds, GFC, R/R	2012		\$ 30,000			
Y	Lift Station No. 8 Pre-design	R/R	2012		\$ 40,000			
AM	Misc. Admin Projects	R/R	2012		\$ 2,000,000			
O-3B	Aurora Phase 3B - relocation of sewer main	Bonds, GFC, R/R	2012			\$ 831,000		
O	NE 170th St Sanitary Sewer Improvements	Bonds, GFC, R/R	2013			\$ 520,000		
P	25th Ave NE Sanitary Sewer Improvements	Bonds, GFC, R/R	2013			\$ 700,000		
Z	Lift Station No. 8 Design/Construction	R/R & PWTF	2013			\$ 27,000		
AN	Misc. Admin Projects	R/R	2013			\$ 1,000,000		
Fircrest	Purchase & Upgrade Fircrest System	R/R	2013			\$ 1,097,000		
D	Carlyle Hall Road Sanitary Sewer Improvements	Bonds, GFC, R/R	2014			\$ 1,517,000		
E	N 160th St & Fremont Place Sanitary Sewer Improvements	Bonds, GFC, R/R	2014			\$ 30,000		
AC	Lift Station No. 9 Pre-design	R/R	2014			\$ 25,000		
AO	Misc. Admin Projects	R/R	2014					\$ 1,108,000
I	16th Ave NE/Perkins Way Sanitary Sewer Improvements	Bonds, GFC, R/R	2015					\$ 500,000
AD	Lift Station No. 9 Design/Construction	R/R & PWTF	2015					\$ 54,000
AP-AQ	Misc. Admin Projects	R/R	2015					\$ 2,962,000
	Total		\$ 3,849,340	\$ 3,595,000	\$ 5,036,000	\$ 4,073,000	\$ 3,769,000	



TABLE 8.2
RONALD WASTEWATER DISTRICT PROJECT SCHEDULE

YEARS 2016 - 2030

Project	Project Name	Funding Source	2016	2017	2018	2019	2020	2021-2030
N	11th Ave NE Sanitary Sewer Improvements	Bonds, GFC, R/R	2016 \$ 1,792,000					
T	SPU Basin 23	Bonds, GFC, R/R	2016 \$ 487,000					
U	Annual Sewer Replacement Projects	R/R & Bonds	Annual \$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 14,000,000
AA	Lift Station No. 12 Pre-design	R/R	2016 \$ 30,000					
AR-AS	Misc. Admin Projects	R/R	2016 \$ 66,000					
J	Ballinger Way/15th Ave NE Sanitary Sewer Improvements	Bonds, GFC, R/R		\$ 444,000				
L	1st Ave NE Sanitary Sewer Improvements	Bonds, GFC, R/R		\$ 719,000				
R	SPU Basin 20	Bonds, GFC, R/R		\$ 162,000				
AB	Lift Station No. 12 Design/Construction	R/R & PWTF		\$ 650,000				
AT	Misc. Admin Projects	R/R		\$ 390,000				
A	Richmond Beach Drive Sanitary Sewer Improvements	GFC			\$ 757,000			
B	Lift Station No. 13 Improvements	GFC			\$ 2,020,000			
AU-AV	Misc. Admin Projects	R/R			\$ 51,000			
F	Aurora Ave N Sanitary Sewer Improvements	Bonds, GFC, R/R				\$ 831,000		
M	Basin 17 Sanitary Sewer Improvements	Bonds, GFC, R/R				\$ 1,305,000		
Q	SPU Basin 18	Bonds, GFC, R/R				\$ 84,000		
S	SPU Basin 21	Bonds, GFC, R/R				\$ 12,000		
AW-AY	Misc. Admin Projects	R/R				\$ 151,000		
	Total		\$ 3,775,000	\$ 3,765,000	\$ 4,228,000	\$ 3,783,000	\$ 1,400,000	\$ 14,000,000

RONALD WASTEWATER DISTRICT CAPITAL IMPROVEMENT PROJECT DESCRIPTION

PROJECT SUMMARY										
PROJECT LETTER & NAME A. RICHMOND BEACH DRIVE SANITARY SEWER IMPROVEMENTS	ESTIMATED PROJECT COST <div style="text-align: right;">\$ 757,000</div>									
PROJECT DESCRIPTION REPLACE APPROXIMATELY 1171 LF OF 8" GRAVITY SEWER MAIN AND SIDE SEWERS WITH 15" SEWER MAIN BY OPEN CUT AND PIPEBURSTING FROM MH A6021 TO A6041 TO CONNECTION AT KING COUNTY WASTEWATER.										
PROJECT BENEFIT/RATIONALE: THE PROJECT IS NECESSARY TO PROVIDE SUFFICIENT SEWER CAPACITY TO ALLOW PLANNED DEVELOPMENT IN THE DISTRICT. THE SCHEDULE FOR THIS PROJECT WILL BE COORDINATED WITH DEVELOPMENT OF THE POINT WELLS AREA OF THE DISTRICT.										
ENVIRONMENTAL IMPACTS THE PROJECT WILL REQUIRE SEPA REVIEW.										
PROGRAM FUNDING										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	
PROJECT COST										757,000
FUNDING SOURCE										GFC

RONALD WASTEWATER DISTRICT CAPITAL IMPROVEMENT PROJECT DESCRIPTION

PROJECT SUMMARY									
PROJECT LETTER & NAME B. LIFT STATION NO. 13 IMPROVEMENTS	ESTIMATED PROJECT COST <div style="text-align: right;">\$ 2,020,000</div>								
PROJECT DESCRIPTION INCREASE CAPACITY OF LIFT STATION NO. 13 TO 1,800 GPM. REPLACE 1300 LF OF EXISTING 8" DI FORCE MAIN WITH 12" FORCE MAIN.									
PROJECT BENEFIT/RATIONALE: THE PROJECT IS NECESSARY TO PROVIDE SUFFICIENT SEWER CAPACITY TO ALLOW PLANNED DEVELOPMENT IN THE DISTRICT. THE SCHEDULE FOR THIS PROJECT WILL BE COORDINATED WITH DEVELOPMENT OF THE POINT WELLS AREA OF THE DISTRICT.									
ENVIRONMENTAL IMPACTS THE PROJECT WILL REQUIRE SEPA REVIEW.									
PROGRAM FUNDING									
	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROJECT COST									2,020,000
FUNDING SOURCE									GFC



CO00040491

**SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington**

MOTION NO. 10-185

**CONCERNING APPROVAL OF THE RONALD WASTEWATER DISTRICT
2010 COMPREHENSIVE SEWER PLAN**

WHEREAS, the Ronald Wastewater District (RWWD) has prepared and submitted a comprehensive sewer plan, dated January 2010, prepared by BHC Consultants, to the Snohomish County Council on February 09, 2010; and

WHEREAS, RCW 57.16.010 requires that any sewer system comprehensive plan be submitted to and approved by the county legislative authority before becoming effective; and

WHEREAS, the legislative authority, in reviewing the comprehensive plan pursuant to RCW 57.16.010, must consider three criteria: 1) whether the proposed action is in compliance with the development program outlined in the county comprehensive plan; 2) whether the action is in compliance with the basin wide sewage plan as approved by the state; and 3) whether the plan is in compliance with policies in the county comprehensive plan for sewage facilities; and

WHEREAS, statutory criteria 2 is inapplicable because the state has no applicable basin wide sewage plan for this entire area; and

WHEREAS, the Snohomish Health District officer has given approval to the plan via letter dated February 19, 2010 as required by Title 57 RCW; and

WHEREAS, the county engineer has given conditional approval of the plan via letter, dated February 25, 2010, to Ronald Wastewater District pursuant to Title 57.16.010; and

WHEREAS, the district's plan has been reviewed by the Department of Planning and Development Services and found to be generally consistent with the county's adopted GMA Comprehensive Plan, with issues related to the franchise agreement with Snohomish County and the Snohomish County Council's Docket XIII action in the Point Wells area on August 12, 2009;

NOW, THEREFORE, ON MOTION:

- A. The county council finds that the proposed Ronald Wastewater District's Comprehensive Sewer Plan, dated January 2010, is in general compliance with the applicable criteria for approval prescribed in RCW 57.16.010.
- B. The Snohomish County Council approves the Ronald Wastewater District's Sanitary Sewer Comprehensive Plan, dated February 2010, based on the foregoing plus review of the entire record and pursuant to RCW 57.16.010(6), subject to the following conditions:
 - 1. No portion of any existing or proposed sewer facilities that the Ronald Wastewater District constructs, places, maintains, operates, or otherwise uses within Snohomish County right-of-way pursuant to the authority granted to the Ronald Wastewater District by that certain Franchise Agreement authorized by Snohomish County Ordinance No. 94-030 may be sold, assigned, or otherwise transferred to King County or to any other third party without first obtaining the written consent of the Snohomish County Council, as required by the terms of the Franchise Agreement.
 - 2. The land use map (Figure 3.1) in the plan should be revised when the Urban Centers designation approved by the Snohomish County Council has taken effect.

PASSED this 14th day of April, 2010.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington


Council Chair

ATTEST:


Asst. Clerk of the Council

D-14



SHORELINE
CITY COUNCIL

Shari Winstead
Mayor

Chris Eggen
Deputy Mayor

Will Hall

Doris McConnell

Keith A. McGlashan

Chris Roberts

Jesse Salomon

July 7, 2014

Ms. Diane Pottinger
General Manager
North City Water District
1519 NE 177th St
Shoreline, WA 98155

RE: City Council 5-19-2014 Agenda Item 8(b) – Response to Questions

Dear Ms. Pottinger:

On May 19, 2014, you appeared before the City Council during public comment with a number of questions regarding the recently completed Utility Unification and Efficiency Study. As you may recall I requested that North City Water District participate in this study with the City. As my letter in December 2013 stated, *“...It would be in the best interest of the Shoreline community to have the District working collaboratively with the City to complete this study, and therefore I would like to meet with you to discuss how this can be best accomplished. Key steps that will be important will include the provision of the District’s financial and operational information, opportunities to discuss issues and questions openly between the District, City and the City’s consultant, review of the draft conclusions and recommendations, and review of the final report. It would be my hope that we can productively identify policy issues that our respective governing boards should evaluate as we move forward and that differences can be resolved in a way that demonstrates good local government that supports our community’s vision.”* Unfortunately the District declined to participate in the process.

Although this is the case, the City has been responsive to your two previous sets of questions regarding this study. We also want to provide a response to you on the last set of questions that you submitted on May 19 along with a response to the verbal questions that you raised during the same meeting, but were not included in your letter distributed to the City Council.

North City Water District Verbal comments made on May 19.

- a. Comment: It is unclear why the City of Shoreline desires to go into the water and sewer utility business given the current state of affair of utilities in our nation. In Portland Oregon the voters are deciding tomorrow May 20th if a

special purpose district should be formed to oversee the water and sewer utility instead of the City of Portland. In Washington, there is a city with Water utility that is looking how to form a separate purpose district to service that area outside the City's limits. They want it separate from the City. And yet here in the City of Shoreline, the City Council is considering unifying the City's the utility under the City. Is that what is really best for the rate payer and our citizens?

Response: *The City of Portland voters rejected the formation of a special water and sewer district by nearly a 3 to 1 margin. Clearly the voters believe their municipal controlled utilities are in the best interest of the public.*

- b. **Comment:** Special purpose water, sewer, transportation service benefit district, and metropolitan park district have been established for single purpose and to look after the interest of the rate payers. Ronald Wastewater and North City Water have critical life infrastructure system which requires a structural approach to management, which is unlike the City's existing Surface Water Utility. And an email from Brian Landau to Jesus Sanchez written in November 2012, Brian writes, "... the Surface Water Utility fund balance is allocated in ways that may not be in the best interest of the rate payers. The management of the fund and the budget decisions will need to be looked at in the interest of rate payers to make sure the fund dollars are managed appropriately and use to meet the goals of the utility..." He goes on to say the fund is currently managed to meet a minimum balance with no big picture goals or guiding principles. The Council has had limited discussions with the Surface Water Utility to address these issues and are still waiting to hear back from the staff regarding the educational and commercial facility credits discussed during the September 9th City Council meeting. I'm requesting the City Council hold off on approving the study tonight and ask for both the staff and consultant to review my comments and any comments that may received by the public.

Response: *The NCWD comment implies that the City does not have a structured approach to managing its Surface Water Utility and by extension does not have the management experience or knowledge of utility management practices to effectively operate water and sewer utilities. This perception is simply not valid. The City uses a very structured process to manage its surface water utility which contains the following main elements:*

- *Review and update of a surface water master plan on a regular basis (approximately every 5 years)*
- *A capital improvement plan based on needs indentified in the surface water master planning (reviewed annually and planned on a six-year horizon)*
- *A financial plan based on operating costs, capital improvement plan, revenue projections, and expected debt. (reviewed annually and planned on a six-year horizon)*

- Conduct regular (annual) utility rate analysis to ensure that revenues are sufficient to support the utility
- Comply with regulations/permit conditions (i.e. NPDES Phase II) that regulate the utility
- Conduct financial and legal review of the planning and financial documents
- City Council reviews and adopts the master plan, financial plan, capital improvement plan, and utility rates.

Large and small utilities in western Washington and throughout the State follow similar processes to manage their operations.

It is staff's opinion that NCWD misrepresents the facts by taking an excerpt from one City of Shoreline employee email to illustrate their conclusion that the City lacks a structured approach to utility management. The City values and encourages the opinions of its staff as a method to support continuous improvement in the organization. In this context, the staff member was attempting to discuss the budget decision making process and how it might be improved using different allocation methodologies and how best to share that during the budget deliberation process. Regardless of which allocation methodology is used, maintaining a minimum fund balance is required to meet bond coverage ratings so it must be considered during the fund allocation process.

Written comments from the May 19, 2014 NCWD letter and City responses

City Water Utility Assumptions

- Comment: Wholesale cost are too low. The North City Water District's wholesale water cost is projected to be \$1.1 million in 2020 (Appendix E, page 8b-81). The cost was \$1.5 million in 2013 and is expected to increase over time (Appendix D, page 8b-75 and comparison of prior year audit, Operating Expenses, Water purchased for resale). In NCWD's 60 year contract with Seattle Public Utilities, all the utilities have agreed to pay SPU's Rate of Return on Investment, which does not allow wholesale costs to reduce. The report's assumption of wholesale expenses is not large enough for the baseline assumption [Appendix E, page 8b-82] even if the rates were to remain equal (assuming zero growth between 2014 and 2020) and assuming there is no increase in inflation. This gives the appearance of unlikely large projected savings for all options.

Response: *The NCWD has incorrectly interpreted the \$1.1 million for wholesale water purchases to reflect the total for the system when in fact it represents the portion in the City of Shoreline only. The wholesale purchase amount for the entire District is forecast at \$1.4 million for the year 2020.*

The NCWD has also incorrectly taken a decline in real costs to reflect a decline in nominal costs. Because the analysis is in 2014 dollars for all years, it reflects real costs before any impacts to account for inflation. This is clearly stated in the study. The City does not expect wholesale costs to decline in nominal terms over time, but does expect wholesale costs will not increase as fast as inflation. As stated on page 15 of the report, the SPU wholesale rates were forecast to decrease in real terms. SPU has had significant increases above the rate of inflation over the past few years which will hopefully allow future rates to increase at a lesser pace.

In any event, the amount of wholesale costs will apply equally to NCWD, SPU and the City. If there is a change in the wholesale costs of water supply, it may impact the rates that all three entities would need to charge. It would, however, have no impact on the savings estimates as they are based on identified differences between operation by the district and operation by the City.

- b. Comment: Water sales compared to wholesale water costs should be parallel, not divergent. The rate revenues should increase similar to increasing wholesale expenses. However, the report shows that it is opposite - as the rate revenues increase, the wholesale expenses are projected to decrease. If growth occurs in Shoreline, the water utility would see an increase in water sales and wholesale water costs. This report says that as water sales increase, wholesale water costs will decrease which is not true. [Appendix E, pages 8b-77 and -78 for the SPU scenarios as well as pages 8b-81 and -82 rate revenues compared to the wholesale water supply/treatment lines]. Again, this projection of wholesale water cost projects savings for Option 2, 4, and 5 that are very unlikely to happen [Appendix F, pages 8b-88 through 8b-95]. Options 1a and 3 are not included in this appendix so I can't comment on these assumptions.

Response: *See the response to question "a" above with respect to wholesale water rates. Retail water rates are forecast to increase above the rate of inflation for both the SPU customers and NCWD customers. In the case of SPU, it was forecast that retail rates would increase at a rate 0.4% faster than the rate of inflation. This is consistent with the 2012 study where rates were forecast to increase by 5% per year and costs were forecast to increase by 4.6% per year. For NCWD, the City found that the District would face a deficit unless rates were increased above the rate of inflation. We increased retail rates by 1% per year in real terms for the years 2026 through 2030 to ensure its costs were covered, as was discussed on page 15 of the report. For both SPU and NCWD, rates are increasing due to spending of the utilities for costs that they control outside of the cost of wholesale water.*

- c. Comment: Staff size of the potential city water utility is different in three separate city reports. In the 2012 SPU study, EES assumed 21 people to operate the SPU water utility [Table 4, Engineering Review, page 29]. The City of Shoreline staff then did an Efficiency Study and further reduced that number to 17.25 people [Table 5, Operational Efficiency Report, page 8]. Appendix C of this new report shows that, after the SPU acquisition, there will be 23 people in the city water department [Option 1a, Public Works Department Proposed Organizational Charge, page 8b-61]. It is not clear as well as confusing as to how the consultant determined the utility staffing needs as well as the Shared Services Department staffing needs, of the new water utility.

Response: *The difference between the original 21 employees in the 2012 study and the 23 employees in the 2014 analysis is the addition of two staff in the Administrative Services Department (ASD) to cover the added burden placed on that department. Rather than adding them to the ASD and allocating a portion of that higher amount to the new utility, those two staff were directly assigned as a cost to the new utility. Because this study looked more closely at impacts to other departments than in 2012, this adjustment was important to include. This provides for a more conservative estimate of the costs for the new utility.*

The efficiency study showed a potential reduction in staff, however, those numbers were not used in order to provide a more conservative estimate of costs. Such efficiencies will be looked at in the future to make the utility as efficient as possible while maintaining a high level of service, leaving room for additional savings in the future.

- d. Comment: The City's assumption (take over) of North City Water District staff, assets and debt is incorrect. Option 3 of the report "assumes" or projects that the NCWD's staff will not be assumed (taken over) nor the office buildings (page 8b-32). According to RCW 35.13A.090, the City's assumption (take over) of NCWD will require that the City offer employment to all NCWD's employees if the City of Shoreline assumes all of the District, and if there is a partial assumption, the City must offer employment to any employees not retained by the remaining district. The City will also have to take all the debt and assets in a full assumption, but in a partial assumption, the City will need to pay for proportional debt but will not receive any liquid assets (cash and investments).

Response: *Page 10 of the report states: The legal and contractual requirements for assumption of RWD or NCWD are not considered as part of this study and would need to be considered in addition to the financial impacts.*

For Option 3 we assumed that buildings and staff would remain to allow the District to cover the operations of the remaining service areas as the City did not wish to presume there would be any actions for assumption by the City of Lake Forest Park. For Option 4 the City did assume the buildings

and staff would be moved to the City. On an annual basis there was not a significant difference in the savings between Options 3 and 4. The primary difference was in the timing of the assumption.

In all cases, an assumption of a proportionate share of the NCWD debt was included in the analysis.

- e. Comment: The report projects that the City of Shoreline would assume (take over) 77% of the district and the remaining 23% taken over by the City of Lake Forest Park is not correct. The water sales within a water utility varies from year to year, or even a 2 year average, so it is not appropriate to divide a utility based on water use (page 8b-33). A more standard methodology is to consider the number of miles of pipes or the age of the system or the labor hours spent maintaining the system.

Response: *Water sales are certainly an appropriate allocator to split the revenues associated with the residents of the two separate Cities. The City has no reason to believe that the costs to serve Shoreline residents are more or less than the costs to serve Lake Forest Park residents. Wholesale water costs, which are a large portion of the budget, would be appropriate to allocate on the basis of water sales. Because this is a preliminary study to assess the benefits of assuming the NCWD service area in the distant future, it is not necessary to have more precise estimates at this time. If the City does decide to pursue this option then it would be reasonable to develop more detailed estimates at that time.*

- f. Comment: The new Option 5 to assume (take over) North City Water District without acquiring SPU but assuming (taking over) Ronald Wastewater District is not cost effective. Table 32 [page 8b-53] indicates the expected savings of acquiring both special purpose districts but not the SPU system appears to have only a 1.2% savings in 2020. Given the number of incorrect assumptions in the report, it is likely going to cost ratepayers and the citizens of Shoreline, more than if both special purpose districts continue to operate separate from the City unless the City of Shoreline were to acquire the SPU system for \$26.6 million. Since all of the employees will need to be offered employment, the main reason at least in the initial years will be the added city-wide indirect cost allocation. Perhaps some savings might be realized as long as the overhead cost allocations is cost neutral, e.g. offset by office staff salary and benefits being absorbed into general fund departments. However, that information was not included in the report presented here tonight.

Response: *The NCWD are incorrect is stating the savings for Option 5 is 1.2%. That is the savings for Option 1b with RWD alone. Option 5 has estimated savings of 2.9%, as shown on page 3 of the report. In both cases those savings reflects a percent when the cost of treatment revenues are included in the calculation. When that treatment amount is excluded, the*

savings is 5.5% for Option 1b and 6.2% for Option 5. In terms of dollars, the savings for Option 5 is \$12 million, which is a significant amount.

The savings to the City for general operations is in fact included in the report on page 4 and is forecast at \$22 million.

City Sewer Utility Assumptions

- a. Comment: Elimination of existing contracting services is not logical. The text described how 100% of the cost of the buildings will be eliminated as well as all legal and financial costs [page 8b-36J. Given that the City does not have experience in operating a sewer utility, most likely there will be a time lag that the City will continue to contract for these additional services or there will be a need to expand legal and financial staff

Response: *The City has in-house counsel and financial staff that are more than capable of handling the standard utility requirement and they in fact already handle matters more complex than the issues facing a utility. In addition, the current experienced staff from RWD will all be offered positions per the 2002 Interlocal Operating Agreement, and if for some reason they wish to decline then the City will hire experienced staff as necessary. A large portion of budgeted legal costs for RWD was for law suit against the City's assumption of the utility and that clearly will no longer be needed.*

- b. Comment: Legal work will have to be done by an outside consultant or additional staff. The report indicates that the City can absorb the administrative overhead with the existing staff. For the City's 2013 Budget, the City used MaxCars - Cost Allocation Module by Maximus, to allocate costs to the City Departments (separate document prepared by the City of Shoreline and attached). From this evaluation, the City attorney's time was spent 98% on general city services and 2% to the surface water utility. It is not apparent as to how the city's existing legal department will be able to handle the additional, significant legal workload that in my experience will come from a water and/or sewer utility (to deal with developer's agreements, capital construction, consulting contracts, liens and claims) without adding any staff or outside assistance.

Response: *The City's legal staff has been managing issues related to the assumption of RWD already and once that issue is resolved, will have time available to manage more routine matters related to the utility.*

- c. Comment: Financial modeling will have to be done by an outside consultant or additional staff. We recognize that while the City Manager has a financial background, it will be more appropriate to use an outside consultant that specialize in utility rate work and financial planning, much like they did with

the SPU study. The City staff will need outside help in establishing rates so including time for a financial consultant would be appropriate. The majority of cities the size of Shoreline retain consultants to do this type of specialized work. This is true throughout the country.

Response: *The City has a full staff to handle financial matters in addition to the City Manager and they already perform the work required for the surface water utility. While it may be necessary to hire outside consultants for conducting a cost of service study for the water utility, this would likely not be necessary for the sewer utility. Further, the City will likely initially set rates to equal the rates of SPU for the first several years to provide a smooth transition. After that, a full cost of service study is only conducted once every 3-5 years and would not represent a significant cost. Further, the City is planning on providing training in utility rates for a current employee(s).*

- d. Comment: Shared services allocation back to the sewer utility is not identified. Adding a sewer utility will have an impact on the city's budget. The city has used MaxCars to allocate costs to the various city departments in the 2013 budget (see attached). The tables in Appendix E should have a line item to show the additions to the city's general fund to see how the General Fund will be first impacted by the acquisition of utilities before reallocating appropriate costs to the new utilities. A copy of the MaxCars - Cost Allocation Module should be generated for each of the study years and a copy of which should also be included in the appendix (Attachment 1). The City should calculate the costs for all the "Shared Services" of the city, especially in light of the 2011 Washington State Audit report overhead allocation [Local Government Allocating Overhead Costs, Washington State Audit report 1006136]. This information should be provided in an appendix to validate the values shown on lines "Amount of Shared Services Allocation" in Appendix C.

Response: *The City has allocated all direct costs for the new utility to the utility and does not require any additional expenses to the ASD or other departments as a result of adding RWD.*

General City Overhead

- a. Comment: Shared services allocation on other city services such as parks, neighborhoods, surface water management, roads is not included. The graphs in Appendix B show there will be an increase in the staffing levels in both the City's Public Works Department and Administrative Services Department [Public Works Department - Proposed Organizational Chart page 8b-61]. The report states there will be a projected savings to the City when new utilities transfer into the City of Shoreline because there will be less staff assigned to the utility compared to having all of Ronald Wastewater District staff being paid for by the sewer rates. The flaw in that assumption is that these people are not all needed, and that also should apply to existing City staff who already

have full plates. Provide an example of the MaxCars allocation in the appendix, as discussed in the previous comment, because there will be an increase in city wide overhead costs because of the additional people being added to the overall city overhead. It is very likely that these departments will all be impacted by having higher administrative overhead from the additional personnel associated with the potential sewer and water utilities. An update of the Maximum cost allocation software database should be made for each option.

Response: *The City has determined that new no staff are needed by the ASD for a RWD assumption. All of the current functions of the RWD are being performed by the staff that are transferred to the City and therefore no City staff will need to be added to meet those same functions. Some of the tasks may be re-organized between existing ASD staff and RWD staff that are assigned to the ASD. This will not create any additional costs. Two new staff will be needed by the ASD along with the SPU acquisition and those costs are assigned to the utility.*

Sewer, Water and City Capital Funds

- a. **Comment:** City's Sewer Utility will reduce reinvestment into the sewer system by half compared to Ronald Sewer District. First, the Capital Contributions, projected non-operating revenue) of approximately \$500,000 for Ronald Wastewater District are too high compared to historical actual contributions (Appendix D, 2014 Adopted Budget for RWD, page 8b-74). In communications with the General Manager at RWD and a review of historical audits, this line item is generally less than \$100,000 annually. Further, in Appendix E, it appears the water utility in the SPU area will be expecting facility charges approximately \$60,000, significantly less than what is expected for the sewer utility. The two utilities should show a similar growth pattern and not be different by an order of magnitude. Not only is the assumed capital contribution too high, even if it is \$500,000, the annual capital improvement program is estimated to be \$1.1 million. Thus, it appears that the City's potential sewer utility will only be able to do 1/2 of what Ronald Wastewater District is currently able to do. Those capital expenditures should continue to occur and the \$500,000 annual revenue assumption be reduced to \$100,000 or less

Response: *The City discussed the amount of capital contributions with RWD staff prior to completing the report. While it is higher than some past years, the City is expecting significant development in the coming years and was not comfortable reducing that amount. In any event, changing this*

revenue would equally impact RWD on a standalone basis and a City-operated utility. It has no impact on the estimated savings as those are based on the elimination of budgeted expenses resulting from the efficiencies of operating within the City.

- b. Comment: Debt payments in this study are not sufficient to acquire the SPU system. The borrowing amount included in the SPU analysis that was done in 2012 showed that an annual debt payment of approximately \$3 million which remained constant throughout the study [Appendix A of the SPU Financial Analyses (2012), Updated Case A page 40 line "Total initial Debt" compared to Appendix E, Option 1a, line item Debt payments -Initial, page 8b-77]. Yet, in this Unification study, the debt payment begins at \$2.3 million and decreases to less than \$1 million in 2040. This does not make sense to me; the debt service does not decline. Given the final purchase price has yet to be agreed upon with the City of Seattle, this amount could be significantly different, but assuming that revenue bonds will be issued, annual level debt service should be assumed, not declining debt service.

Response: NCWD failed to understand the difference between real and nominal dollars. In nominal dollars the debt service would remain flat and would not increase with inflation. And other costs would go up at the rate of inflation. When converted into 2014 real dollars, the debt service declines each year and other costs remain constant.

- c. Comment: The added debt service coverage component is not included in this report. In this market, revenue bond covenants could require that net operating income available for debt service should be 1.7 times or higher than the annual debt service. A 1.5 coverage ratio for the SPU system [Appendix E, page 8b-77J] is usually the very minimum these days for an existing utility with a proven debt service track record.

Response: *The City did account for debt service coverage in the analysis. Amounts available for debt service coverage (DSC) are also available to fund CIP projects with cash. Generally a DSC of 1.25 is required for utility revenue bonds, and for planning purposes a DSC of 1.5 to 1.8 is used. The DSC for SPU alone has a minimum of 1.5 in the first year and increases after that. As RWD has no debt going forward there is no DSC calculation.*

- d. Comment: North City Water District's capital assets are assumed but not all the debt (our recent property purchase is not included in this analysis). Appendix D [page 8b-75] shows the capital expenses of \$850,813 in 2013 for North City Water District. This is our annual debt service, a capital related expense and is not discretionary. On page 8b-27, it shows a different amount for debt of \$442,939. These need to be consistent. The Capital Improvement Program that was used in the latest Comprehensive Plan Update does not include public private partnerships or drinking water state revolving fund loan payments and is

incomplete. The study includes Net Book Value of the RWD facilities and the budgeted amount for the District facilities in the comprehensive plan. Using two different sources has identified incorrect costs. It does not include the purchase of our new NW Church property at 15555 15th Ave NE. An assumption was made that each of the properties would be able to be sold for Net Book Value and the estimates in the comprehensive plan. This is an aggressive estimate.

Response: The \$442,939 debt service is for the share within the City of Shoreline. The total amount for the District was \$575,000. This number was based on the debt service provided in the 2012 audited financials for NCWD. This was the latest information the City received from NCWD, which did not provide more current information. This higher amount of debt service related to recent acquisitions will impact NCWD on a standalone basis and the City's operation of the utility equally and may require an additional rate increase prior to any future City assumption. It would not affect the estimate of savings as those are based on the elimination of budgeted expenses resulting from the efficiencies of operating within the City.

With respect to the sale of property, we would hope that the District paid market value for the property and a fair price for the construction of the facilities. They should therefore be able to sell it for at least book value, which would already be lower than purchase price to account for any depreciation.

- e. **Comment:** The beginning balances of different options are incorrect. Assuming the utilities remain separately, Option 1 on page 8b-85, shows a beginning balance of \$6,029,999. Assuming the three utilities are combined under the city, the city sewer and water utility appear to start out with \$9,056,893 for 2020 [page 8a-93, Reserve Fund Balance]. This does not make sense to have a \$3,000,000 difference for the starting year. Again, for the North City Water District options, the City should understand that if it is unable to assume 100% of the utility, then it will not receive much cash or cash equivalent funds from the remaining District Option 5 indicates that there will be a reserve fund balance of \$3,265,269 in 2020 [page 8b-94] but that differs from the RWD Standalone amount of \$3,000,000 [page 8b-79]. It is not clear where the city run sewer utility will gain additional \$4,000,000 revenue and acquire a \$443,939 annual debt payment compared to the Ronald Standalone option. Both revenue and expense options should be identical until 2028.

Response: *Option 4 starts out with a reserve fund balance of \$6 million. The savings associated with operating the utilities on a combined basis is added to that reserve balance, increasing that amount to \$9 million by the end of 2020. Under Option 4 it was assumed that the entire NCWD was acquired and therefore the cash reserve was included. Under Option 3*

where less than 100% was assumed, reserves from NCWD were not included. Again, this amount does not impact the savings estimates for the City assumption which are based on efficiencies in costs. For Option 5, the costs for both RWD and NCWD are included in all years so that it can be compared to the case where they operate independently. The savings of a combined operation between the two utilities are not included until the year 2028 when the NCWD assumption occurs. Therefore the debt service reflects that of NCWD's share within the City of Shoreline.

- f. Comment: Operating capital and emergency cash reserves for the SPU utility in 2020 are incorrect. Option 1b, the reserve fund balance in 2020 is \$3,705,811 [page 8b-88]. Appendix F, Option 2, when the city assumes Ronald and SPU, the starting balance is, \$4,411,315 in 2020 [page 8b-90]. The sources for the starting fund balances in 2020 for the SPU area are not identified. It is unclear where the City will get an additional \$1.4 million when they assume SPU in 2020.

Response: *The reserve fund balance reflects the end of the year in all cases. The additional \$1.4 million reflects the addition of the estimated savings for that Option in the year 2020. It was stated on page 29 of the report that savings were allowed to flow through to the reserve fund. In actuality those savings would be used to offset rate increases, fund CIP or some combination of the two.*

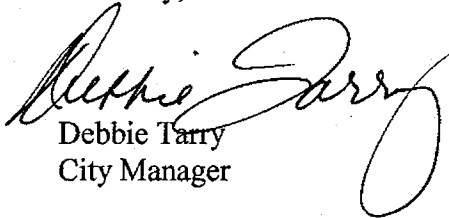
- g. Comment: Ronald Wastewater District is shown to amortize the cost of the existing buildings over 20 years while at the same time the land and building payments for purchasing and developing Brugger's Bog are not included. The report shows that the District's building is assumed to be sold for \$2.3 million and the revenue "could offset other capital costs required for the new water/wastewater utility" [page 8b-36J. When NCWD considered relocating to the Shoreline City Hall, we would have had an estimated capital expense of \$500,000 to prepare the facility for our utility. The SPU study indicated the shop facilities would be \$714,150 capital cost without land and site development [Table 11, page 49, SPU Engineering Report]. The location of the additional funds have not been identified ($\$2,300,000 - \$500,000 - \$714,150 = \$1,085,850$)? Brugger's Bog will require clean up as the site has contamination on it, there are issues with stormwater associated with the development of the site, the decant facility will have to be upgraded and there are substantial frontage improvements associated with redevelopment. Yet, the City has been working with Tom Beckwith on the site development since 2012. A list of the equipment and vehicles are attached to show you the level of detail the staff have been working on with Tom. The city's 2014-2019 adopted capital budget does not show any structures being built during the next 6 years for the parks, public works and surface water utility budgets. Therefore, we are assuming the Ronald Facility will be sold prior to 2020 and a new structure being constructed in 2020. The annual debt payment for Brugger's Bog is approximately \$260,000

for 20 years (City Ordinance 670). The annual loan payments or a portion of their payments, are not included in this study. The city's 2014-2019 budget shows the surface water utility paying the full annual payment of \$260,000 until 2019 at which time a \$130,000 payment (page 304 current city budget) will be made from the storm water utility. It is unclear what department will be paying the second half of the bond payment for the Brugger's Bog facility in 2019. A portion of improvements and related on-going utility and maintenance costs at this site as well as improves required at the city hall for the additional administrative staff, must be included in this unification study. The sale of the existing Ronald facility is proposed to be \$115,000 annual projected savings which should be compared to these likely incremental costs allocable to the sewer and water utilities. It is not clear what happens in Option 5 if the SPU system is not acquired as there will not be any need to construct any building for water utilities until the attempt to assume (take over) NCWD.

Response: *The City has already accounted for these costs in the analysis. The 2012 SPU study included just over \$1 million in 2012 dollars to cover office and shop buildings, plus additional amounts for tools, equipment and vehicles. This is based on \$330,000 for office space and \$714,000 for shop space. This includes necessary improvements at City Hall plus a portion of the Brugger's Bog facility. This is included in the \$8.3 million budget for post-acquisition capital improvements. This amount was inflated to \$11.9 million for 2020. The resulting debt service was \$776,000 in 2020 in nominal dollars. This debt service was added to the amounts for separation costs and the purchase price to arrive at the total debt service related to the SPU acquisition.*

I hope that you find this response helpful in understanding the study.

Sincerely,



Debbie Tarry
City Manager

cc: John Norris, Assistant City Manager
Mark Relph, PW Director

MUNICIPAL RESEARCH CENTER



0002868

THE QUIET CRISIS OF LOCAL GOVERNANCE IN WASHINGTON

Final Report of the Local Governance Study Commission

VOLUME II

January 1988

Municipal Research Center
4719 Greenwood Avenue E.
Seattle, Washington 98105

THE QUIET CRISIS OF LOCAL GOVERNANCE IN WASHINGTON

Final Report of the Local Governance Study Commission

Volume II

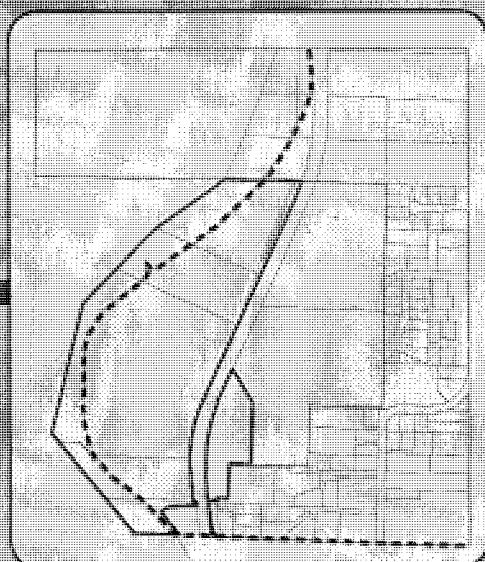
EXECUTIVE SUMMARY

The Legislature created the Local Governance Study Commission in 1985, at the joint initiative of the Washington State Association of Counties and the Association of Washington Cities. The Commission was composed of twenty-one voting members (state legislators, city and county elected officials, and special purpose district representatives) and three ex-officio members. It was chaired by the Director of the Department of Community Development.

The Commission was charged with analyzing the problems of local governments and making recommendations to the Governor and Legislature for their solution. The Commission met for a two-year period, during which it studied the history of local governments in Washington, analyzed current local government problems, sponsored two public opinion surveys, examined the practices of other states, and developed a four-part set of recommendations. The Commission's Final Report consists of two volumes, the first of which is *A History of Washington's Local Governments*. In this second volume, the Commission summarizes its analysis of the three leading problems of local governments today, states its goals, and offers recommendations for achieving them.

PROBLEMS

- (1) **Citizens expect urban levels of services in certain unincorporated areas.** Citizens in densely populated but unincorporated areas desire levels of services that are characteristic of cities, but existing local governments are often not well designed to provide them. Cities have difficulty gaining voter approval for annexation; counties normally do not have the necessary revenue-raising capability; and special purpose districts, limited to a single service, can become so numerous and overlapping that in the aggregate they lack accountability and sometimes efficiency.
- (2) **Problems and/or service needs extend across governmental boundaries.** In many cases, particularly where population has grown and spread across a broad area, problems and service needs tend to have an areawide scope that do not respect long-established legal boundaries. The presence of many local governments means that there can be serious problems of coordination, delay, inaction, or duplication.
- (3) **Local governments' revenues are not adequate to their service responsibilities.** Revenue sources are stagnating. The federal government has recently eliminated general revenue-sharing and cut back a number of grant programs. The differing economic and political contexts across the state provide local governments with different revenue-raising capabilities. At times, local governments compete with each other to raise revenue from the same sources. There is also a lack of "fit" between revenue sources and service responsibilities. Finally, the federal and state governments continue to expect or require local governments to meet high performance standards, but do not always provide financial assistance to do the job.



DRAFT
Supplemental Environmental Impact Statement

Final Docket XIII Comprehensive Plan Amendment - Paramount of
Washington LLC ■ Snohomish County ■ February 2009

Chapter 4. Draft SEIS Comments and Responses

4.1. Overview

Chapter 4 of this Final SEIS contains responses to the written comments on the Draft SEIS provided during the comment period. The comment period for the Draft SEIS extended from February 6, through March 23, 2009.

4.2. Public Comments

The County received nine comment letters or emails from state and local agencies and eight public comment letters or emails during the comment period. Table 4-1 contains a list of the comments submitted, the author of the comment, and the date it was received by the County. Table 4-2 provides a response to the comments from each letter or email and a copy of each comment letter or email follows Table 4-12.

Table 4-1. Docket XIII Draft SEIS Comment Letters–Paramount of Washington LLC

Letter Number	Date Received	Author
Public Agencies		
1.	February 24, 2009	Community Transit
2.	February 13, 2009	Port of Edmonds
3.	February 24, 2009	City of Shoreline
4.	March 11, 2009	City of Shoreline
5.	March 23, 2009	City of Shoreline
6.	March 2, 2009	Shoreline Fire Department
7.	February 24, 2009	Town of Woodway
8.	March 23, 2009	Town of Woodway
9.	March 18, 2009	Washington State Department of Transportation
Public Comments		
10.	February 16, 2009	Marcellus Buchheit

Letter Number	Date Received	Author
11.	March 23, 2009	Bob Ferguson, King County Councilmember
12.	February 27, 2009	Gary Huff, Karr Tuttle Campbell
13.	March 23, 2009	Gary Huff, Karr Tuttle Campbell
14.	February 27, 2009	Douglas Luetjen, Karr Tuttle Campbell
15.	March 14, 2009	Gary Reiersgard
16.	February 23, 2009	Richmond Beach Community Association
17.	March 10, 2009	Whitney Storm

4.3. Responses to Comments

The responses listed in Table 4-2 are numbered to correspond to the numbers shown in the left-hand margin of the comment letters. Comments that state an opinion or preference are acknowledged with a response that indicates the comment is noted. These comments will be forwarded to the appropriate decision-makers as part of the Final SEIS. Comments that ask questions, request clarifications, propose corrections, or are related to the Draft SEIS are provided a response that explains the approach, offers corrections, or provides other appropriate replies.

Table 4-2. Responses to Comments

Comment Number	Response
Letter #1: Community Transit	
1.	The comment is noted.
2.	The comment is noted. Analysis of impacts from adoption of Docket item GPP16 Fully Contained Communities (FCC) was included as a part of Addendum No. 13 to the FEIS for the Snohomish County GMA Comprehensive Plan 10-Year Update. Addendum No. 13 was issued February 9, 2009, relating to adoption of amendments to the General Policy Plan as part of Final Docket XIII, Batch 2. An Addendum to an EIS provides additional analysis and/or information about a proposal or alternatives where their significant environmental impacts have been disclosed and identified in previous environmental documents (WAC 197-11-600(3)(b)(ii)). No significant impacts beyond those identified in the County's EIS for the 10-Year Update and the 2006 Supplemental EIS are expected to occur for this nonproject action.
3.	The comment is noted. GPP17 Rural Population Target Reduction and GPP18 Rural Cluster Subdivisions (RCS) were included in Addendum No. 13. Please see response to Comment 2, this letter. GPP19, regarding Purchase of Development Rights (PDR), was not included in an environmental review because the Council and staff concluded that the existing GPP text allows creation of a countywide PDR program.
4.	The comment is noted. Analysis of impacts from adoption of Docket item GPP2 Cathcart Area was included in Addendum No. 11. Please see response to Comment 2 of this letter.
5.	The comment is noted. The transportation assessment presented in the Draft SEIS states that the build-out of mixed use development under the proposed zoning would be expected to provide adequate density to support transit service at the site. However, it also indicates that it is construction of a train station to support commuter rail is "not considered feasible in the foreseeable future." Sound Transit did identify a potential "provisional" station at Point Wells as part of Sound Move (Sound Transit 2005). However, the provisional station was not carried into the Sound Transit 2 (ST2) Plan, which reflects the current plan through 2023 (Sound Transit 2009). Thus, for the 2025 transportation analysis reflected in the SEIS, it was determined that assumption of a high capacity rail station is not reasonable. Potential mitigation measures

projects described under Affected Environment were designed as part of the District's 2003 plan under the assumption that future development on the Paramount site would be low-density residential in nature. The high-density residential, commercial, and office uses included in the Proposed Action would have significantly higher fire flow and storage requirements, and project-level review would be required to determine precise water demand and cost of infrastructure extension.

No Action Alternative

Because of the anticipated additional employment at the Paramount site, the No Action Alternative has the potential to result in a slight increase in water demand over existing conditions. Project-level review would be required to determine precise potable water and fire-flow requirements for any new development.

Mitigation Measures

The District is currently updating its capital facilities plan for release in 2009. If the Proposed Action is implemented, the District would be made aware of the change in land use designation so that it may plan accordingly.

Residential development of the Paramount site would require extension of services to the site, as well as possible system upgrades to meet fire flow and storage requirements. Future development would require coordination with the County and the District to determine project-level infrastructure needs and identify necessary upgrades and appropriate mitigation measures.

Significant Unavoidable Adverse Impacts

Implementation of the Proposed Action would result in an overall increase in water consumption and a greater need for water distribution infrastructure to serve the site.

3.12.5. Sanitary Sewer Systems

Affected Environment

The Paramount site is located in Sewer Basin 24 of the Ronald Wastewater District (RWD). RWD serves Shoreline in King County and the immediate vicinity of the Paramount site in unincorporated Snohomish County. RWD serves approximately 55,524 residents with over 16,000 sewer connections and maintains approximately 190 miles of pipeline and 16 pump stations (Ronald Wastewater District 2008). RWD's Lift Station 13 is located at 20454 Richmond Beach Drive NW, approximately 0.2 mile south-southwest of the site, and currently handles flows from four upland residential parcels in addition to the Paramount facility. The lift station was last upgraded in 1996.

Aside from the lift station, very little sanitary sewer infrastructure exists in the vicinity of the Paramount site. An 8-inch gravity sewer serves four residential parcels southeast of the lift station, but RWD does not maintain any other infrastructure in Sewer Basin 24.

The 2007 amendment to RWD's comprehensive sewer plan indicates that improvements to sewer infrastructure in Basin 24 are planned to support future residential and commercial development in the area. These projects include an upgrade to Lift Station 13 and the installation of an 8-to-12-inch sewer main along the BNSF right-of-way. The plan indicates that the precise locations of these projects are subject to the level of development experienced in the area, and alternative pipeline alignments and lift station locations may be evaluated as development proceeds (Ronald Wastewater District 2001, amended 2007).

Impact Analysis

Proposed Action

Under the Proposed Action, the Paramount site could accommodate up to 3,500 new multifamily dwelling units with a population of up to 6,442. The planned sewer pipeline and lift station improvements described under Affected Environment were sized to accommodate flows from low-density residential development, specifically R-9,600 zoning (approximately 4.5 units per acre). Assuming 2.4 persons per household, a flow rate of 85 gallons per capita per day, and a peaking factor of 4.0, the improvements were designed for total expected flows of 780,480 gallons per day (gpd).

The Proposed Action assumes much higher residential densities (95 units per developable acre) and the inclusion of 896 employees. Using the same residential flow rates as in the previous paragraph, the increased density of the Proposed Action could generate peak flows of up to 2.2 mgd. Commercial development (assuming 20 gallons per capita per day) could generate an additional 17,920 gpd. Demand for wastewater transmission and treatment under this scenario would exceed the capacity of both existing infrastructure and currently planned capital improvements. As such, the Proposed Action would result in significant impacts on wastewater service.

No Action Alternative

The anticipated increase in employment at the Paramount site under the No Action Alternative has the potential to increase demand on sanitary sewer facilities in the vicinity by generating slightly higher daytime flows. The pipeline improvements and lift station upgrades planned by RWD have been designed to accommodate residential densities and would be more than adequate to handle flows from the increased employment under the No Action Alternative. With implementation of these capital improvements, the No Action Alternative is not anticipated to result in significant impacts on wastewater service.

Mitigation Measures

Residential development of the Paramount site would require the extension of sanitary sewer services and connection to existing infrastructure. Coordination with RWD will be necessary to amend RWD's capital facilities plan to reflect higher levels of growth and ensure that future facilities have adequate capacity for the proposed demand. The RWD Comprehensive Sewer Plan indicates that a pre-design study shall be conducted to determine if Lift Station 13 will require