



May 23, 2014

SHORELINE
CITY COUNCIL

Shari Winstead
Mayor

Chris Eggen
Deputy Mayor

Will Hall

Doris McConnell

Keith A. McGlashan

Chris Roberts

Jesse Salomon

Honorable Boundary Review Board Members
Boundary Review Board of Snohomish County
3000 Rockefeller, MS 409
Everett, WA 98201

Re: **Notice of Intent**
Assumption of Ronald Wastewater District (Snohomish County)
Initiator: City of Shoreline, King County, Washington

Dear Honorable Boundary Review Board Members:

Pursuant to RCW 36.93.090, please accept for filing the City of Shoreline's Notice of Intent to assume the Ronald Wastewater District ("District") within Snohomish County. In addition to the required copies provided, the Notice of Intent submittal materials are available on-line at: www.shorelinewa.gov/notic eofintentsnoco.¹

The City is empowered to assume the District, within Shoreline and unincorporated areas outside Shoreline, in its entirety, under RCW 35.13A.030 as approximately 99 percent of the District lies within the corporate limits of Shoreline. In addition, the City and the District executed an agreement pursuant to RCW 35.13A.070² detailing the assumption transition and the transfer of all assets, liabilities, and employees of the District to the City in 2017 (Interlocal Operating Agreement).

This Notice of Intent was authorized by Shoreline Ordinance No. 681 which approved both the assumption and filing of this Notice of Intent by the City Manager. These actions are consistent with the option to assume the District on October 23, 2017 as provided in the Interlocal Operating Agreement. The District's Board and the Mayor have selected two elected representatives from each entity to serve on an oversight committee to develop a joint transitional work plan for the assumption.

Information in this Notice will relate to that portion of the District located in Snohomish County (approximately 1 percent) for which this Boundary Review Board has jurisdiction. A companion Notice of Intent has been filed with the

¹ Submittal materials for the companion King County NOI are available at: www.shorelinewa.gov/notic eofintentsnoco.

² RCW 35.13A.070 states, in relevant part: The contract may provide for the transfer to a city of district facilities, property, rights, and powers as provided in RCW 35.13A.030, 35.13A.050, and 35.13A.110, whether or not sixty percent or any of the area or assessed valuation of real estate lying within the district or districts is included within such city.

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Boundary Review Board for King County for the assumption of that portion of the District service area located within King County (approximately 99 percent).

This Notice of Intent is supported by the Exhibits attached. If clarification or additional information is needed by the Board please contact our City Attorney:

Ian Sievers
Shoreline City Attorney
17500 Midvale Ave. N.
Shoreline, WA98133-4905
206.801.2223
isievers@shorelinewa.gov

In addition, enclosed please find a check for the required filing fee of \$50.00.

Sincerely,


Debbie Tarry
Shoreline City Manager

cc: w/attachments: Shari Winstead, Mayor City of Shoreline
cc: w/out attachments: Robert Ransom, Board President, Ronald Wastewater
District
Mark Relph, Public Works Director, City of Shoreline
Michael Derrick, General Manager, Ronald Wastewater
District

NOTICE OF INTENTION COVER SHEET

Washington State
Boundary Review Board
for Snohomish County

3000 Rockefeller, M/S #409
Everett, WA 98201
425-388-3445

As required by RCW 36.93, a Notice of Intention is hereby submitted for proposed annexation. Name of jurisdiction: City of Shoreline Name of proposal: Assumption of Ronald Wastewater District within incorporated Snohomish County
Proceedings were initiated under authority of RCW 35.13A.030

- By: () Petition Method: Identify which petition method you are using; i.e. 60% or double majority (owners of a majority of the acreage/majority of the registered voters residing in the area).
() Election Method: _____ number of qualified electors in area to be annexed or formed _____ % of above figure represented by signers.
(X) Council Ordinance, Shoreline Ordinance No. 681

Is assumption of existing indebtedness to be required? Yes
Will simultaneous adoption of comprehensive plans be required? No

Name each governmental unit having jurisdiction: The following other persons (attorneys, etc.)
within the boundaries of the proposal: shall receive communication regarding proposal.
Snohomish County
Ronald Wastewater District
Olympic View Water & Sewer District
Shoreline Fire Department

Special purpose district means any sewer district, water district, fire protection district, drainage improvement district, drainage and diking improvement district, flood control zone district, irrigation district, metropolitan park district, drainage district, or public utility district engaged in water distribution.

Signatures on petition N/A Assessed valuation N/A
Residences in area 0 Topography Flat to sloped
Population of area 0 Current district boundaries and adjacent roads:
Acreage app 61 Water: Seattle Public Utilities, Olympic View Water and
Sewer District

Fire: Shoreline Fire Dept
Sewer: Ronald Wastewater District
Road: Richmond Beach Drive

Square miles .10 Proximity to other districts, cities, etc.
Cities of Shoreline, Woodway and Edmonds,
Districts: Water : Seattle Public Utilities; Olympic View
Water District
Sewer: Highland Sewer District

	<u>Present</u>	<u>Proposed</u>
Sewers	<u>Ronald Wastewater</u>	<u>City of Shoreline</u>
Water	<u>Olympic View</u>	<u>No change</u>
Roads	<u>Snohomish County, Woodway</u>	<u>No change</u>
Fire Dist.	<u>Shoreline Fire Department</u>	<u>No change</u>
Police	<u>Snohomish County</u>	<u>No change</u>
Growth Potential	<u>Shoreline and Woodway urban</u> <u>growth areas</u>	<u>No change</u>

Attachments:

\$50 Filing Fee

Notice of Intention (with exhibits)

Petitioner (Spokesperson): N/A

Address: _____

Phone: _____

Assessor and Vicinity Maps (See Exhibits A-1 of Notice of Intent)

Perimeter legal (follow outside boundary) Exhibit E

Resolution of Intent Exhibit C of Notice of Intent

Initiator (District or Proponent): City of Shoreline

Representative Signature: Debra Tarry, City Manager

Address/Phone 17500 Midvale Ave., N., Shoreline, 98133

206-801-2213

File No. _____ Filed effectively this _____ day of _____, _____ by _____

Chief Clerk

CITY OF SHORELINE'S

NOTICE OF INTENT TO ASSUME THE RONALD WASTEWATER DISTRICT

I. BACKGROUND INFORMATION and MAPS

A. Basic Information

1. Purpose and Method of Assumption. The City of Shoreline is assuming the Ronald Wastewater District pursuant to RCW 35.13A.030, the effective date of assumption will be October 23, 2017 as established in the *Interlocal Operating Agreement Between the City of Shoreline and Ronald Wastewater District Relating to Sanitary Sewer Services* ("2002 Agreement"). Exhibit B. RCW 35.13A.030 authorizes Shoreline to assume the full and complete management and control of a Title 57 sewer district within the city and unincorporated areas outside the city whenever a portion of that district equal to at least sixty percent of the area or sixty percent of the assessed valuation of the real property of that district is included within the municipal corporate boundaries of the city. As is demonstrated by the enclosed map of the City of Shoreline and the District, more than sixty percent of the District's total geographic service area is located within the municipal corporate boundaries of Shoreline and the remainder lies within the Shoreline potential annexation area in unincorporated Snohomish County with the exception of four residential parcels within the Town of Woodway in Snohomish County. The unincorporated service area in Snohomish County is the subject of this Notice of Intent. A companion Notice of Intent has been filed concurrently with the King County Boundary Review Board for the District service area within King County and the City of Shoreline. Service to the four households in the Town of Woodway will be continued by the District and City following assumption pursuant to RCW 35.13A.060. The area of assumption in Snohomish County is depicted in a perimeter map and described in Exhibit A-1. The area of assumption in King County is depicted in a perimeter map and described in Exhibit A-2.

The City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW; incorporated under the laws of the state of Washington, and planning pursuant to the Growth Management Act (GMA), chapter 36.70A RCW. Shoreline incorporated in 1995 due to the desire of its citizens to manage their own community in a consolidated, comprehensive, and

fiscally responsible manner. As an incorporated city, Shoreline is an Urban Growth Area within King County but has also designated a contiguous portion of unincorporated Snohomish County, a 46.7 acre area termed Point Wells, as a potential annexation area designated Future Service and Annexation Area in the City's comprehensive plan (Point Wells FSAA). As required by the GMA, Shoreline has adopted a Comprehensive Plan and has developed a GMA sub-area plan to guide the development of the Point Wells FSAA.

The Ronald Wastewater District is a special purpose district organized pursuant to Title 57 RCW. The District provides a single service – the provision of sanitary sewer services. The District was formed in 1951 with the first sewers constructed in 1960. In 1986, King County Sewer District No. 3, which included the Point Wells area, was transferred to the District. Other adjustments to the District's boundaries have occurred over the years with the District's service area now encompassing approximately 6,870 acres. About 99 percent of the District is coterminous with the city limits of Shoreline in King County except for the Highlands neighborhood in southwest Shoreline which has independent sewer service, and is the subject of this Notice of Intent.

Since its incorporation in 1995, the City has sought to provide its residents with better, more efficient urban services for their tax and utility rate dollars, which has long included the intent to unify utilities with city operations to reduce inefficiencies associated with multiple governmental entities operating in the same jurisdiction. One of these is the Ronald Wastewater District. The reasons for assumption are detailed in the recitals of the assumption ordinance, Shoreline Ordinance No. 681. Exhibit C.

2. Action Commencing Assumption. To facilitate this consolidation, on October 22, 2002, the City of Shoreline and the Ronald Wastewater District, entered into the 2002 Agreement. The intent of this Agreement was to guide the activities, resources, and efforts of Shoreline and the District so as to provide all of Shoreline's citizens and the ratepayers served by the District with an efficient, high quality, and well-maintained sanitary sewerage system at a reasonable and to provide for an orderly and predicate transition of the wastewater utility from the District's to Shoreline's ownership. Thus, with this Agreement, it was mutually agreed that Shoreline would

assume all District assets, personal, real and tangible property, employees, and any District liabilities as early as October 23, 2017, the end of the initial term of the 2002 Agreement.

On December 9, 2013, the Shoreline City Council passed Ordinance No. 681 (Exhibit C) authorizing the assumption of the Ronald Wastewater District including the filing of a Notice of Intent to Assume with the King County Boundary Review Board as required by chapter 36.93 RCW no sooner than April 1, 2014. The City Council also authorized a study - *Shoreline Water and Wastewater Utility Unification and Efficiency Study (May 2014)* - to provide an estimate of efficiency savings associated with unifying specific utilities with City operations by quantifying the opportunities for those utilities and the general operation of the City. By motion of the Council on May 19, 2014 the efficiency study was accepted and the City Manager was authorized to proceed with notices of intent with the King and Snohomish Boundary Review Boards initiating assumption of the District.

3. SEPA. Pursuant to the State Environmental Policy Act, Chapter 43.21C RCW, an Environmental Checklist was prepared for the Ronald Wastewater District Assumption. The City's Responsible SEPA Official issued a Determination of Non-Significance on May 19, 2014. Exhibit D.

4. Legal Description. The legal description of the boundaries of the Ronald Wastewater District subject to this Notice is set forth in Exhibit E except any portion thereof within the Town of Woodway.

Exhibit A: A-1 Perimeter maps and legal descriptions of assumption area in Snohomish County.

A-2 Perimeter maps and legal descriptions of assumption area in King County.

Exhibit B: 2002 Interlocal Operating Agreement between Shoreline and Ronald Wastewater District.

Exhibit C: Certified copy of Shoreline Ordinance 681. 2002 Interlocal Operating Agreement between Shoreline and Ronald Wastewater District.

Exhibit D: SEPA DNS with Environmental Checklist.

B. Maps

1. Assessors Maps, Vicinity map, Shoreline growth area map, Snohomish County growth area map and Shoreline corporate limits map are provided in the following Exhibits. There are no tax lots that will be divided by the boundaries of the proposed action.

Exhibit F: King County Assessor's map and Snohomish County Assessor's map delineating the boundaries of Ronald Wastewater District subject to the proposed assumption

Exhibit G: Shoreline growth area map (F-1) and Snohomish County Growth area map (F-2)

Exhibit H: Vicinity map (cities and special use districts, streets)

II. EVALUATION CRITERIA

A. Overview - Shoreline's sanitary sewer needs are served by two districts – the Highland Sewer District and the Ronald Wastewater District. More than 93 percent of the City of Shoreline receives its sanitary sewer services from the Ronald Wastewater District. The Highland's service area is limited to the Highlands residential development, a 498 acres area with 102 homes and associated amenities, located in the southwest portion of Shoreline.

1. Population- City of Shoreline: 53,670 (OFM's April 1, 2013¹) estimate).
District within King County and Shoreline: 53,440 (Deducting Highlands population based on 2010 census of 102 households and assumption of 2.26 persons per household)

¹ OFM is anticipated to issue April 1, 2014 estimates in late June 2014.

The Point Wells FSAA currently has no residential development

2. Acreage- City of Shoreline: 11.74 square miles or 7,513 acres
District within King County and Shoreline -7,076 acres

3. Population density- 7.14 persons /acre

4. Assessed valuation- City of Shoreline - \$6,452,389,801

**Exhibit I. Map of Ronald Wastewater District and Highlands Sewer District
in City of Shoreline and King County (Source: Shoreline Comprehensive
Plan Utilities Element)**

B. Land Use

1. Existing. The City is substantially developed, with approximately 56 acres (one percent) of the total land area remaining vacant. Single-Family and Multi-Family residential development represents approximately 59 percent of the City's current land use with commercial and institutional development accounting for approximately eight percent.

The District maintains and operates a wastewater collector and interceptor system consisting of 17 lift stations, 22 grinder pumps, and over 190 miles of sewer mains varying in size from 8 to 24 inches in diameter. The District serves approximately 23,373 sewer residential customer equivalents (RCE) from 16,636 accounts, including multi-family and commercial accounts. Ronald Wastewater District Comprehensive Plan (January 2010), at 5-2. The wastewater collected from within the District is treated at two separate treatment facilities, King County's West Point Treatment Plant (approximately 90 percent of the sewage flows – 21,130 RCEs) and the City of Edmonds Treatment Plant (approximately 10 percent of the sewage flows – 2,243 RCEs).

2. Proposed. Based on growth allocated to it under the King County Countywide Planning Policies, Shoreline has a 25-year (2006-2031) growth target of 5,000 housing units and 5,000 jobs. Shoreline Comprehensive Plan's Land Use Element addresses long-range planning to accommodate this allocated growth. Specifically, the Comprehensive Plan supports the necessary zoning, with most of the growth likely to occur along the Aurora Avenue corridor or within nodes of Transit-Oriented Communities (future light rail station areas at 185th and 145th

and I-5). Most of this development/re-development is expected to be mixed use structures with commercial and residential uses.

C. Comprehensive Planning under Washington's Growth Management Act.

1. Applicable GMA Policies. The proposed assumption is in conformance with the Growth Management Act (GMA), chapter 36.70A RCW. The entirety of the City of Shoreline is an urban growth area and it is the City's responsibility to ensure that its populace is provided with adequate public facilities and urban services, either through providing those services or coordinating comprehensive plans of special purpose districts providing those services. The GMA's goals seek to ensure adequate public facilities are provided in an efficient manner. RCW 36.70A.020(1); .020(12).²

RCW 36.70A.110(4) envisions that urban governmental services, such as sanitary sewer, are most appropriately provided by cities. In addition, RCW 36.70A.020(7) ensures permitting in a predictable manner and RCW 36.70A.020(11) speaks to the inclusion of citizens in the planning process.³ These objectives of predictable permitting and extensive public process are best achieved when services are consolidated in a single general purpose government. Placing the control and management of a sanitary sewer system that serves 93 percent of the City of Shoreline within the administration of the City will make certain that future development is coordinated with the provision of this essential urban service in an efficient manner that also reflects the growth and economic development expectations of Shoreline citizens.

² RCW 36.70A.020(1) states: Urban Growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.

RCW 36.70A.020(12) states: Public facilities and services. Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

³ RCW 36.70A.020(7) states: Permits. Applications for both state and local government permits should be processed in a timely and fair manner to ensure predictability.

RCW 36.70A.020(11) states: Citizen participation and coordination. Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.

Throughout the years, the use of special purpose districts for the provisions of services has changed. As RCW 36.70A.110(4) states, and the City believes the courts have confirmed,⁴ cities are the most appropriate units of local government to provide for efficient urban services so as to accommodate growth. The overlapping of governmental agencies is the very thing that creates inefficiency. In addition, the consolidation of utilities, as the City of Shoreline has envisioned in its Comprehensive Plan (discussed below), will allow for a more timely and coordinated permitting process when permits for new utility service are combined with land use approvals at a single location. Efficiency in the permitting process will be furthered by a single location for administration, especially for such things as letters of availability for service, right-of-way permits for extensions and connections, and fee payments.

The inclusion of a sanitary sewer utility within the City's administration will enhance public participation through transparency. Unlike the Ronald Wastewater District, the City Council meetings are streamed live, aired on the City's government access channel, and available for replay on the City's website within a day or two. The District provides no such visual or audio technology. The agenda, staff reports, and supporting document are all available on the City's website a week prior to the meeting with the City Council's rules requiring at least three readings prior to adoption. In addition, the City utilizes a variety of media sources to keep the citizens informed – from a newsletter (“Currents” – published ten times a year) to social media. While the District does occasionally provide a newsletter, it uses no other form of public outreach.

Thus, the assumption of the Ronald Wastewater District is in harmony with Planning Goals 1, 7, 11, and 12 of the GMA. The assumption creates the efficient provisions of a vital urban service, facilitates permitting, and allows for more public participation.

2. Consistency with King County and Regional Planning. The Puget Sound Regional Council (PSRC) has adopted VISION 2040, a series of multicounty planning policies intended to provide an integrated framework addressing land use, economic development, transportation, other infrastructure, and environmental planning. In regards to public services, such as sanitary sewer, VISION 2040 states that “[T]he region will support development with adequate public

⁴ *King County Water Dist. No. 54 v. King County Boundary Review Bd.*, 87 Wn.2d 536, 538-539 (1976).

facilities and services in a coordinated, efficient, and cost-effective manner that supports local and regional growth planning objectives.” As stated within, the goal of this assumption is to provide the residents of Shoreline and the ratepayers of the Ronald Wastewater District with a coordinate, efficient, and cost-effective method for receiving sanitary sewer services, the very thing VISION 2040 seeks.

Pursuant to RCW 36.70A.210, King County has adopted the King County Countywide Planning Policies (CPP) which envisions not only coordination and collaboration among special purpose districts and cities, but the transfer of public facilities. The guiding framework of the CPPs recognizes that the County’s Urban Growth Area is completely located within cities “which are the primary providers of urban services.” CPP PF-3 states not only that cities are the appropriate providers of services to the urban growth area, but that “as time and conditions warrant, cities will assume local urban services provided by special service districts.”

As required by RCW 36.70A.040 and .070, King County has adopted a Comprehensive Plan. With the most recent update in November 2013. Although the King County Comprehensive Plan Policies and Goals are not directly applicable to the incorporated City of Shoreline and the intended assumption of the Ronald Wastewater District, the County’s Comprehensive Plan does promote the assumption.

Chapter 1 *Regional Planning*, sets forth policies that reflect the objectives and goals of King County’s Strategic Plan, the GMA, the Puget Sound Regional Council’s VISION 2040, and the King County Countywide Planning Policies. One of these objectives is to deliver services efficiently by “relying primarily upon cities and special purpose districts as the providers of local facilities and services appropriate to serve those local needs, except where the county is the local service provider.” KC Comp Plan at 1-3. Chapter 8 *Services, Facilities, and Utilities* reiterates that cities should assume the responsibility of providing services and that the overarching goal is to ensure the provisions of such services. Policy F-102 states that “[O]ver time, cities will assume primary responsibility for coordinating the provision of local services delivery.” In addition, while it speaks to annexations, Chapter 2 *Urban Communities*, envisions the transition of services including, a need to support “the city’s desire, to the extent possible, to be the

designated sewer ... provider ... where this can be done without harm to the integrity of existing systems and without significantly increase rates.” Policy U-207.

3. King County and Snohomish County Ordinances. This assumption will have no effect on King County or Snohomish County zoning or other land use ordinances. The entire King County assumption area is within the City of Shoreline and the city is the planning authority in that area. Assumption of the utility will not affect the planning authority or other police powers of Snohomish County.

D. Shoreline Comprehensive Plan and Franchise

- Shoreline Comprehensive Plan

1. Shoreline Comprehensive Plan. The City of Shoreline’s Comprehensive Plan is current, having last been updated in 2012. A full copy of the Comprehensive Plan and its supporting documentation is at: <http://www.shorelinewa.gov/government/departments/planning-community-development/comprehensive-plan-and-master-plans/comprehensive-plan>.⁵ The Comprehensive Plan is presumed valid and in compliance with the goals and requirements of the GMA.⁶

The City of Shoreline has planned for the acquisition and/or assumption of water and sewer districts serving its residents for several years in accordance with RCW 36.70A.110(4)’s statement that cities are the preferred provider of urban services. Soon after incorporation in 1995, early City Councils realized that consolidating utility services in Shoreline would reduce inefficiencies associated with multiple governmental entities operating in the same city. Within the supporting analysis for the Capital Facilities Element of the Comprehensive Plan, it is expressly noted that one way for the City to provide more efficient services would be the

⁵ The King County Board’s Information Packet states that a proponent must ensure that its comprehensive plan is on file with the Office of the King County Executive Office of Performance, Strategy, and Budget. The City contacted Karen Wolf at the this Office and was informed that they do not keep hard copies of comprehensive plans due to space limitations but, rather, rely on on-line access.

⁶ The City of Shoreline does have one case currently pending before the Growth Management Hearings Board – *BSRE Point Wells LP v. City of Shoreline*, GMHB Case No. 11-3-0007. This case was filed in April 2011, prior to the last update, and challenges the Transportation Element of the City’s Comprehensive Plan. Since its filing, the case has been subject to numerous stipulated extensions with the last extension being granted on April 29, 2014. The focus of this case is transportation and has no relevance to the assumption before the Boundary Review Board.

unification of the water and sewer utilities with City operations. This would allow “one-stop shopping” for City residents and business.

The Capital Facilities Element of the Comprehensive Plan at Goal CF-1 seeks the provision of adequate public facilities through, among other things, the “prudent use of fiscal resources.” To support this goal, it is expressly noted:

As outlined in the 2002 Interlocal Operating Agreement, complete the assumption of the Ronald Wastewater Districts ...

In addition, Goal CF-III states:

Provide continuous, reliable, and cost-effective capital facilities and public services in the city and its Urban Growth Area in a phased, efficient manner ...

And, of course, having the maintenance and operation of the sanitary sewer system within the City’s control would facilitate numerous other goals such as protection of the environment (CF-18), resolve conflicts pertaining to level of service standards and improvement plans (CF-28), and promote community involvement in capital facilities planning (CF-19).

The Utilities Element of the Comprehensive Plan at Goal U-II states (emphasis added):

Pursue alternative service provision options that may be more effective at providing services to our residents, including acquiring portions of the Seattle Public Utility water system, *potential assumption of the Ronald Wastewater District*, and examining options with regard to the expiration of the Shoreline Water District franchise.

Like the Capital Facilities Element, the Utilities Element also has other relevant policies including Policy U-6 which encourages operation in a manner that is cost effective and environmentally sensitive.

Thus, the proposed assumption is expressly contemplated for within the City’s Comprehensive Plan and no further amendments are required to that plan to effectuate the assumption.

2. Shoreline PAA. The City of Shoreline has designated a portion of the Point Wells area, located within unincorporated Snohomish County, as a potential annexation area or Future

Service and Annexation Area (FSAA). As provided in RCW 36.70A.080(2), the City has adopted a subarea plan to guide the development of this area - the Point Wells Subarea Plan - and it is a component of Shoreline's Comprehensive Plan. A copy of this plan can be viewed on the City's website at: <http://www.shorelinewa.gov/home/showdocument?id=12491>. As noted above, the Point Wells FSAA is within the Ronald Wastewater District's service area; but, it is also entirely within Snohomish County and assumption of that area has been submitted to the Snohomish County Boundary Review Board. The site has historically been used for industrial purposes but recent planning activities envision a mixed-use residential/commercial development.

3. Franchise. The Ronald Wastewater District separately negotiated and entered into a 15-year franchise with the City of Shoreline concurrently with the 2002 Agreement. The Franchise Agreement allows the District to construct, maintain, operate, replace, and repair the sanitary sewer system within the City's public rights-of-way. The Franchise terminates on October 22, 2017, upon assumption of the District. No further franchise will be required once operations are transferred to the City.

4. Interlocal Agreement. As stated above, on October 22, 2002, the City of Shoreline and the Ronald Wastewater District entered in the *Interlocal Operating Agreement Between the City of Shoreline and Ronald Wastewater District Relating to Sanitary Sewer Services* providing for the orderly transition of the Ronald Wastewater District to the City of Shoreline by October 2017. See Exhibit B.

E. Revenue and Expenditures.

The Ronald Wastewater District is a public utility pursuant to RCW 57. Because it is a special purpose district, 100 percent of the revenue collected pays for capital projects, operations, maintenance, and debt service. The District also obtains loans, grants, or bonds to fund its activities. The revenue to operate the District is obtained through monthly service charges comprised of a District Charge and a Treatment Charge. The District Charge funds the District's operation and the Treatment Charge covers the costs of treatment by King County and the City of Edmonds. The District's adopted budget for 2014 shows total anticipated revenue of

\$14,508,442 and total anticipated expenses of \$13,414,673 for a total net revenue of \$994,619 after accounting for long-term debt principal.

Prior to filing this Notice of Intent, the Shoreline City Council commissioned and considered a utilities consolidation study, the *Shoreline Water and Wastewater Utility Unification and Efficiency Study (May 2014)*.⁷ This analysis provides the financial savings that would result from the City's assumption of the Ronald Wastewater District. If the District was not assumed, its revenue and expenses would each be approximately \$15 million per year. With the assumption, revenues will remain the same but expenses are anticipated to decrease by roughly \$250,000 per year – a savings of 1.7% per year. The direct savings (in 2014 dollars) is shown as follows:

	Direct Utility Savings 2020-2040 (in millions)	Average Annual Direct Utility Savings as a % of combined revenues (includes Treatment Revenue)	Average Annual Direct Utility Savings as a % of combined revenues (excludes Treatment Revenue)	General Operations Savings 2020-2040 (in millions)
Ronald Wastewater Assumption	\$4.9	1.6%	5.5%	\$17.5

There are no County or fire district revenue or expenditure changes with this assumption.

F. SERVICES

Except for a small portion that is within unincorporated Snohomish County (the Points Wells FSAA) and a nominal area of an incorporated area of Snohomish County (Town of Woodway - four homes), 99 percent of the Ronald Wastewater District lies within the municipal corporate boundaries of the City of Shoreline. Ronald Wastewater District has approved the assumption

⁷ This study was prepared by EES Consulting of Kirkland, Washington and was considered at the April 21, 2014 meeting of the City Council and adopted at the May 19, 2014 meeting. Staff reports and the completed study can be found at: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport042114-8a.pdf> and <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport051914-8b.pdf>.

process in the 2002 Agreement even though consent is not required of the water-sewer district being assumed under RCW 35.13A.030.

The proposed assumption does not result in a change to any service provided by the following entities which currently provide urban services within the City of Shoreline:

North City Water District
Shoreline Fire Department (formerly King County Fire District No. 4)
Seattle City Light
Seattle Public Utilities
Puget Sound Energy
King County Sheriff (under contract as Shoreline Police)
Shoreline School District No. 412

The Ronald Wastewater District presently maintains contracts/agreements for services with the following municipalities or public entities. These contracts/agreements are intended to be continued after the assumption.

For wastewater treatment:

- City of Edmonds
- King County Department of Natural Resources Wastewater Treatment

For service/flow purposes:

- City of Lake Forest Park
- Town of Woodway
- Olympic View Water and Sewer District
- City of Mountlake Terrace

The political subdivisions in this section have been provided with notification of the proposed assumption by mailing a copy of the Notice of Intent cover letter, and a Declaration of Mailing is attached to a cover letter forwarding the Notice of Intent without exhibits.

Exhibit J: Cover letter to service providers with assumption map and Notices of Intent with Declaration of Mailing

G. General/Other

1. Extensions. No extension of the Ronald Wastewater District service area is planned at this time.

2. Natural Boundaries. N/A. The proposal makes no boundary changes in King County to the existing District service area, therefore topography and natural boundaries are not needed to evaluate a changed boundary.

3. Projected Growth. As noted above, the City of Shoreline has been allocated a 25 year urban growth share of housing (population) and employment. The allocation is 5,000 for housing (or, 11,300 individuals) and 5,000 for jobs. While the basis for this allocation comes from Washington's OFM, the allocation actually comes from a collaborative effort between King County and its cities.⁸ The current sanitary sewer system is deemed adequate to provide for allocated growth. Areas of projected growth are depicted in the District's 2010 Comprehensive Plan at Ch. 3 and depicted on a future growth map attached to this Notice. In particular the plan discusses capital improvement to accommodate urban center zoning in the Pt. Wells area of Snohomish County. The projections and capital facilities in this comprehensive plan did incorporate the Pt. Wells projected change in density with the urban center amendment to the Snohomish County Future Land Use Map discussed in the Final Environmental Impact Statement for that action adopted by Snohomish County in August 2009. Ronald Wastewater District Comp Plan at 3-3. Since publication, the County has down-zoned the zoning to Urban Village at Point Wells but permits vesting the Urban Center density have recently been upheld by the Washington Supreme Court, so the original projections in the District's Comp Plan are still valid. The District has issued a Certificate of Sewer Availability (2010) outlining several conditions for the Urban Center Development at Point Wells. The complete application for this development is available at <http://www.snohomishcountywa.gov/1533/Submittal-Documents>.

⁸ King County assumed 2.26 persons per household when preparing its methodology for determining growth targets, King County Comprehensive Plan, Technical Appendix D Growth Targets and Urban Growth Area (August 2013). It is this methodology that allocated Shoreline its 5000 houses/5000 jobs.

Shoreline has begun subarea planning to increase the density in proximity to planned light rail stations approved for NE 145th and I-5 and NE 185th and I-5 by Sound Transit. Any deficiencies in sewer capacity to serve these future growth areas will be accessed as part of that subarea planning and rezones.

4. Other urban services relevant to proposal. None. With the exception of the City of Shoreline assuming the daily operation and maintenance of the District, thereby necessitating City staff time and resources, no other municipal service would be impacted.

5. Delay in service delivery. None. Given the Transition Plan (discussed below), the City does not anticipate any delay in ensuring that sanitary sewer services will continue to its citizens and other ratepayers of the District without interruption.

6. Present and future adequacy and cost of service. This assumption of a long established utility will have no impact on other municipal services. The hydraulic modeling for the District's conveyance system in its most recent 2010 Comp Plan estimated that 32,776 feet of sewer pipe was over capacity and needed to be increased in size. Since the Comp Plan was completed, the District has been working to reduce flows in the system and has been upsizing pipe segments as part of its capital improvement program. At this point it is unclear how much the District has been able to improve the pipe capacity issues identified by the 2010 Comp Plan and how much additional progress will be made prior to the October 2017 assumption date. The City anticipates that pipe capacity continues to be inadequate in some areas and therefore represents a future need. Additionally, the District Comp Plan identified several pump stations that needed refurbishment or replacement. A new sewer comprehensive plan is needed to define the sewer system limitations not addressed by the District. The planning effort will address future utility costs by including detailed system capacity modeling, developing a capital improvement plan, and completing a financial analysis including a rate study.

**Exhibit K: Forecast Change in Housing Units Map, 2010 RWD Comp Plan
Fig. 3.2**

**Exhibit L: Ronald Wastewater District Certificate of Sewer Availability for
Pt. Wells Mixed Use Urban Center/Residential and commercial
Development**

III. FACTORS and OBJECTIVES

A. Factors in RCW 36.93.170

If the Boundary Review Board's jurisdiction is invoked, the Board's decision is to consider the following factors as set forth in RCW 36.93.170:

1. Population and territory, population density, land area and land uses, GMA comprehensive plans and zoning, applicable service agreements, application interlocal annexation agreements, per capita assess valuation, topography, natural boundaries and drainage basis, proximity to other populated areas, the existence and preservation of prime agricultural soils and productive agricultural uses, the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next ten years, locations and most desirable future location of community facilities;
2. Municipal services; need for municipal services; effect of ordinances, governmental codes, regulations and resolutions on existing uses; present cost and adequacy of governmental services and controls in area; prospects of governmental services from other sources; probable future needs for such services and controls; probable effect of proposal or alternative on cost and adequacy of services and controls in area and adjacent area; the effect on the finances, debt structure, and contractual obligations and rights of all affected governmental units; and
3. The effect of the proposal or alternative on adjacent areas, on mutual economic and social interests, and on the local governmental structure of the county.

Factor 1:

The City of Shoreline is considered a large suburban city that covers approximately 11.74 square miles or 7,513 acres. State Route 523, commonly referred to as 145th Street, forms the City's southern border with the City of Seattle. State Route 104, commonly referred to as 205th Street,

forms the City's northern border with the cities of Woodway, Edmonds, and Mountlake Terrace. The Puget Sound shoreline bounds the City's western border and its eastern border aligns with the municipal boundaries of the city of Lake Forest Park.

Washington's Office of Financial Management's (OFM) most recent published estimate (April 1, 2013⁹) denotes the population of Shoreline as 53,670. Based on this estimate, the City's population density is 4,572 persons per square mile or 7.14 persons per acre. The City is substantially developed and primarily residential in character. Single-Family (73 percent of dwelling units) and Multi-Family residential development represent approximately 59 percent of the City's current land use with commercial and institutional development accounting for approximately 8 percent. Only a little over one percent of Shoreline's total area remains vacant, although many of the commercial areas could be redeveloped with more intense uses, and 2 new approved light rail station areas are anticipated to see significant increases in density. The Point Wells future annexation area currently an underutilized industrial site, is under permit review and preparation of an environmental impact statement for urban center mixed residential and commercial development. The City has no agricultural or other types of resources lands.

The City adopted its first Comprehensive Plan in 1998 in response to the requirements of the Growth Management Act (GMA), RCW 36.70A. The Comprehensive Plan was updated in 2005 and, most recently, updated in 2012 to reflect amendments to the GMA and the vision of the community. Implementing development regulations are set forth in the Shoreline Municipal Code, Title 20 Unified Development Code, which include the City's Shoreline Master Program and implementing regulations as required by the Shoreline Management Act, RCW 90.58. The City of Shoreline's Comprehensive Plan, Shoreline Master Program, and its development regulations have not been found to be in violation of the GMA or the SMA by the Growth Management Hearings Board.

As part of the GMA's comprehensive planning process, King County and its cities have adopted countywide planning policies. These policies are designed to help the County and its cities address growth management in a coordinated manner. Based on the King County Countywide Planning Policies which seek to fairly distribute future growth in the area, Shoreline has accepted

⁹ OFM is anticipated to issue April 1, 2014 estimates in late June 2014.

a 25-year (2006-2031) growth target of 5,000 housing units (11,300 individuals) and 5,000 jobs. While this represents a 22 percent increase in housing units over the 25 year planning period, this level of growth is not completely inconsistent with the City's historic level of growth (120 units/year). A projected jobs growth rate approximately parallels the projected population growth rate.

Factor 2:

This factor directs the Boundary Review Board to evaluate factors related to Municipal Services. There is no question that sanitary sewer services are needed within an urban growth area and is defined as an urban service by the Growth Management Act. The Ronald Wastewater District is adequately providing these services to the area. Cities are the preferred providers of these services (see above GMA and King County CPPs). Consistent with these laws and regulations, the City of Shoreline has developed policies, through its Comprehensive Plan, for the provisions of these services. The assumption, in essence, consolidates two governmental entities. By consolidating, the City of Shoreline can provide more cohesive policies, standards, programs, and operations along with a more efficient control of services for citizens and ratepayers than is currently being provided by an overlapping governing structure.

Based on this analysis, the assumption of the Ronald Wastewater District is expected to have a beneficial impact on the cost and adequacy of services, finances, debt structure, with no impact on rights of other governmental units or municipal services. Future capital needs and costs for the maintenance and operation of the sanitary sewer system will be funded through rates as they are presently.

Factor 3:

As noted above, the City of Shoreline has been an incorporated municipality since 1995. The Ronald Wastewater District is a special purpose district independent of King County and Snohomish County. Thus, the assumption is not expected to impact King County's governmental structure or Snohomish County's operation in and of itself.

The Ronald Wastewater District boundaries extend outside of Shoreline's municipal corporate boundaries. As shown on Exhibit H the District's service area includes a small portion of unincorporated Snohomish County (Shoreline Point Wells FSAA) and an insignificant portion of the Town of Woodway (four households). In addition, flows are also transferred from areas in the City of Mountlake Terrace, the City of Lake Forest Park, and the Highlands Sewer District, and Olympic View Sewer District through the District's pipes. The wastewater collected from within the District, including that being transferred from neighboring jurisdictions, is treated at two separate treatment facilities – King County's West Point Treatment Plant and the City of Edmonds' Treatment Plant. All of these operations have contract arrangements that will be continued as part of the statutory assumption process.

As mandated by RCW 35.13A.060, since the City of Shoreline intends to assume all of the Ronald Wastewater Districts responsibilities, property, facilities, and equipment within the boundaries of the City as well as outside of the City's boundaries in unincorporated areas, the City must continue to serve those four parcels within the Town of Woodway for the economically useful life of the serving facilities following assumption.

B. Objectives in RCW 36.93.180

If the Boundary Review Board's jurisdiction was invoked, the Board is to consider various objectives as set forth in RCW 36.93.180.

1. Preservation of natural neighborhoods and communities;
2. Use of physical boundaries, including but not limited to bodies of water, highways, and land contours;
3. Creation and preservation of logical service areas;
4. Prevention of abnormally irregular boundaries;
5. Discouragement of multiple incorporations of small cities and encouragement of incorporation of cities in excess of ten thousand population in heavily populated urban areas;
6. Dissolution of inactive special purpose districts;
7. Adjustment of impractical boundaries;
8. Incorporation as cities or towns or annexation to cities or towns of unincorporated areas which are urban in character; and
9. Protection of agricultural and rural lands which are designated for long term productive agricultural and resource use by a comprehensive plan adopted by the county legislative authority.

These objectives largely pertain to preserving the existing area in a logical, regular manner that promotes a smooth transition for the impacted community and allows for the seamless establishment of a new form of government for that community. Thus, most of the objectives contained in 36.93.180 are applicable to the expansion of municipal boundaries through annexation and not the assumption of an established sanitary sewer district for which the boundary does not change. However, some of the objectives are directly relevant; some indirectly favor the assumption.

1. Preservation of neighborhoods. The Ronald Wastewater District's service area has existed since the 1950s when it first started providing sanitary sewer service to what was then unincorporated King County. The assumption of the Ronald Wastewater District by the City of Shoreline simply transfers the management and operation of the District from one governmental entity to another governmental entity. There will be no modification to the District's boundaries - the integrity of its service area will be maintained in its entirety - and the City of Shoreline will continue to provide sanitary sewer service in the same manner as it has been provided for over half a century and the community will see little, if any, change. The four residences within the Town of Woodway and the flow services provided to the City of Mountlake Terrace and the Highlands Sewer District will continue to be provided. Thus, the assumption will serve the objective of .180(1).

The existing sewer service area in Pt. Wells reinforces the neighborhood and community affinity to Shoreline and the assumption will not change this. That connection is dictated by the topographic isolation created by steep hillsides and Puget Sound isolating this growth area from the cities of Edmonds and Woodway, making the only access through Shoreline. Thus, other services that rely on roads, such as police and fire and EMS already travel through Shoreline. Access to parks, libraries, schools and commercial areas are available first in Shoreline and only in Shoreline for a considerable distance. Commuter trips are highly weighted toward the Seattle metropolitan area and will remain in Shoreline to Aurora Ave. N, I-5 and two future light rail stations on their way to that job market.

3. Preservation of logical service area. The Ronald Wastewater District has expanded its service area over the years in areas that can be efficiently served given the topography of the area. Adjustments have been made for reciprocal cross flow agreements with other districts and cities and these will be honored as required by the assumption statutes.

5. Discouragement of multiple incorporations of small cities and encouragement of incorporation of cities in excess of ten thousand population in heavily populated urban areas.

8. Incorporation as cities or towns or annexation to cities or towns of unincorporated areas which are urban in character.

Both these objects refer specifically to incorporation, but the broader purpose behind both is to reduce the multiplicity of small political subdivisions that result in overlapping and inefficient service delivery. The assumption statutes in Washington were established by the legislature to solve this same problem. See King County Water District No. 54, *supra* at 538-539 quoting from RCW 36.93.010, the purpose section of the Boundary Review Board statute, in support of this idea.

As the Washington Legislature's Local Governance Commission stated in its 1985 *The Quiet Crisis of Local Governance in Washington*, that given their single service focus, special purpose districts have a difficult time looking comprehensively at the planning and service needs of an area. Thus, when multiple governmental entities are attempting to provide urban density services, this multiple layer of service providers can result in a lack of coordination between governments trying to address growth issues involving land use and service delivery. In fact, the Commission felt that the overlapping nature of special purpose districts limited to a single service can result in a lack of accountability, inefficiencies, delay, inaction, and even duplication. In today's environment of GMA-mandated comprehensive planning, critical urban services such as sanitary sewer service are emphasized. City assumption of a special purpose district operating this service indirectly serves both of these objectives.

Lastly, many benefits would result from the assumption of the Ronald Wastewater District that the Boundary Review Board should consider during the analysis of objectives. These include:

- efficiencies through reduced overhead and streamlined operational costs;

- better customer service through combined utility billing, coordinated information responses, and “one stop” customer service and permitting;
- more transparent process for rate-setting and decision-making by having a single group of Shoreline-elected officials accountable to Shoreline voters;
- better access to information and channels of communication with a single website and unified customer service operations for both utilities and the City;
- more comprehensive and coordinated approach to reinvesting in Shoreline infrastructure, aiding in redevelopment and economic growth of different parts of the City; and
- greater financial and human resources available to the utility in the event of an emergency.

IV. CONCLUSION

As set forth above, the City of Shorelines provides the Snohomish County Boundary Review Board with its Notice of Intent to Assume the Ronald Wastewater District as required by RCW 36.93.090(2). The City Council for the City of Shoreline has authorized by ordinance the assumption pursuant to RCW 35.13A.030. The City has entered into an Interlocal Agreement with the Ronald Wastewater District to provide for a coordinate, efficient transition of governance. The City has conducted a study to ensure that the assumption is within the best interests of the City and its residents. The City has reviewed the requirements of the Growth Management Act and the goals and policies of its own Comprehensive Plan, the Comprehensive Plan of King and Snohomish County, the King and Snohomish County County-Wide Planning Policies, and the Puget Sound Regional Council VISION 2040 Multi-County Planning Policies. The assumption of this essential urban public services by the City is consistent with the intent of the law and these comprehensive planning documents. The City has reviewed the factors and objectives of RCW 36.93.170 and .180 and concludes the proposed assumption advances the applicable factors and objectives.




For these reasons the City requests the Board approve its proposed assumption if jurisdiction is invoked.

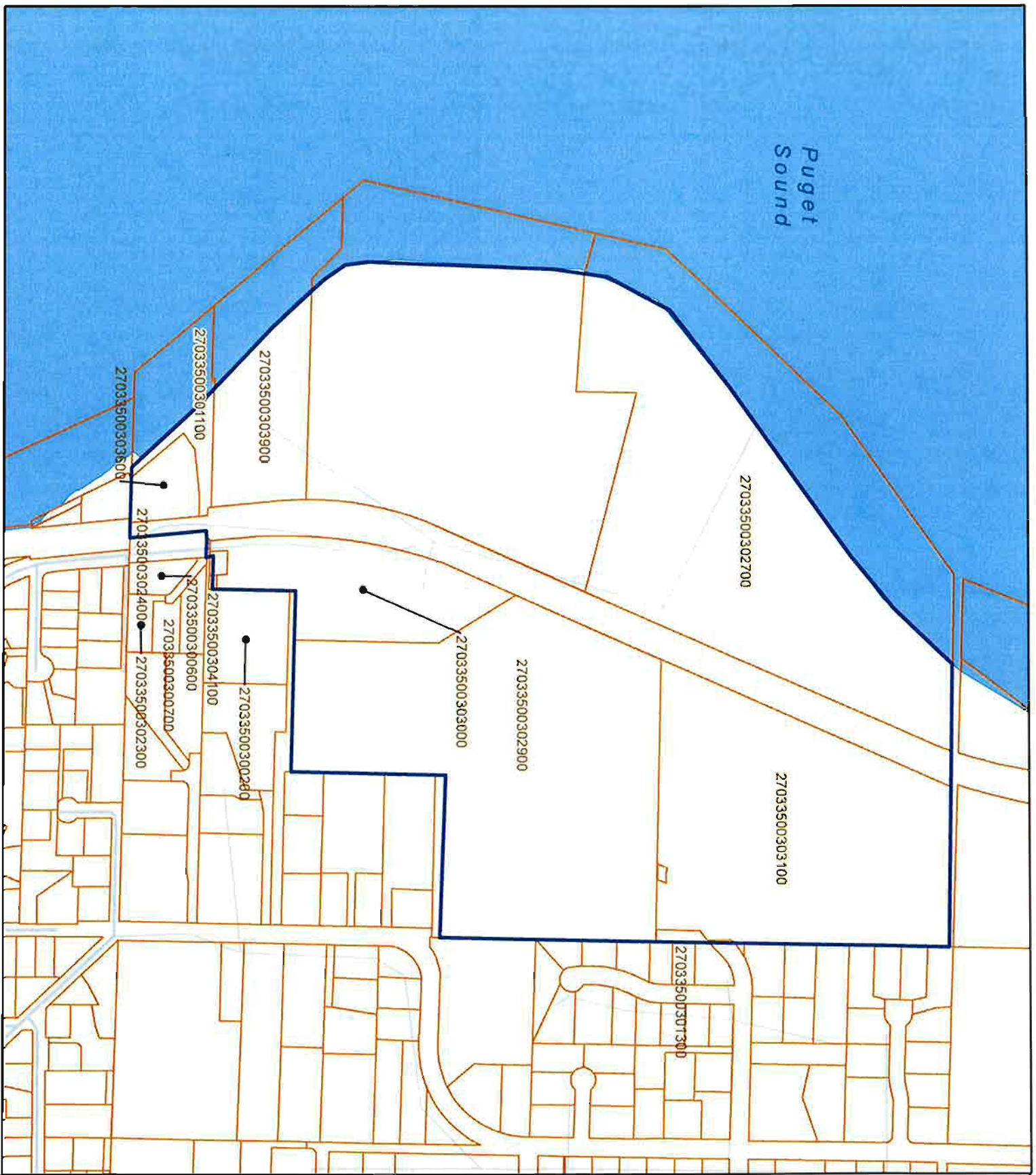
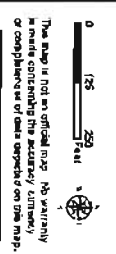
EXHIBIT A



City of Shoreline

Map of Ronald Wastewater District Boundary in Unincorporated Snohomish County




- Legend**
-  RWD Boundary in Snohomish County
 -  Assessor's Tax Parcel
 -  Open Water





City of Shoreline

Map of Ronald Wastewater District Boundary in King County

- Legend**
-  RWD Boundary in King County
 -  Open Water
 -  Assessor's Tax Parcel

0 200 1,190'

This map is not an official map. The accuracy is made concerning the accuracy, timeliness or completeness of data reported on this map.

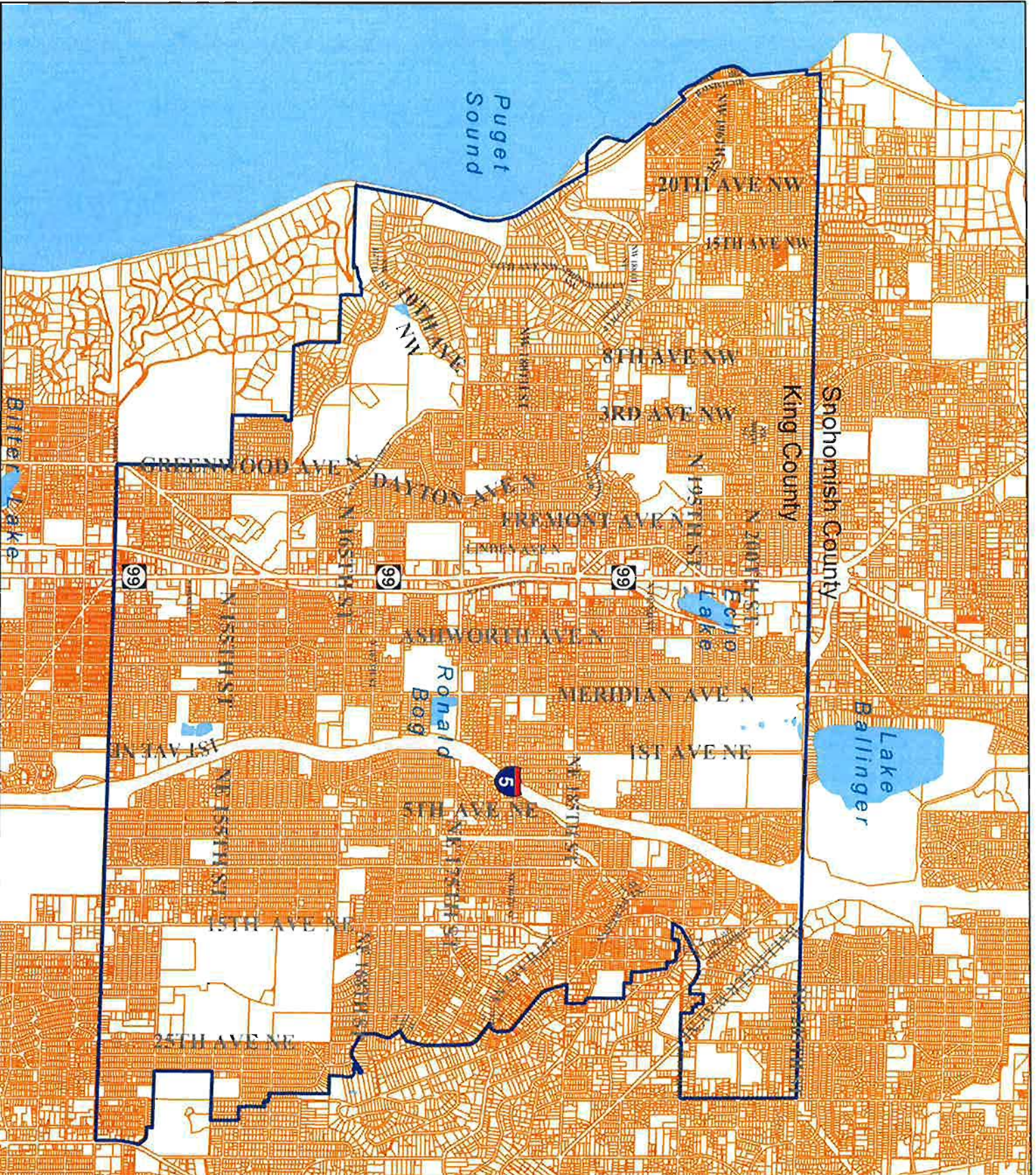


EXHIBIT B

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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 its 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;

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

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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.

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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 if 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

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.

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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.

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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.

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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.

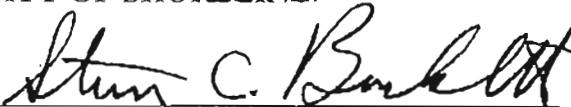
Section 15. Attorneys Fees. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the prevailing party shall in such dispute be entitled to recover its reasonable attorneys' fees.

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.

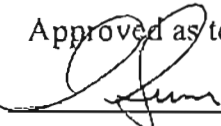
Section 18. Effective Date and Term of Contract. This agreement shall be in full force and effect and binding upon the parties hereto upon the execution of the Agreement and shall continue in full force and effect fifteen (15) years from the effective date.

CITY OF SHORELINE:




Steven C. Burkett, City Manager

Approved as to form:



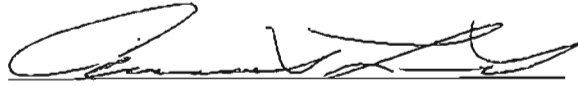
Ian R. Sievers, City Attorney

RONALD WASTEWATER DISTRICT:



President, Board of Commissioners

Attest:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Secretary, Board of Commissioners

RETURN NAME & ADDRESS

City of Shoreline, City Attorney's Offi
17500 Midvale Avenue N.
Shoreline, WA 98133-4905

CONFORMED COPY
201312090393 13 PGS
12/09/2013 3:27pm \$44.00
SNOHOMISH COUNTY, WASHINGTON

Please print neatly or type information
Document Title(s)

Interlocal Operating Agreement Between the City of Shoreline and Ronald
Wastewater District Relating to Sanitary Sewer Services Within Shoreline's City
Reference Number(s) of related documents:

9507270570, 9502160343

Additional Reference #'s on page ____

Grantor(s) (Last, First, and Middle Initial)

BSRE Point Wells LP

Additional Grantors on page ____

Grantee(s) (Last, First, and Middle Initial)

City of Shoreline

Additional Grantees on page ____

Legal Description (abbreviated form: i.e. lot, block, plat or section, township, range,
quarter/quarter)

Section 35, Township 27 N, Range 03 East

Complete legal on page ____

Assessor's Property Tax Parcel/Account Number

27033500303800, 27033500304100, 27033500303000

Additional parcel #'s on page ____

The Auditor/Recorder will rely on the information provided on this form. The responsibility for the accuracy of the indexing information is that of the document preparer.

*I am requesting an emergency nonstandard recording for an additional fee as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

Signature of Requesting Party

EXHIBIT C

CERTIFICATION

I, THE UNDERSIGNED, JESSICA SIMULCIK SMITH, CITY CLERK OF THE CITY OF SHORELINE, WASHINGTON. CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF

ORIGINAL

Ordinance # 681

SUBSCRIBED AND SEALED THIS 21 DAY OF May 2014 ORDINANCE NO. 681

Jessica Simulcik Smith
JESSICA SIMULCIK SMITH
CITY CLERK

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AUTHORIZING THE ASSUMPTION OF THE RONALD WASTEWATER DISTRICT AS AUTHORIZED BY RCW 35.13A.030 AND PURSUANT TO THE 2002 INTERLOCAL OPERATING AGREEMENT RELATING TO THE PROVISION OF SANITARY SEWER SERVICES.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington, and planning pursuant to the Growth Management Act, Title 36.70C RCW (hereinafter referred to as "City"); and

WHEREAS, the Ronald Wastewater District is a special purpose sewer district formed and organized pursuant to Title 57 RCW and other laws of the state of Washington (hereinafter referred to as "District"); and

WHEREAS, the City Council supports the policy of the Growth Management Act, as set forth in RCW 36.70A.110(4) which states that "cities are the units of local government most appropriate to provide urban governmental services" such as sewer services and King County Countywide Planning Policy PF-3 which states that "cities will assume local urban services provided by special service districts"; and

WHEREAS, RCW 35.13A.030 authorizes a city to assume the full and complete management and control of a sewer district whenever a portion of that district equal to at least sixty percent of the area or sixty percent of the assessed valuation of the real property lying within that district is included within the corporate boundaries of the city; and

WHEREAS, at least sixty percent of the District's total geographic service area is located within the corporate boundaries of the City; and

WHEREAS, on October 22, 2002, the City and the District entered into an Interlocal Operating Agreement approved by resolutions of the governing bodies of both parties related to the provision of sanitary sewer services (hereinafter referred to as "Agreement"); and

WHEREAS, the purpose of the Agreement, as stated in Section 1 of the Agreement, was to provide the citizens of the 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 the District to City ownership;" and

WHEREAS, the Agreement, at Section 3.2, allows the City to assume jurisdiction of the District and any District responsibilities, property, facilities, or equipment within the City's corporate limits, including future annexation areas; and

WHEREAS, the City Council's 2013-2014 Goals adopted on April 22, 2013 by Council include Goal No. 2: "Improve Shoreline's utility, transportation and environmental infrastructure" and specifically an Action Step to "Develop a plan to merge the Ronald Wastewater District into City operations as outlined in the 2002 Interlocal Operating Agreement"; and

WHEREAS, the SEPA Responsible Official for the City of Shoreline has determined that the assumption of the Ronald Wastewater District is categorically exempt from SEPA review under WAC 197-11-800(14)(h); and

WHEREAS, the City Council has determined it to be in the best interests of the citizens of Shoreline to commence the process to assume the District's sewer facilities, within and without of the City's boundaries, for the purpose of guaranteeing the City, its citizens, and the inhabitants of the City's annexation area with efficient, high quality sanitary sewer services for all purposes, public and private, therefore,

**THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO
ORDAIN AS FOLLOWS:**

Section 1. Notice of Intent of Assumption. No earlier than April 1, 2014, the City of Shoreline shall initiate the process to assume the Ronald Wastewater District by filing a Notice of Intent to Assume with the King County Boundary Review Board, as required by chapter 36.93 RCW. The City Council confers upon the City Manager or designee the authority to perform all acts necessary to comply with chapter 36.93 RCW.

Section 2. Assumption Transition. As provided in the 2002 Interlocal Operating Agreement, no later than October 22, 2015, the City Council confers upon the City Manager or designee the authority to negotiate, in good faith, with the District the terms of a final transition plan so as to ensure a smooth transition from District to City operations. The transition plan shall include operational issues, financial issues, and employee transition issues.

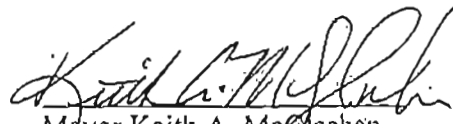
Section 3. Assumption. As provided in chapter 35.13A RCW, effective at 12:01 a.m. October 23, 2017, or on an earlier date if mutually agreed upon by the City and the District, the City of Shoreline hereby assumes jurisdiction and ownership of the Ronald Wastewater District's service area, assets, facilities, responsibilities, property, and equipment and as supplemented by the terms and conditions set forth in the 2002 Interlocal Operating Agreement attached hereto as Exhibit A and incorporated herein by reference; PROVIDED that the assumption has been approved pursuant to chapter 36.93 RCW. The City Council hereby confers upon the City Manager or designee the authority to perform all acts necessary to accomplish the matters set forth herein, chapter 35.13A RCW, and all other applicable laws so as to facilitate the assumption of the District and ensure the orderly transition of sanitary sewer service.

Section 4. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

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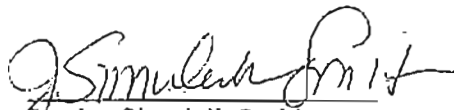
Section 5. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

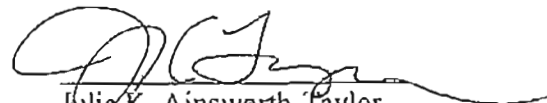
PASSED BY THE CITY COUNCIL ON DECEMBER 9, 2013.


Mayor Keith A. McClashan

ATTEST:

APPROVED AS TO FORM:


Jessica Simulcik Smith
City Clerk


Julie K. Ainsworth-Taylor
Assistant City Attorney

Publication Date: December 12, 2013
Effective Date: December 17, 2013

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Exhibit A

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RESOLUTION NO. 197

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

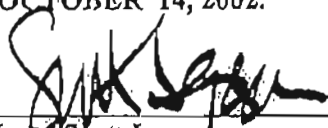
WHEREAS, City and Ronald Wastewater District are authorized under chapter 39.34 RCW, the Interlocal Cooperation Act, and RCW 35.13A.070 to contract for the coordinated exercise of powers and sharing of resources for the efficient delivery of services to their residents; and

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

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ORIGINAL

1-2-2007
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;

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

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.

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 if 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

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.

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.

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

ORIGINAL

Exhibit A

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.

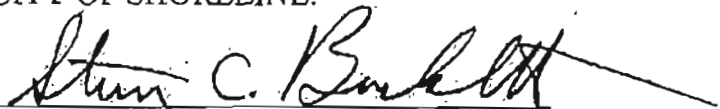
Section 15. Attorneys Fees. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the prevailing party shall in such dispute be entitled to recover its reasonable attorneys' fees.

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.

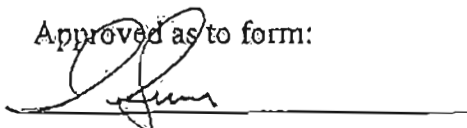
Section 18. Effective Date and Term of Contract. This agreement shall be in full force and effect and binding upon the parties hereto upon the execution of the Agreement and shall continue in full force and effect fifteen (15) years from the effective date.

CITY OF SHORELINE:




Steven C. Burkett, City Manager

Approved as to form:



Ian R. Sievers, City Attorney

RONALD WASTEWATER DISTRICT:

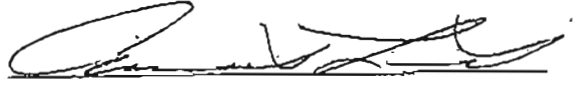


ORIGINAL

Exhibit A

President, Board of Commissioners

Attest:

A handwritten signature in black ink, appearing to be "R. [unclear]", written over a horizontal line.

Secretary, Board of Commissioners



17500 Midvale Avenue North
Shoreline, WA 98133
(206) 801-2700

CERTIFICATION

I, the undersigned, Jessica Simulcik Smith, City Clerk of the City of Shoreline, certify that attached hereto is a true and correct copy of:

The Shoreline City Council Staff Report Item 8b for the City Council Meeting of May 19, 2014 without attachments, and an excerpt from the Minutes of Shoreline City Council Meeting of May 19, 2014.

Subscribed this 4th day of June, 2014 at Shoreline, Washington.



Jessica Simulcik Smith
City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Utility Unification and Efficiency Study Acceptance and Authorizing Notices of Intent for Assumption of Ronald Wastewater District
DEPARTMENT:	Public Works
PRESENTED BY:	Mark Relph, Public Works Director
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

ISSUE STATEMENT:

This staff report transmits the final report of the Utility Unification and Efficiency Study (UU&ES) commissioned by the City Council and completed by EES Consulting, Inc. and previously presented to Council during the April 21, 2014 meeting. A copy of the full staff report may be found at:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport042114-8a.pdf>.

The revised UU&ES study (Attachment A) is intended to provide an estimate of efficiency savings associated with unifying specific utilities with City operations. The utilities included in this study are the Ronald Wastewater District (RWD), the SPU water system (SPU) and the North City Water District (NCWD). The existing City operations include such services as purchasing, fleet, facilities, accounting, general governmental administration, human resources, legal services, street maintenance, the surface water utility and engineering.

While it may be intuitive to many that efficiencies may be gained when sharing resources, this study is intended to quantify the opportunities for each utility and for the general operation of the City. This "double benefit" is unique to the City since the benefits would be for the rate payers of each utility as well as the citizens who financially support the general operations of government through sales tax, property tax, or other local forms of taxation. These rate payers and citizens are almost exclusively all Shoreline residents.

The revised Utility Rates and Charges Assessment Report (Attachment B) is intended to provide a summary of the water, sewer and surface water costs from surrounding communities and identifies possible future policy opportunities when utilities are added to the City operation that might address the City's economic development strategies.

RESOURCE/FINANCIAL IMPACT:

There is no immediate fiscal impact, but the study does provide an understanding of the financial efficiencies gained when unifying specific utilities with the existing City operation. The 2014 City budget includes \$50,000 to fund the UU&ES.

RECOMMENDATION

Staff is presenting the final UU&ES report for Council discussion and acceptance and recommending Council move to authorize the City Manager to proceed with assumption of the Ronald Wastewater District in 2017 by filing Notices of Intent with the King County and Snohomish County Boundary Review Boards.

Approved By: City Manager *DT* City Attorney *IS*

INTRODUCTION

As discussed in our April 21, 2014 Council meeting, the UU&ES (Attachment A) is intended to provide an estimate of efficiency savings associated with unifying specific utilities with City operations. The utilities included in this study are the Ronald Wastewater District (RWD), the SPU water system (SPU) and the North City Water District (NCWD). The existing City operations include such services as purchasing, fleet, facilities, accounting, general governmental administration, human resources, legal services, street maintenance, the surface water utility and engineering.

While it may be intuitive to many that efficiencies may be gained when sharing resources, this study is intended to quantify the opportunities for each utility and for the general operation of the City. This "double benefit" is unique to the City since the benefits would be for the rate payers of each utility as well as the citizens who financially support the general operations of government through sales tax, property tax, or other local forms of taxation. These rate payers and citizens are obviously all Shoreline residents.

The UU&ES has identified the savings for each utility as it is unified with the City operation, starting with the RWD in 2017, per the 2002 Interlocal Operating Agreement, the SPU system in 2021 per a draft agreement with the City of Seattle, and finally with the assumption of the NCWD at the end of their franchise agreement in 2028. This final version of the report added an option where the calculated savings from unifying just RWD in 2017 and assuming NCWD in 2028.

The savings for the City's general operations are also identified as each of the utilities are unified with the City. This final report also separates the Surface Water Utility savings from the total of general operations savings.

The acquisition of the SPU system will not close until December 31, 2020, per the draft agreement with the City of Seattle, but although that is the case, it is anticipated that savings to other utilities will start accumulating in 2020 as the staff and equipment needed to operate the water utility will likely be available in 2020 and those costs can be shared.

The Utility Rates and Charges Assessment Report (Attachment B) is intended to provide a summary of the water and sewer costs from surrounding communities which compete with our city for economic development and private investment. This assessment provides some broad comparisons and identifies possible future policy opportunities when utilities are added to City operations that might address the City's economic development strategies. This report also includes a Regional comparison of Stormwater fees and rate increases.

BACKGROUND

The UU&ES is designed to provide an estimate of efficiency savings associated with various options, and thereby assist the City in making decisions about how to proceed with utility unification. 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. In addition, several simplifying assumptions were made in order to provide comparable analysis for each option. The City recognizes that some issues are complex and that additional work will be required to implement utility unification.

To quantify the potential efficiencies of operating a unified water, wastewater and surface water utility within the Public Works department of the City, the revenues and costs for both water and wastewater service were forecast under various scenarios and compared to one another. Efficiencies were identified for those cases where one, two and all three of the utilities were unified with the City. Overall benefits associated with utility unification options were compared to one another as well as being assessed in terms of their potential impacts on the City operations; both quantifiable financial benefits as well as non-financial or qualitative benefits. Five options were examined in this study, with the difference between the options quantifying the potential cost savings due to expected efficiencies.

The first four options were discussed during the April 21, 2014 Council Meeting. A copy of the full staff report may be found at:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport042114-8a.pdf>.

Option 5:

This option is a modification where the RWD assumption occurs with the City operating the wastewater utility but the SPU water acquisition does *not* occur. As with Option 3, the NCWD service area within the City is assumed in 2028 at the end of the existing franchise agreement.

Because the City would not already be operating a water utility, it was assumed the City acquires all NCWD buildings and staff, along with the water contract and debt. No specific assumptions were made with respect to the portion of the utility outside of the City, however, only the revenues and costs for the portion of the service area within the City were included in the analysis.

Direct Utility Savings

Direct utility savings will occur due to the unification of utilities and were identified from the RWD and NCWD current expenses or the assumed expenses for the SPU utility. The savings for those three utilities were included in the total depending on what utilities were included in the particular Option.

The following table summarizes the direct utility benefits associated with option 5. The tables for the other 4 options can be found in the April 21st, staff report:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport042114-8a.pdf>.

The direct savings include the salary and benefit savings. The net direct savings reflects the subtotal of the savings less the cost of the City's shared allocation cost (i.e. "overhead" charge). Savings are also summed over the 2020 through 2040 period to reflect the total value over time. Because all numbers are in 2014 dollars they did not have to be discounted to reflect inflation in order to calculate total numbers.

Direct Utility Savings for Option 5 - City Assumption of RWD in 2018 and NCWD Assumed in 2028

Savings Summary	2020	2028	2040	21-yr Total
Salaries & Benefits	\$0	\$0	\$0	\$0
Administrative & Contract	\$628,000	\$1,091,000	\$1,091,000	\$19,207,000
Amortization of Capital Items	\$115,000	\$474,366	\$474,366	\$7,086,759
Subtotal Direct Savings	\$743,000	\$1,565,366	\$1,565,366	\$26,293,759
Incremental Cost in Shared Services Allocation	-\$507,730	-\$789,945	-\$789,945	-\$14,331,122
Net Direct Savings	\$235,270	\$775,421	\$775,421	\$11,962,637

As previously discussed, the direct savings have been reflected in the financial details associated with each option, but they have been allowed to flow through to the reserve fund over time. The use for those direct savings was not identified at this time but they can be used to offset future rate increases, increase spending for capital items over time or some combination of the two.

It is important to note the City's 2012 SPU Study assumed that revenues were based on SPU rate projections and any net cash flow would fund ongoing CIP as well as an extensive mains replacement program. It was discussed in that report that going forward the City could look at the mains replacement needs in more detail and determine how much of the net cash flow would be used for capital items versus avoiding future rate increases.

In all cases, there are expected savings under the options where the City operates one or more utility. Those direct utility savings range from \$5 million to \$82 million over the study period. Unifying the water and wastewater services under Options 2, 3 and 4 results in savings that range from 10% to 12% of the total revenues for the combined utilities.

General Operations Savings

General operations savings items are related to savings in other departments within the City. Sometimes they represent a shift from one or more departments and sometimes they reflect a cost that no longer exists.

The general operations savings for the first four options were discussed during the April 21, 2014 Council meeting and can be found the April 21st, staff report: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport042114-8a.pdf>.

The table below summarizes the general operations savings for option 5.

General Operations Savings for Option 5 - City Assumption of RWD in 2018 and NCWD Assumed in 2028

Savings Summary	2020	2028	2040	21-yr Total
Amount of Shared Services Allocation	\$507,730	\$789,945	\$789,945	\$14,331,122
Reduction in FTE Assigned to Other Departments	\$180,707	\$252,989	\$252,989	\$4,734,513
Reduction in City Contracts	\$145,000	\$145,000	\$145,000	\$3,045,000
Subtotal General Operations Savings	\$833,436	\$1,187,934	\$1,187,934	\$22,110,635

In addition to the direct utility savings, the City would benefit from sharing the cost of existing staff and services with the new water/wastewater utility. It was assumed in the financial analysis that the new water/wastewater utility will be allocated a portion of the City's shared services (i.e. overhead charge) with the amount ranging from \$500,000 to just under \$2 million per year. This cost has been incorporated in the costs for the utility under each option. Other savings occur from the reduction in outsourcing costs that are feasible due to the new staff and equipment for the new water/wastewater utility. The total reflects a savings in general operations costs to other departments within the City that range from approximately \$29 million to \$41 million over the study period.

Surface Water Utility as a part of General Operations

The general operations savings range from \$800,000 to \$1.9 million per year. This study has not separated these savings between all the various other departments within the City; however it is beneficial to look at the magnitude of the savings relative to the budget for the Surface Water Utility.

The Surface Water Utility will see a reduction in the administrative services allocation as a result of the new water/wastewater utility. In addition, the savings associated with reduced FTEs and contracts are all attributed to the Surface Water Utility. Surface Water revenues for 2014 are expected to be roughly \$5 million. All of the options examined would therefore provide a net savings in the neighborhood of 10% for the Surface Water Utility.

The amount of general operations savings that are not attributed to the Surface Water Utility range from \$300,000 to \$1.5 million. Revenues from property taxes are roughly \$10 million per year. The total City-wide revenue from all sources is in the neighborhood of \$34 million per year. In relation to these totals, it is clear that the expected general operations savings will have a significant impact on the charges that will need to be collected from other sources. The following table provides a separation of the Surface Water Utility savings from the total of the General Operations savings.

**General Operations Savings Breakdown per Year
2014 Dollars**

Savings Summary	Total General Operations Savings	Savings for Stormwater Utility	Net Savings to Other Departments
Option 1a	\$1,365,805	\$511,557	\$854,248
Option 1b	\$833,436	\$480,598	\$352,838
Option 2	\$1,747,719	\$535,167	\$1,212,552
Options 3 and 4	\$1,965,887	\$553,114	\$1,412,773
Option 5	\$833,436	\$505,685	\$327,751

Financial Savings Summary

Based on the financial analysis for the various options considered, savings range from \$5 million to \$82 million over the 2020-2040 period used in the study. While savings occur as a result of operating the RWD or SPU service areas alone, the greatest savings levels occur when water and wastewater utilities are unified to provide a more efficient utility. The following table provides a summary of the direct utility savings as well as the general operations savings over the 20 years period used for this study for each of the options. Under options 2, 3 and 4, the direct utility savings ranges from 10% to 12% of total revenues for the combined utilities.

Savings Summary	Direct Utility Savings 2020-2040 (in Millions)	Average Annual Direct Utility Savings as a % of combined revenues (Includes Treatment Revenue)	Average Annual Direct Utility Savings as a % of combined revenues (excludes Treatment Revenue)	General Operations Savings 2020-2040 (in Millions)
Option 1a – SPU Alone	\$26.5	10.4%	10.4%	\$28.7
Option 1b – RWD Alone	\$4.9	1.6%	5.5%	\$17.5
Option 2 – SPU and RWD	\$56.2	9.9%	16.3%	\$36.7
Option 3 – Add NCWD in 2028	\$69.4	10.3%	15.5%	\$39.5
Option 4 – Add NCWD in 2020	\$81.6	12.2%	18.2%	\$41.3
Option 5 - RWD plus NCWD in 2028	\$12.0	2.9%	6.2%	\$22.1

Resulting Non-Economic Benefits of Unification

While the potential to provide lower rates and/or greater investment in capital due to the unification of the water, stormwater and wastewater utilities is a prime objective of the City, there are numerous non-economic benefits that are part of the consideration in unifying the utilities. Those benefits fall into three broad categories: simplicity for residents, sharing of City resources, and unified City policies. While the first category

directly impacts the City's residents, all of the categories lead to overall benefits to the residents of the City.

Utility Rates and Charges Assessment

The Utility Rates and Charges Assessment Report (Attachment B) was prepared to help the City Council understand costs of utility service and how they might affect economic development decisions. Additionally, the report provides a regional comparison of rates and charges from twenty (20) utility providers as well as historical rates and increases for those utilities. The comparison shows a high degree of variability in utility costs caused by different rate and charge combinations used by each utility. The assessment also identifies several future policy considerations the City Council will need to address, including:

- Defining rate structures for individual customer classes to promote equity.
- Deciding how much of the funds from new connections should contribute to system improvements while balancing economic development needs.
- Deciding the level of capital improvement funding that should be collected using rates.
- Deciding how to equalize rates and charges throughout the City.
- Deciding how to define the financial planning objectives for the future utilities including stable revenue sources, debt coverage limits, and maintaining adequate reserves.

There will be tradeoffs in four general areas when the Council weighs the above policies:

- 1) Keeping rates affordable for City residents. The City Council's past decisions regarding stormwater rates reflect their understanding of keeping utility rates at reasonable and affordable levels. The City's single family stormwater utility rate has had one of the smallest increases since 2008 when compared to other stormwater utilities in the region.
- 2) Maintaining adequate revenues to support utility operations and capital needs
- 3) Balancing current utility rate inequities within the City
- 4) Promoting economic development without overburdening existing rate payers.

The City Council's policy making process will be aided by detailed rate comparisons such as the one contained in this report and careful analysis of actual utility costs which will help establish a range of acceptable rates and charges. The Council will then be able to work through various policy options and consider the tradeoffs of each before deciding on the right mix of utility policies for the City.

In addition to comparing water and sewer rates, Staff is also providing a regional comparison of stormwater rate (Attachment B - Figure 7). Figure 7 shows how the annual cost for a single family residence for the City of Shoreline compares with other jurisdictions in the Puget Sound. Figure 7 also shows how stormwater rates have increased from 2008 to 2014. The City of Shoreline has had one of the smallest rate increases during the period between 2008 and 2014. The City of Seattle has the highest stormwater rate and the greatest rate increase of the sample group. The City of Shoreline has nearly identical stormwater rates as the Cities of Edmonds, Bothell, Kent and Renton.

The Utility Rates and Charges Assessment will be utilized in the Cost Development analysis being developed by the Economic Development Manager that will be presented to Council in the June 2, 2014 meeting.

Assumption of Ronald Wastewater District

On December 9, 2013, the Council adopted Ordinance No. 681 assuming the Ronald Wastewater District. As stated in the December 3, 2013 staff report for that ordinance, Section 1 of the ordinance "identifies the notification date to the Boundary Review Board as no earlier than April 1, 2014. The April 2014 date allows for completion of the Utility Unification and Efficiency Study as discussed during the Council's November 25, 2013, Utility Work Plan Update discussion." If the Council accepts the UU&ES study, it should also authorize the commencement of the assumption authorized in Ordinance No. 681 by filing Notices of Intent with the King County and Snohomish County Boundary Review Boards.

RESOURCE/FINANCIAL IMPACT

There is no immediate fiscal impact, but the study does provide an understanding of the financial efficiencies gained when unifying specific utilities with the existing City operation. The 2014 City budget includes \$50,000 to fund the UU&ES.

COUNCIL GOAL(S) ADDRESSED

This goal addresses Council Goal #2, *Improve Shoreline's utility, transportation, and environmental infrastructure:*

Action Steps:

3. Execute the Shoreline/Seattle Public Utility's water system Acquisition Agreement and develop a multi-year implementation plan for creating the City's water utility (70% voter approval in 2012)
4. Develop a plan to merge the Ronald Wastewater District into City operations as outlined in the 2002 Interlocal Operating Agreement and implement the assumption process authorized in Ordinance No. 681.

RECOMMENDATION

Staff is presenting the final UU&ES report for Council discussion and acceptance and recommending Council move to authorize the City Manager to proceed with assumption of the Ronald Wastewater District in 2017 by filing Notices of Intent with the King County and Snohomish County Boundary Review Boards.

ATTACHMENTS

- Attachment A: Utility Unification and Efficiency Study Report
- Attachment B: Utility Rates and Charges Assessment Report

Councilmember McGlashan moved adoption of Ordinance 686. Councilmember McConnell seconded the motion.

Councilmember McGlashan stated his support for the motion and expressed appreciation for the work completed by everyone involved in the process. Councilmember Hall asked for clarification on the franchise signing process. Mr. Norris stated typically the other party accepts the franchise after City Council authorization.

The motion was unanimously approved.

- c) Acceptance of the Utility Unification and Efficiency Study and Authorizing Notices of Intent for Assumption of Ronald Wastewater District in Accordance with the 2002 Interlocal Operating Agreement

Councilmember Roberts commented on the public comments received this evening from North City Water District and asked how long will it take staff to respond to the comments. Councilmember McConnell expressed her desire to proceed with the staff report and the adoption of the study. Councilmember McGlashan stated his preference to have staff respond to public comments prior to proceeding with the discussion.

Councilmember Hall moved Acceptance of the Utility Unification and Efficiency Study and Authorizing Notices of Intent for Assumption of Ronald Wastewater District in Accordance with the 2002 Interlocal Operating Agreement.

Councilmember Hall spoke to the motion and stated he understands that the North City Water District (NCWD) does not support the Utility Unification & Efficiency Study (UU&ES); however, the City Council needs to move forward with the City's business. He commented that the UU&ES is a study and not a decision, and explained that dialogue regarding the study will continue. Deputy Mayor Eggen commented that the UU&ES will form future decisions, asked if staff is able to speak to the comments, and inquired as to impending deadlines. Ms. Tarry responded that the Letter of Intent needs to be filed within 180 of December 9, 2013, and therefore Council needs to act by June 2, 2014. She stated that previous questions presented by Ms. Pottinger have not impacted the data and conclusions in the report, and that after skimming the letter provided tonight, stated the comments do not affect the outcome of the study. She recalled that NCWD was invited to participate in the study and declined.

Mayor Winstead affirmed that staff will continue to work with Ms. Pottinger and address her concerns. Councilmember Roberts commented on the scope of the study. Mr. Relph responded that is it an overview and broad based study.

Mark Relph, Public Works Director, introduced Gail Tabone, EES Consulting, and stated that tonight's report focuses on the changes since the April 21, 2014 Draft Report presentation. Ms. Tabone presented the objectives of the final study, an overview of options, a list of direct saving to the utility, responded to questions from Ronald Wastewater District and NCWD, and highlighted the benefits to other city departments.

Deputy Mayor Eggen asked questions regarding administrative services and employees costs. Ms. Tabone responded the employee costs would be charged to the appropriate department. Councilmember Roberts asked if there are scenarios where the City's cost will increase as a result of the assumptions, such as the use of the City Attorney, and asked about the potential for rate increases or additional cost to ratepayers and the City resulting from the mergers. Mr. Relph responded that the intent is to evenly distribute costs and he does not anticipate an additional increase in the general fund, but rather a demonstrated savings to Surface Water Utilities. He stated the study reveals a strong opportunity for savings for ratepayers and city functions.

Councilmember Hall commented that his RWD bills have nearly doubled in the last 10 years and asked if there is a limit to how fast or how high a utility can raise its rates. Mr. Relph responded that he is not aware of a limit, and Ms. Tarry added that excess fund balance and fund reserve are not permitted. Ms. Tabone concurred that there are no legal requirements to raising rates but utilities must cover their costs. Councilmember Hall recounted the past two election cycles and commented that the public elected RWD candidates that support the merger.

Councilmember McConnell commented on being visible and accountable to Shoreline citizens and stated she is comfortable that the public wants the City Council to move forward on this issue. Deputy Mayor Eggen commented on the special purpose districts formed by cities as presented in Ms. Pottinger's comments, noted that they are all out of state, and asked if staff is aware of municipalities moving to special purpose districts. Both Mr. Relph and Ms. Tabone stated they were not aware of municipalities moving to form special purpose districts.

The motion was unanimously approved.

Mayor Winstead complimented the staff on the hard work involved in the preparation of the study.

9. STUDY ITEMS

a) Introduction to 185th Street Station Subarea DEIS

Miranda Redinger, Senior Planner, and Mandy Roberts, Otak, provided the staff report. Ms. Roberts reviewed the project timeline, and presented the Draft Environmental Impact Statement (DEIS) Process scheduled for publication on May 30, 2014; the final EIS and Subarea Plan Adoption process; DEIS Content and Highlights; Related Alternatives, and DEIS Topics for Analysis. She stated the next step in the process includes selecting a preferred alternative and preparing a planned action ordinance and final EIS. She anticipates the City Council's preferred alternative and further analysis taking place in July or early August, the final EIS to be completed in October, and ready for City Council review and adoption in November/December.

Ms. Roberts commented on the volume of public input and explained the public review period for the DEIS is scheduled for May 30 through July 10, 2014, culminating with the Planning Commission's Public Hearing on July 10, 2014. She reviewed Alternate 1 which has no proposed zoning changes; Alternative 2 supporting some growth; and Alternative 3 which supports substantial growth to the substation area. She explained that Alternatives 2 & 3 require

EXHIBIT D



SEPA THRESHOLD DETERMINATION OF NONSIGNIFICANCE (DNS)

PROJECT INFORMATION

DATE OF ISSUANCE: May 19, 2014
PROPONENT: City of Shoreline
LOCATION OF PROPOSAL: Not Applicable - Non Project Action.

DESCRIPTION OF PROPOSAL: Shoreline City Council will authorize the procession of the assumption of Ronald Wastewater District as authorized by Ordinance 681 by filing Notices of Intent with the King County and Snohomish County Boundary Review Boards. The assumption process is defined by RCW 35.13.A.030 and includes the assumption of all assets and liabilities held by the District on the date of assumption and transfer of its entire sanitary sewer service area including the unincorporated area of Snohomish County as shown on the Existing Sewer System District Map dated 2014. The date of transfer to the City will be October 21, 2017 and will include transition steps included in the 2002 Operating Agreement with Ronald Wastewater District.

SEPA THRESHOLD DETERMINATION OF NONSIGNIFICANCE (DNS)

The City of Shoreline has determined that the proposal will not have a probable significant adverse impact(s) on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of the environmental checklist, the City of Shoreline Comprehensive Plan, the City of Shoreline Development Code, and other information on file with the Department. This information is available for public review upon request at no charge.

This Determination of Nonsignificance (DNS) is issued in accordance with WAC 197-11-340(2). There is no public comment period pursuant to WAC 197-11-340(2a).

RESPONSIBLE OFFICIAL: Rachael Markle, AICP
Planning & Community Development, Director and SEPA Responsible Official
ADDRESS: 17500 Midvale Avenue North PHONE: 206-801-2531
Shoreline, WA 98133-4905

DATE:

5/15/14

SIGNATURE:

Rachael E. Markle

APPEAL INFORMATION

There is no administrative appeal of this determination. The SEPA Threshold Determination may be appealed with the decision on the underlying action to superior court. If there is not a statutory time limit in filing a judicial appeal, the appeal must be filed within 21 calendar days following the issuance of the underlying decision in accordance with State law.

The file is available for review at the City Hall, 17500 Midvale Ave N., 1st floor – Planning & Community Development.



Planning and Development Services

STATE ENVIRONMENTAL POLICY ACT
(SEPA)
ENVIRONMENTAL CHECKLIST

Purpose of Checklist:

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

Instructions for Applicants:

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

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

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

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

Public notice is required for all projects reviewed under SEPA. Please submit current Assessor's Maps/Mailing Labels showing:

- Subject property outlined in red.
- Adjoining properties under the same ownership outlined in yellow.
- All properties within 500' of the subject property, with mailing labels for each owner.

NOTE: King County no longer provides mailing label services. Planning and Development Services can provide this for a fee or provide you instructions on how to obtain this information and create a mail merge document to produce two sets of mailing labels for your application.

Use of Checklist for nonproject proposals:

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

For nonproject actions, the references in the checklist to the words "project," "applicant," and "property or site" should be read as "proposal," "propose," and "affected geographic area," respectively.

17500 Midvale Avenue North, Shoreline, Washington 98133-4905

Telephone (206) 801-2500 Fax (206) 546-8761 pds@shorelinewa.gov

The Development Code (Title 20) is located at mrsc.org

**TO BE COMPLETED
BY APPLICANT**

A. BACKGROUND

1. Name of proposed project, if applicable:

City of Shoreline Assumption of Ronald Wastewater District

2. Name of applicant:

City of Shoreline

3. Address and phone number of applicant and contact person:

**Steven Szafran
17500 Midvale Ave N
Shoreline, WA 98133-4905
206.801.2512**

4. Date checklist prepared:

May 13, 2014

5. Agency requesting checklist:

City of Shoreline

6. Proposed timing or schedule (including phasing, if applicable):

May 2014 – Council files notice of intent with King County and Snohomish County Boundary Review Boards to assume Ronald Wastewater District.

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

The City of Shoreline will execute the 2002 Operating Agreement that was signed by the City and Ronald Wastewater District. The operating agreement is attached as reference. The date of transfer to the City is October 21, 2017.

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

Final Environmental Impact Statement for the City of Shoreline Comprehensive Plan was issued 11/2/98 for the main body of related environmental analysis. Supplemental EIS's were issued for the 2005 Comprehensive Update as well as the 2012 Comprehensive Plan update.

The Ronald Wastewater District issued a Determination of Nonsignificance on October 7, 2010 for their 10-year District Master Plan.

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The 2012 Comprehensive Plan Update evaluated the assumption of Ronald Wastewater District as described in the introduction section of the Capital Facilities Element. Specifically, Goal CF 1 directs the City to provide adequate public facilities that address past deficiencies and anticipate the needs of growth through acceptable levels of service, prudent use of fiscal resources, and realistic timelines.

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

There was a pending lawsuit in court that asked for a public vote for the City to assume Ronald Wastewater District. On May 9, King County Judge Bradshaw denied Arthur Wadkamper's Motion for Partial Summary Judgment on Public Vote to Assume District. The court ruled that a public vote is not required for the City to assume the District under RCW 35.13A.

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

As provided in the 2002 Interlocal Operating Agreement, no later than October 22, 2015, the City Council confers upon the City Manager or designee the authority to negotiate, in good faith, with the District the terms of a final transition plan so as to ensure smooth transition from District to City operations.

As provided in Chapter 35.13A RCW, effective October 23, 2017, the City of Shoreline assumes jurisdiction and ownership of Ronald Wastewater.

11. Give a brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description).

The Council will authorize the procession of the assumption of Ronald Wastewater District as authorized by Ordinance 681 by filing Notices of Intent with the King County and Snohomish County Boundary Review Boards. The assumption process is defined by RCW 35.13.A.030 and includes the assumption of all assets and liabilities held by the District on the date of assumption and transfer of its entire sanitary sewer service area including the unincorporated area of Snohomish County as shown on the District Map. The date of transfer to the City will be October 21, 2017 and will include transition steps included in the 2002 Operating Agreement with Ronald Wastewater District. A copy of the 2002 Operating Agreement is included as an attachment.

12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of

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area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.

Ronald Wastewater District offices are located at 17505 Linden Ave N. The sanitary sewer lines are located in all areas of the City and portions of Snohomish County. Please refer to Attached map for location of facilities to be assumed.

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B. ENVIRONMENTAL ELEMENTS

1. Earth

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

- d. Are there surface indications or history of unstable soils in the immediate vicinity? If so describe.

Non-project action does not apply.

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

Non-project action does not apply.

- f. Could erosion occur as a result of clearing construction or use? If so generally describe.

This is a non-project action. Any future new construction or maintenance of existing infrastructure projects will adhere to adopted codes and standards such as the Department of Ecology's Stormwater Manual for Western Washington, the Shoreline Development Code, and the City of Shoreline Engineering Design Manual.

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

Non-project action does not apply.

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

Non-project action does not apply.

2. Air

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

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describe and give approximate quantities if known.

Non-project action does not apply.

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

Ronald Wastewater does not currently own or operate any sewage treatment facilities where odor may be a factor. All waste is collected in two facilities: King County's West Point plant and the City of Edmond's plant.

- c. Proposed measures to reduce or control emissions or other impacts to air if any:

Ronald, and eventually the City of Shoreline, will have to comply with Federal and State regulations in Department of Ecology's National Pollution Discharge Elimination System and the Environmental Protection Agency's Capacity, Management, operations, and Maintenance regulations.

3. Water

a. Surface:

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

Non-project action does not apply.

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

Non-project action does not apply. However, any future construction, maintenance, or repair activities will be subject to SMC 20.80 and SMC 20.200 for protection of streams, wetlands, and shorelines throughout the City.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply. However, Ronald and the City are required to comply with RCW 90.48 which refers to unpermitted discharges that carries the risk of penalties and other enforcement actions from the Department of Ecology.

b. Ground:

1. Will ground water be withdrawn or will water be discharged to ground water? Give general description, purpose and approximate quantities if known.

Non-project action does not apply.

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

Non-project action does not apply.

c. Water Runoff (including storm water):

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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4. Plants

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

deciduous tree: alder, maple, aspen, other

evergreen tree: fir, cedar, pine, other

shrubs

grass

pasture

crop or grain

wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other

water plants: water lily, eelgrass, milfoil, other

other types of vegetation

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

5. Animals

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

Birds: hawk, heron, eagle, songbirds, other: _____

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

Fish: bass, salmon, trout, herring, shellfish, other: _____

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

6. Energy and Natural Resources

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

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Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

7. Environmental Health

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

Ronald has an Operations and Maintenance Program that meets the Environmental Protection Agencies regulations regarding sewer overflows. The District has not had any sewer overflow that would discharge to the storm water system (see Ronald Wastewater District's 2010 Comprehensive Sewer Plan).

1. Describe special emergency services that might be required.

Non-project action does not apply.

2. Proposed measures to reduce or control environmental health hazards, if any:

Compliance with the Operations and Maintenance program and its updates in the future.

b. Noise

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

Non-project action does not apply.

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

Non-project action does not apply.

3. Proposed measures to reduce or control noise impacts, if any:

Non-project action does not apply.

8. Land and Shoreline Use

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

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Non-project action does not apply.

b. Has the site been used for agriculture? If so, describe

Non-project action does not apply.

c. Describe any structures on the site.

The District owns and operates and maintains a domestic wastewater collector and interceptor system consisting of 16 lift stations, 21 individual grinder pumps, and approximately 190 miles of 6-to-30 inch diameter sanitary sewer mains, not including private sewers.

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

Non-project action does not apply.

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

The main office at 17505 Linden Ave N is zoned R-24.

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

Non-project action does not apply.

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

Non-project action does not apply.

b. Has any part of the site been classified as an "environmentally sensitive" area? If so, please specify.

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

The assumption of Ronald is supported by the City of Shoreline's Comprehensive Plan which plans for growth over the next 20 years. The assumption of Ronald will provide the

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citizens of the City and the ratepayers served by the District with an efficient, high quality, and well-maintained sanitary sewerage wastewater system at a reasonable cost.

9. Housing

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

Non-project action does not apply.

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

Non-project action does not apply.

- c. Proposed measures to reduce or control housing impacts if any:
Non-project action does not apply.

10. Aesthetics

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

11. Light and Glare

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

12. Recreation

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

13. Historic and Cultural Preservation

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

14. Transportation

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

Non-project action does not apply.

- b. Is site currently served by public transit? If not what is the approximate distance to the nearest transit stop?

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

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

Non-project action does not apply.

15. Public Services

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

The assumption of Ronald will not increase the need for public services. The assumption of Ronald will consolidate with other efficient, high-quality utilities and services provided by the City. Through consolidation, efficiency will be gained.

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

Non-project action does not apply.

16. Utilities

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

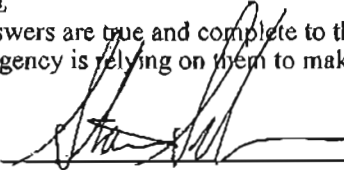
Non-project action does not apply.

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

Non-project action does not apply.

c. SIGNATURE

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

Signature: 

Printed Name: Steven Szafran

Address 17500 Midvale Ave N

Telephone Number: 206.801.2512

Date May 14, 2014

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**D. SUPPLEMENTAL SHEET FOR NONPROJECT ACTIONS
(DO NOT USE THIS SHEET FOR PROJECT ACTIONS)**

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

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

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

The assumption of Ronald Wastewater District will not increase discharge to water/emissions to air/production, storage, or release of toxic or hazardous substances; or production of noise. The proposed action is a non-project action and simply transfers ownership from Ronald to the City of all existing assets and liabilities. The City is not proposing to amend any facilities at this time.

Proposed measures to avoid or reduce such increases are:

Does not apply.

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

The assumption of Ronald Wastewater District will not affect plants, animals, fish, or marine life. The proposed action is a non-project action and simply transfers the ownership from Ronald to the City of all existing assets and liabilities. The City is not proposing to amend any facilities at this time.

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

Does not apply.

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

The assumption of Ronald Wastewater District will not deplete energy or natural resources. The proposed action is a non-project action and simply transfers the ownership from Ronald to the City of all existing assets and liabilities. The City is not proposing to amend any facilities at this time.

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

Does not apply.

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

The assumption of Ronald Wastewater District will not affect environmentally sensitive areas or areas designated for governmental protection: such as parks, wilderness, wild and scenic rivers, threatened or endangered species habitat, historic or cultural sites, wetlands, floodplains, or prime farmlands. The proposed action is a non-project action and simply transfers the ownership from Ronald to the City of all existing assets and liabilities. The City's regulations of critical areas are regulated under SMC 20.80. Any future construction, maintenance, or infrastructure improvements will be regulated by SMC 20.80. The City is not proposing to amend any facilities at this time.

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

Does not apply.

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

The assumption of Ronald Wastewater District will not affect land and shoreline use, including whether it would allow or encourage land or shoreline uses incompatible with existing plans. The proposed action is a non-project action and simply transfers the ownership from Ronald to the City of all existing assets and liabilities. The City is not proposing to amend any facilities at this time.

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

Does not apply.

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

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The assumption of Ronald Wastewater District will not increase demands on transportation or public services and utilities. The proposed action will consolidate public services in order to provide the citizens of the City and the ratepayers served by the District with an efficient, high quality, and well-maintained sanitary sewerage wastewater system at a reasonable cost. The City is not proposing to amend any facilities at this time.

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

Does not apply.

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

The proposed assumption will not conflict with any local, state or federal laws or requirements for the protection of the environment. King County Superior Court Judge Bradshaw denied Arthur Wadekamper's Motion for Partial Summary Judgment on a public vote to assume the Ronald Wastewater District. The court ruled that a public vote is not required for the City to assume the District under RCW 35.13A.

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CITY OF SHORELINE
Exhibit A 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;

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

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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.

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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

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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.

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.

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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.

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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.

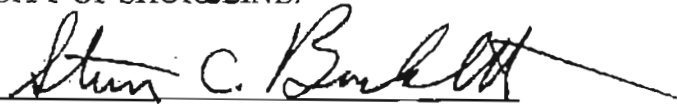
Section 15. Attorneys Fees. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the prevailing party shall in such dispute be entitled to recover its reasonable attorneys' fees.

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.

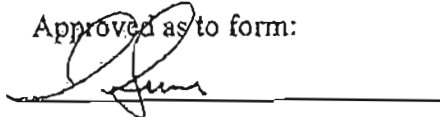
Section 18. Effective Date and Term of Contract. This agreement shall be in full force and effect and binding upon the parties hereto upon the execution of the Agreement and shall continue in full force and effect fifteen (15) years from the effective date.

CITY OF SHORELINE:




Steven C. Burkett, City Manager

Approved as to form:



Ian R. Sievers, City Attorney

RONALD WASTEWATER DISTRICT:



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Exhibit A

President, Board of Commissioners

Attest:



Secretary, Board of Commissioners

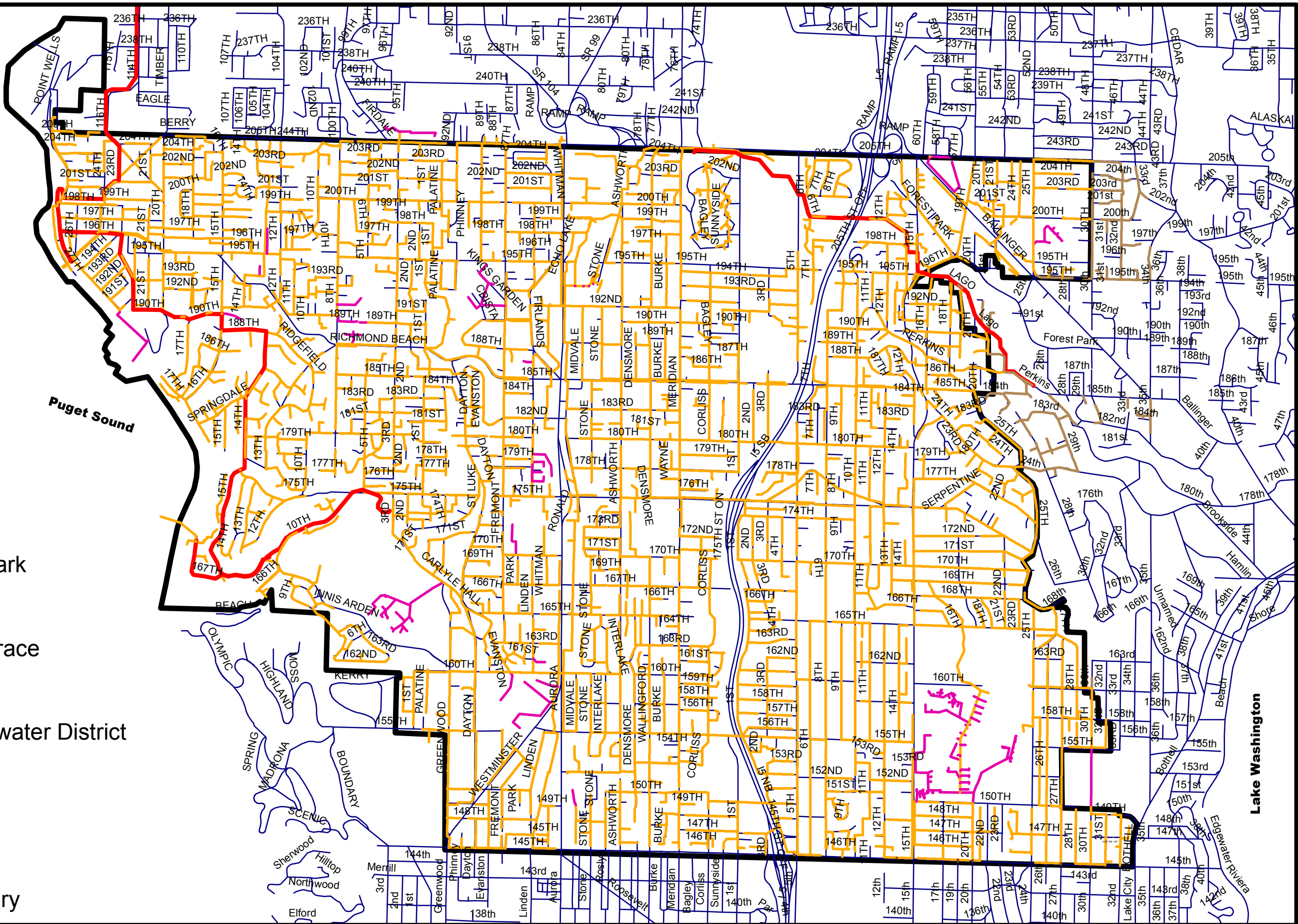


Legend

Sewer_main

OWNERSHIP

- Edmonds
- Highlands
- Lake Forest Park
- Metro
- Mountlake Terrace
- Private
- Ronald Wastewater District
- Seattle
- Unknown
- Street
- DistrictBoundary



Source:RWD,COSH,ESRI,Putnam 2014
 Note: All locations approx. Contact Local Agencies for permits/approval for all work.

EXHIBIT E

DESCRIPTION OF THE BOUNDARY OF THE
RONALD WASTEWATER DISTRICT

This description encompasses all of Section 1, 12 and portions of Sections 2, 11, and 13 in Township 26 North, Range 3 East, W. M., and all of Sections 6, 7, 8, 17, 18 and portions of Sections, 4, 5, 9, and 16, in Township 26 North, Range 4 East, W. M., situate in King County, Washington, and a portion of Section 35. Township 27 North, Range 3 East, W.M., situated in Snohomish County, Washington, being more particularly described as follows:

Beginning at the Northeast corner of said Section 1, Township 26 North, Range 3 East, W.M.;

Thence Easterly along the North line of said Township 26 North to the intersection of the northerly projection of the west margin of 30th Avenue NE and the north line of said section 4, Township 26 North, Range 4 East, W.M.;

Thence Southerly along said westerly margin of 30th Avenue NE to the north margin of Northeast 195th Street;

Thence Westerly along said north margin of Northeast 195th Street to the intersection with the east margin of 25th Avenue NE;

Thence Southerly along the East Margin of 25th Avenue NE to the south line of north margin of said section 4;

Thence westerly along the north margin of said Section 4 to the east line of the Woodford Heights Plat, according to the plat thereof, recorded in Volume 66 of Plats, Page 6, Records of King County, Washington,

Thence North 2° 05' 06" West 305.06 feet

Thence South 89° 18' 15" West 138.11 feet;

Thence North 2° 16' 58" West 75.00 feet;

Thence South 89° 18' 15" West 75.00 feet;

Thence North 2° 16' 58" West 150.00 feet;

Thence South 89° 18' 15" West 220.09 feet;

Thence South 2° 16' 58" East 310.00 feet;

Thence South 89° 18' 15" West along the north margin of NE 195th Place 175.77 feet to the Northeast Margin of Forest Park Drive NE;

Thence Northwesterly along the Northeast margin of Forest Park Drive NE to a point of the southern boundary of Lot 9, Block 4, of Rose Addition Division No. 2, as recorded in Volume 34 of Plats, Page 26, Records of King County, Washington;

Thence Westerly on the South line of the North Margin of said Section 4;

Thence southwesterly perpendicular to Forest Park Drive NE to the northeast corner of Lot 6, Block 2, of Rose Addition Division No. 1 as recorded in Volume 34 of Plats, Page 19, Records of King County, Washington;

Thence Southwesterly along the southerly margin of NE 196th Street to the easterly margin of 15th Avenue NE;

Thence southwesterly along the easterly margin of 15th Avenue NE and a point approximately 230' south and 100' west of the east quarter corner of Section 5 also known as the city limits of the City of Shoreline as annexed under Ordinance No. 31;

Thence easterly, southeasterly, westerly, southerly, southeasterly, and southwesterly along said City Limits as annexed under Ordinance No. 172, to an intersection with the Southerly margin of N.E. 178th Street;

Thence Westerly along said Southerly margin and its Westerly extension to its intersection with the centerline of 25th Avenue N.E.;

Thence Southeasterly and Southerly along the centerline of said 25th Avenue N.E. to its intersection with the North margin of N.E. 168th Street;

Thence Westerly along the North margin of N.E. 168th Street to its intersection with the west line of Block 1, Millers Addition to Lake Forrest Park recorded in Volume 37 of Plats, pages 50 and 51, Records of King County, Washington;

Thence Southerly, Easterly, Southeasterly and Southwesterly along said West line of Block 1, Millers Addition and it's northwesterly extension to the City limits of Lake Forrest Park as established by Ordinance 627 to its intersection with the south line of said Section 9;

Thence Easterly along said South line of Section 9 to its intersection extension of the West line of the Briercrest Addition recorded in Volume 46 of Plats, Page 69, Records of King County, Washington;

Thence southerly along said West line of the Briercrest Addition recorded in Volume 46 of Plats, Page 69, Records of King County, Washington to its intersection with the North margin of Northeast 160th Street;

Thence Southerly to the South margin of Northeast 160th Street;

Thence Easterly along said South margin to the East margin of 30th Avenue Northeast;

Thence Southerly along said East margin of 30th Avenue Northeast to its intersection with the South line of the North 21 feet of Lot 13, block 10 of State Plat recorded in Volume 42 of Plats, pages 10 and 11, Records of King County, Washington;

Thence Easterly along the South line of the North 21 feet of said Lot 13 to the West line of the East half of said Lot 13;

Thence northerly along said West line to a point 70 feet North of the South line of Lot 13, Block 10 of State Plat;

Thence Easterly along the North line of said line 70 feet North of the south line of Lot 13 to the west line of Lots 1 through 7, Block 10 of said State Plat;

Thence Southerly along said west line of Lots 1 through 7 to its intersection with the south line of Lot 6, Block 10, of said State Plat;

Thence Easterly along said south line of Lots 6 to its intersection with a line 10.92 feet east of and parallel to the west line of Lots 1 through 7, Block 10, of said State Plat;

Thence southerly along said line 10.92 feet east of and parallel to the West line of Lots 1 through 7, Block 10 of said State Plat to its intersection with the Southerly margin of N.E. 158th Street;

Thence Easterly along the South margin of N.E. 158th Street to its intersection with the West line of lots 1 through 7, block12 of said State Plat;

Thence Southerly along said West line of lots 1 through 7 to the Southerly margin of N.E. 155th Street and the north line of the of the southeast quarter of said Section 16 and the North line of Acacia Park, recorded in Volume 29 of Plats, page 5, Records of King County, Washington;

Thence westerly along the Southerly margin of N.E. 155th Street, also being the north line of the southeast quarter of said Section 16 to the East margin of 27th Avenue N.E. and the Westerly boundary of said Acacia Park;

Thence southerly along the East margin of 27th Avenue N.E., also being the Westerly boundary of said Acacia Park to the Southerly boundary of Birch Section Acacia Memorial Park, recorded in Volume 80 of Plats, Page 86, records of King County, Washington;

Thence Easterly along said Southerly boundary of Birch Section Acacia Memorial Park and the southerly boundary of said Acacia Park to its intersection with the westerly boundary of the Extension to Holly Section Acacia Memorial Park recorded in Volume 35 of Plats, page 11, Records of King County, Washington;

Thence southerly along said westerly boundary of the Extension Holly Section Acacia Memorial Park to its intersection with the north margin of N.E. 149th Street;

Thence Easterly along the north margin of said N.E. 149th Street to its intersection with the westerly margin of Bothell Way N.E.;

Thence southerly along said Westerly margin of Bothell Way N.E. to its intersection with the Southerly line of Section 16;

Thence Westerly along said South line of Section 16 to the Southwest corner of said Section 18 Township 26 North, Range 4 East, W.M.;

Thence Northerly along the West line of said Section 18 to the West 1/4 corner of said Section, said corner also being the East 1/4 corner of Section 13, Township 26 North, Range 3 East, W.M.;

Thence Westerly along the East-West centerline of said Section 13 to its intersection with the Southerly extension of the West line of Lot 12, Block 3, Highland Terrace Addition as recorded in Volume 48 of Plats, Page 97, Records of King County, Washington;

Thence Northerly along said Southerly extension and along the West line of said Lot 12, and along the West line of Lots 11 through 1 inclusive, of said Block 3, to the Northwest corner of said Lot 1, Block 3;

Thence Easterly along the North line of said Lot 1, Block 3, to its intersection with the West line of Lot 3, Block 4, said Addition;

Thence Northerly along the West line of said Lot 3, Block 4, to the Northwest corner thereof, said corner being on the South line of the North 1/2 of the Northeast 1/4 of Section 13, Township 26 North, Range 3 East, W.M.;

Thence Westerly along said South line to its intersection with the North-South centerline of said Section 13;

Thence Westerly along the South boundary line of Lots 31 and 30 of said Shorewood Hills Division I, to the Southwest corner of said Lot 30;

Thence Northwesterly along the Southwesterly boundary line of Lots 30, 29, and 28 of said Shorewood Hills Division I, to an angle point on the Southwesterly boundary line of said Lot 28;

Thence Northerly along the West boundary line of Lots 27, 26, and 11 of said Shorewood Hills Division I, to the Northwest corner of said Lot 11, said point being the Southwest corner of Lot

20 of Shorewood Hills Division II, as recorded in Volume 112 of plats, Page 48, Records of King County, Washington;

Thence Northerly along the West boundary line of said Lot 20 of Shorewood Hills Division II, to the Southeast corner of Lot 19 of said Shorewood Hills Division II;

Thence Westerly along the South boundary line of Lots 19, 18, 17, 16, 15, 14 and 13 of said Shorewood Hills Division II, to the Southwest corner of said Lot 13;

Thence Northerly along the West boundary line of Lot 13 and 12 of said Shorewood Hills Division II, to its intersection with the North line of Section 13, Township 26 North, Range 3 East, W.M., said point being the Northwest corner of the Northeast quarter of the Northwest quarter of Section 13, Township 26 North, Range 3 East, W.M.;

Thence Westerly along the North line of said Section 13 to a point on said North line 50 feet West of the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 12, Township 26 North, Range 3 East, W.M.;

Thence Westerly along the South line of said Section 12, which is also the South line of said Reserve "O" of Innis Arden No. 3, to the Southwest corner of said Section 12, said corner also being the Southeast corner of Section 11, Township 26 North, Range 3 East, W.M.;

Thence Westerly along the South line of said Section 11 to its intersection with the East margin of the Burlington Northern Railroad right-of-way;

Thence Northerly and Northwesterly along the easterly margin of said Burlington Northern Railroad right-of-way to its intersection with the south line of Section 2, Township 26 North, Range 3 East, W.M.;

Thence Westerly along the south line of said Section 2, to the Easterly shore of Puget Sound;

Thence Northerly along said Easterly shore of Puget Sound to its intersection with the west line of the southeast quarter of said Section 2;

Thence Northerly along said west line of the southeast quarter of said Section 2 to its intersection with the East margin of the Burlington Northern Railroad right-of-way;

Thence Northwesterly along the easterly margin of said Burlington Northern Railroad right-of-way to its intersection the most Southerly corner of Parcel 1 of King County Short Plat KCSP580083, Recording No. 8010080713, Records of King County, Washington;

Thence Southwesterly along a line perpendicular to said Northeasterly margin of the Burlington Northern Railroad right-of-way to the Easterly shore of Puget Sound;

Thence Northerly along said Easterly shore of Puget Sound to its intersection with the South line of the North 288.75 feet of Government Lot 2 in said Section 2;

Thence Easterly along said South line of the North 288.75 feet of Government Lot 2 to its intersection with the Westerly margin of Richmond Beach Drive Northwest;

Thence Northerly along the Westerly margin of said Richmond Beach Drive Northwest to its intersection with the North line of said Section 2;

Thence westerly along the north line of Section 2, also being known as the south line of Snohomish County, to the intersection with the inner harbor line;

Thence northerly along the inner harbor line to the north line of the southwest quarter of Section 35, Township 27 North, Range 3 East, also known as the southern boundary of the Town of Woodway, as established February 26, 1958.

Thence easterly, southerly, westerly, southerly, westerly, southerly, westerly, and southerly along the Town Limits to the north line of the E.L. Reber tract also shown as Snohomish County Short Plat recorded under Auditors file number 9002090297;

Thence easterly along said E.L. Reber tract to the east line of said tract;

Thence southerly along said east line to the north line of Section 2, Township 26 North, Range 3 East, W.M.;

Thence Easterly along the North line of said Section 2 to the Northeast corner of said Section, said corner also being the Northwest corner of Section 1, Township 26 North, Range 3 East, W.M.;

Thence continuing along North line of said Section 1, Township 26 North, Range 3 East, W.M., and the Point of Beginning.



CHS ENGINEERS, LLC

12507 BEL-RED ROAD SUITE 101
BELLEVUE, WA 98005-2500

TEL (425) 637-3693 FAX (425) 637-3694



EXHIBIT F



City of Shoreline

Assessors Map Delineating Ronald Wastewater District Boundary

- Legend**
-  RWD Boundary
 -  Open Water
 -  Assessors Map

Scale: 1:20,000

This map is not an official map. The author is not responsible for any errors or omissions. The author is not liable for any damages or losses resulting from the use of this map.

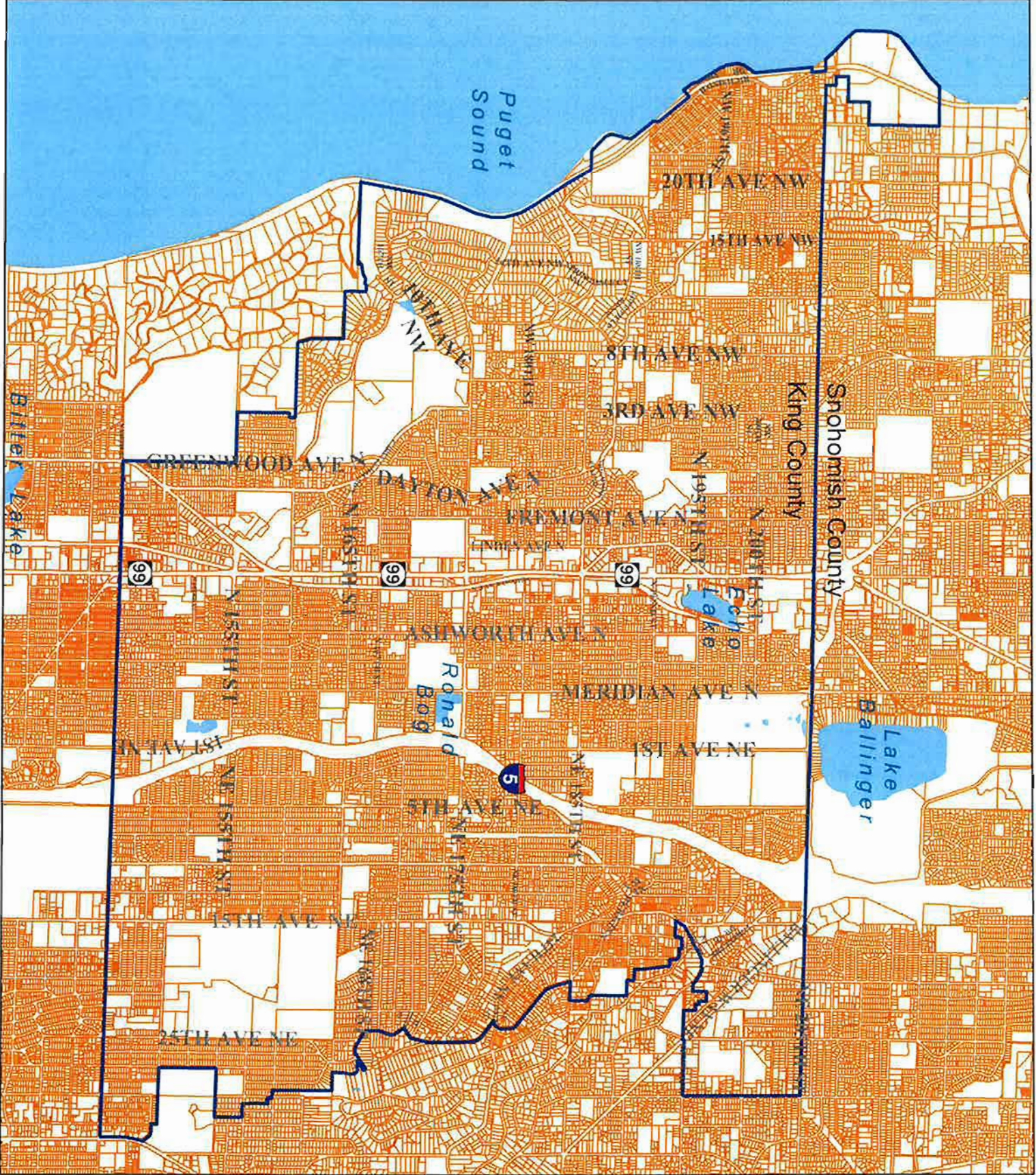
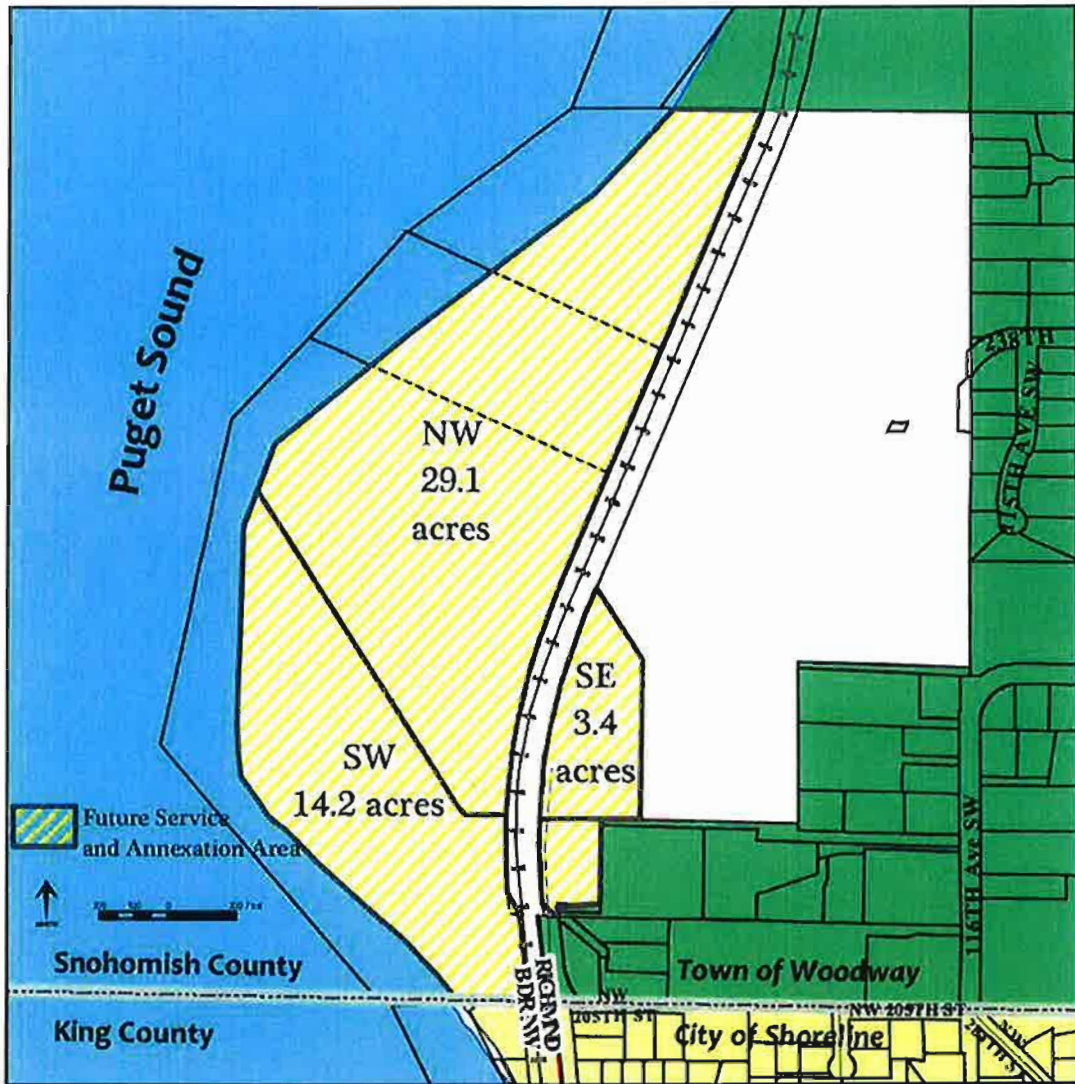
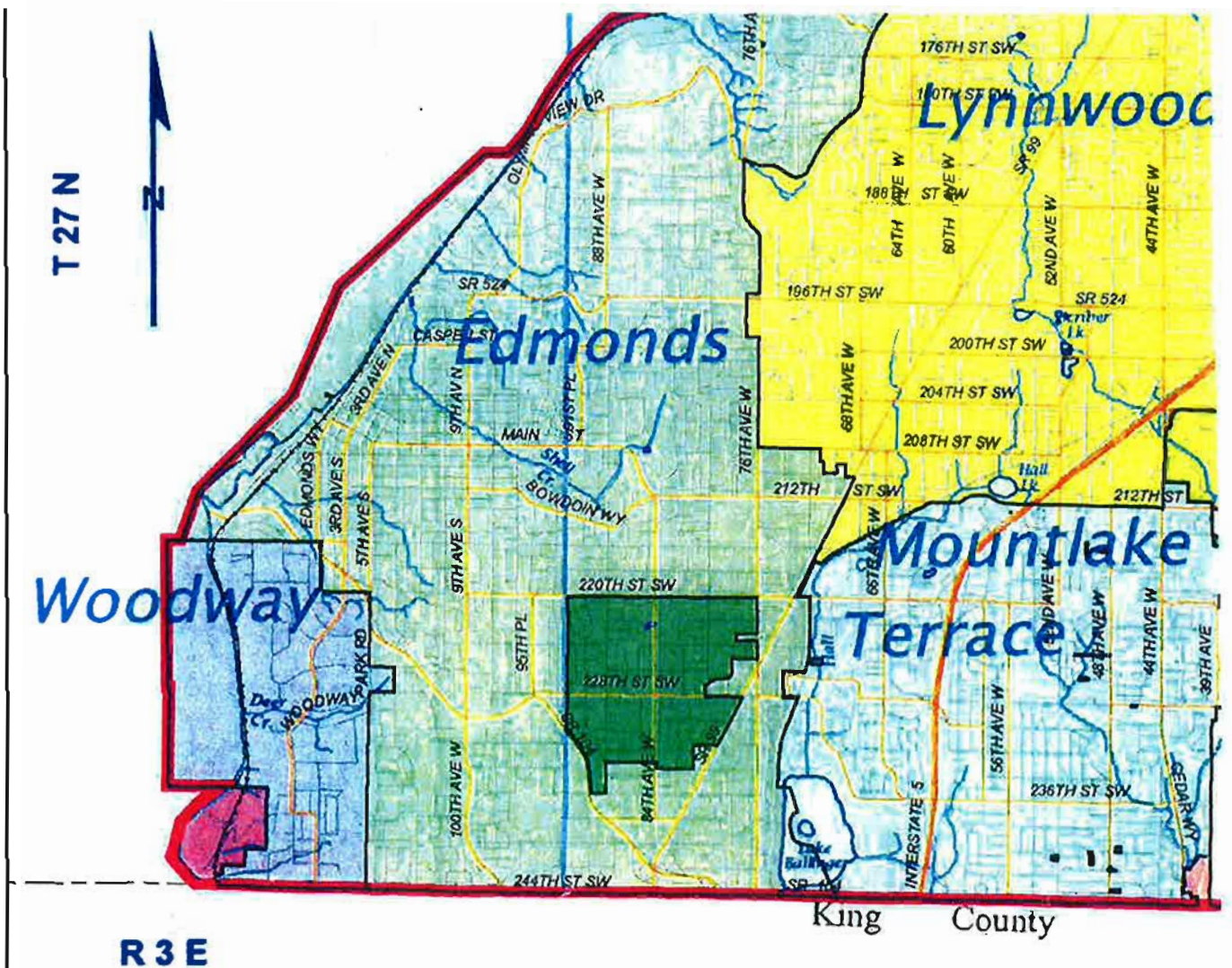


EXHIBIT G



Shoreline Future Service and Annexation Area Within Snohomish County Urban Growth Area
 Source: City of Shoreline



Map 3
Snohomish County GMA Comprehensive Plan
MUNICIPAL URBAN GROWTH AREAS
 EFFECTIVE DATE: September 2, 2013

	Paine Field Area		City of Mill Creek		Bothell MUGA		Southwest Urban Growth Area (SWUGA) Boundary
	City of Mukilteo		Mill Creek MUGA		City of Edmonds		Other Urban Growth Area (UGA) Boundary
	Mukilteo MUGA		City of Mountlake Terrace		Edmonds MUGA		Arterial Roadway
	City of Everett		Mountlake Terrace MUGA		City of Woodward		Railway
	Everett MUGA		City of Brier		Woodway MUGA		Snohomish County Boundary
	City of Lynnwood		Brier MUGA		Gap Area Not Claimed by Any City		
	Lynnwood MUGA		City of Bothell		Overlap Area Claimed by Two Cities		

Map 3: Municipal Urban Growth Areas. Produced by Snohomish County Planning and Development Services. Cartography: [unclear]

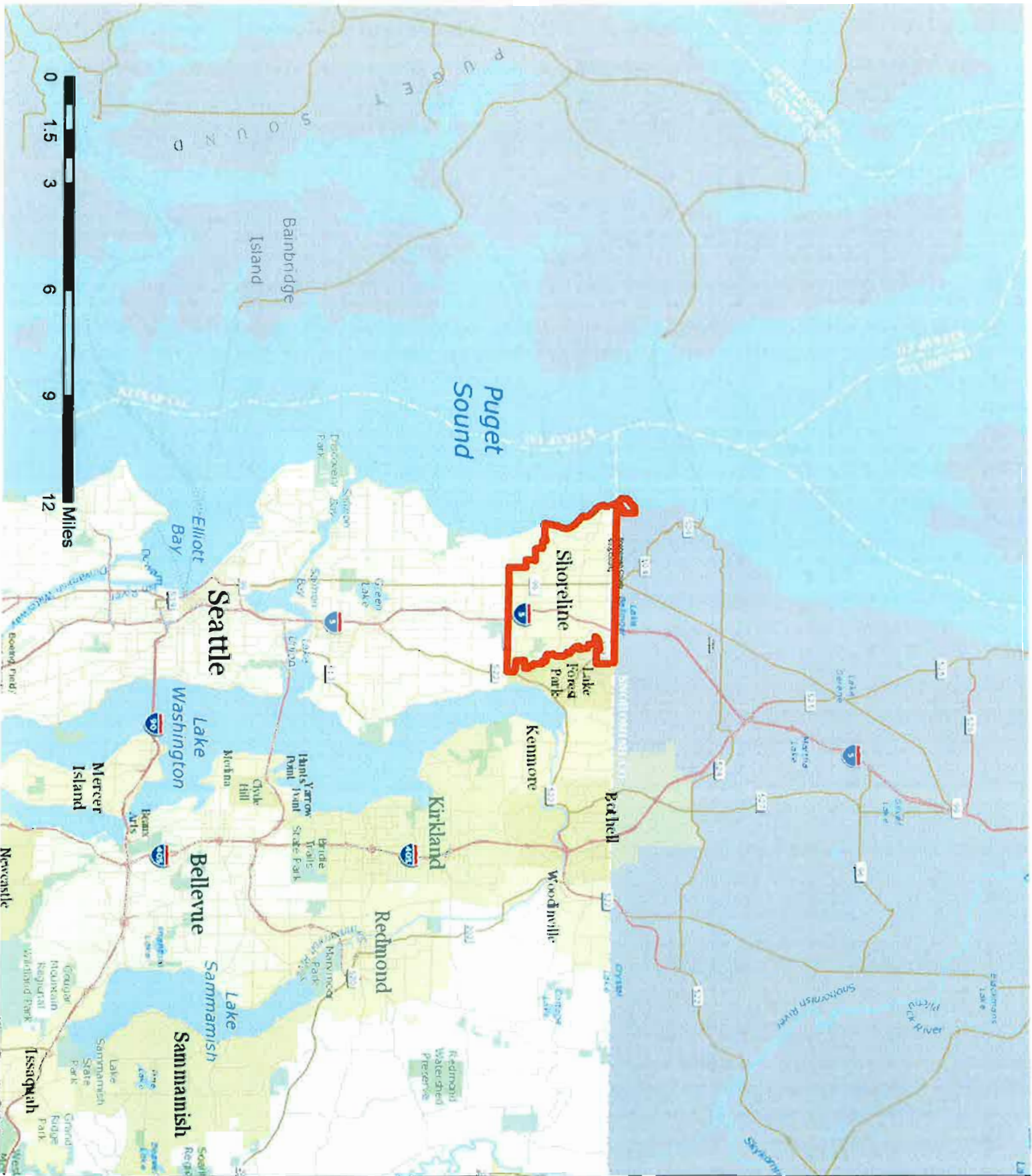
NOTE: Paine Field is not assigned to a city at the request of the County.



EXHIBIT H



Ronald Wastewater District Vicinity



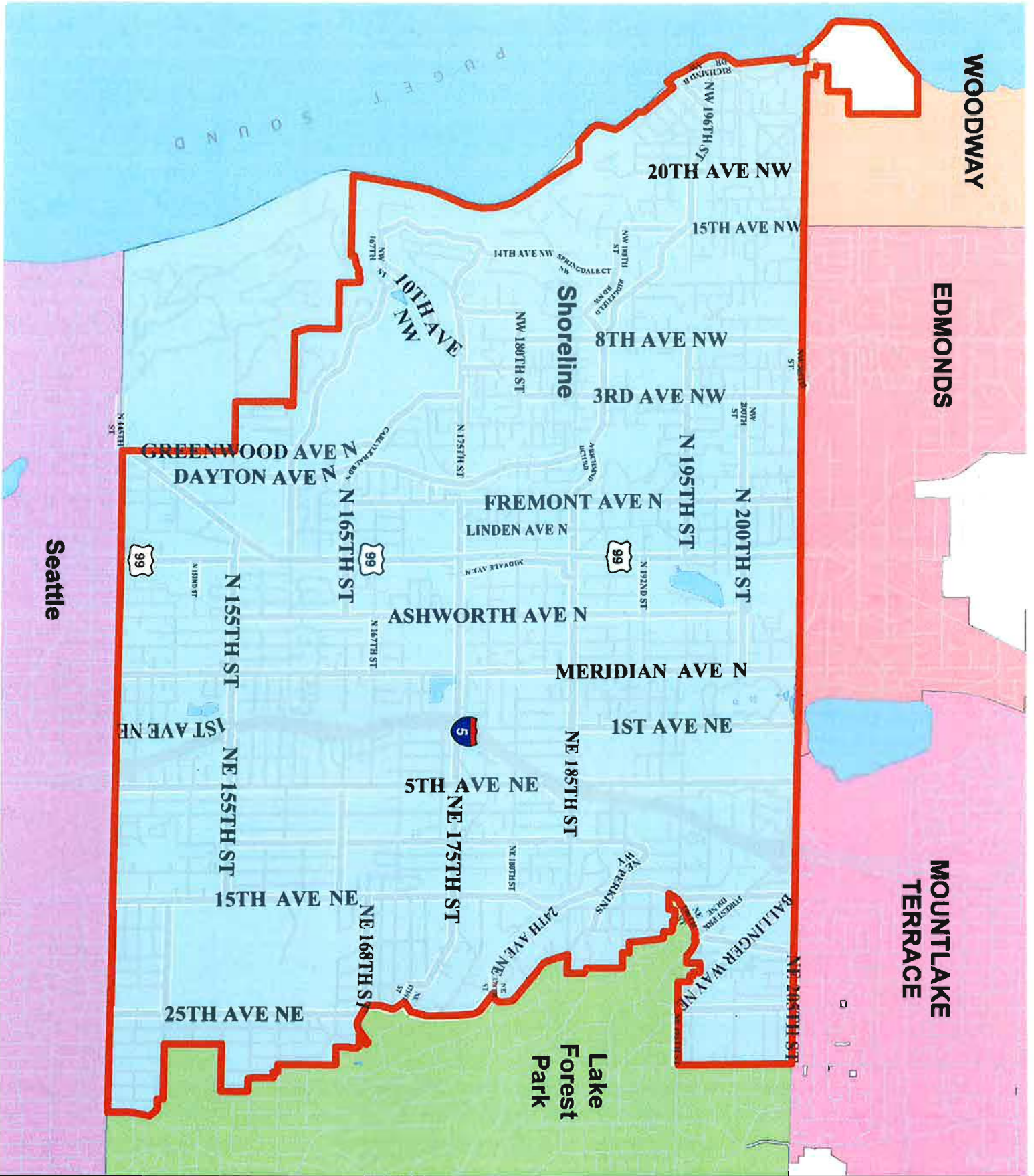
This map is not an official map. No warranty is made concerning the accuracy, currency, or completeness



Nearby
Cities


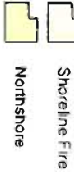


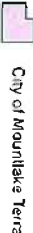
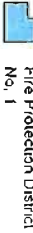
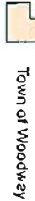
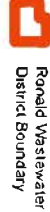


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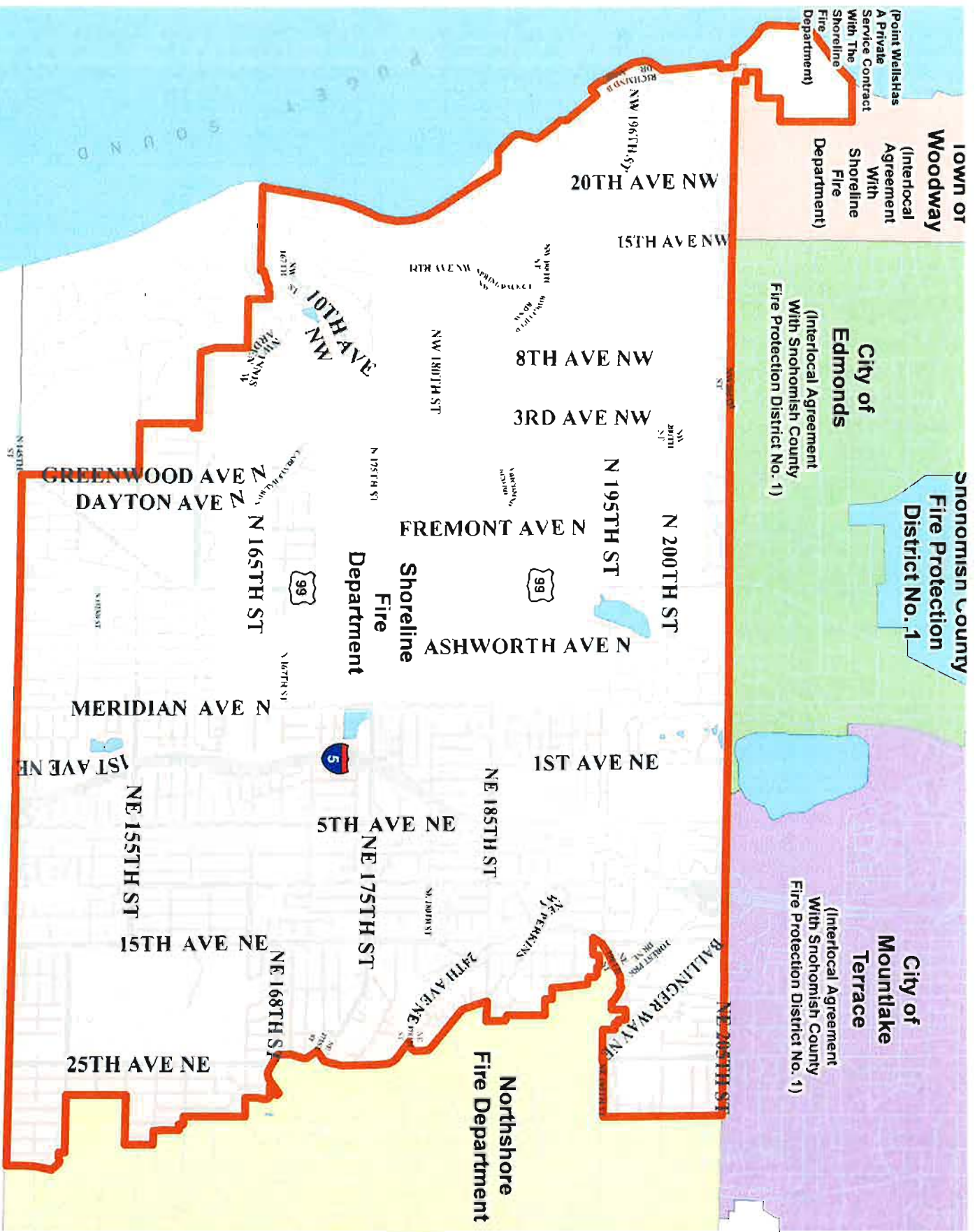


Fire Districts

-  King County
Northshore
-  Shoreline Fire
-  Snhomish County
-  City of Edmonds
-  City of Mountlake Terrace
-  Fire Protection District No. 1
-  Town of Woodway
-  Ronald Wastewater District Boundary



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Town of Woodway
(Interlocal Agreement With Shoreline Fire Department)
(Point Wellsthas A Private Service Contract With The Shoreline Fire Department)

Snhomish County
Fire Protection District No. 1
(Interlocal Agreement With Snohomish County Fire Protection District No. 1)

City of Mountlake Terrace
(Interlocal Agreement With Snohomish County Fire Protection District No. 1)

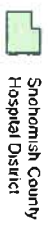
Shoreline Fire Department

Northshore Fire Department

PUBLIC HOSPITAL DISTRICT NO 2



Hospital Districts



Note: No King County hospital districts within subject area.



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Water Districts

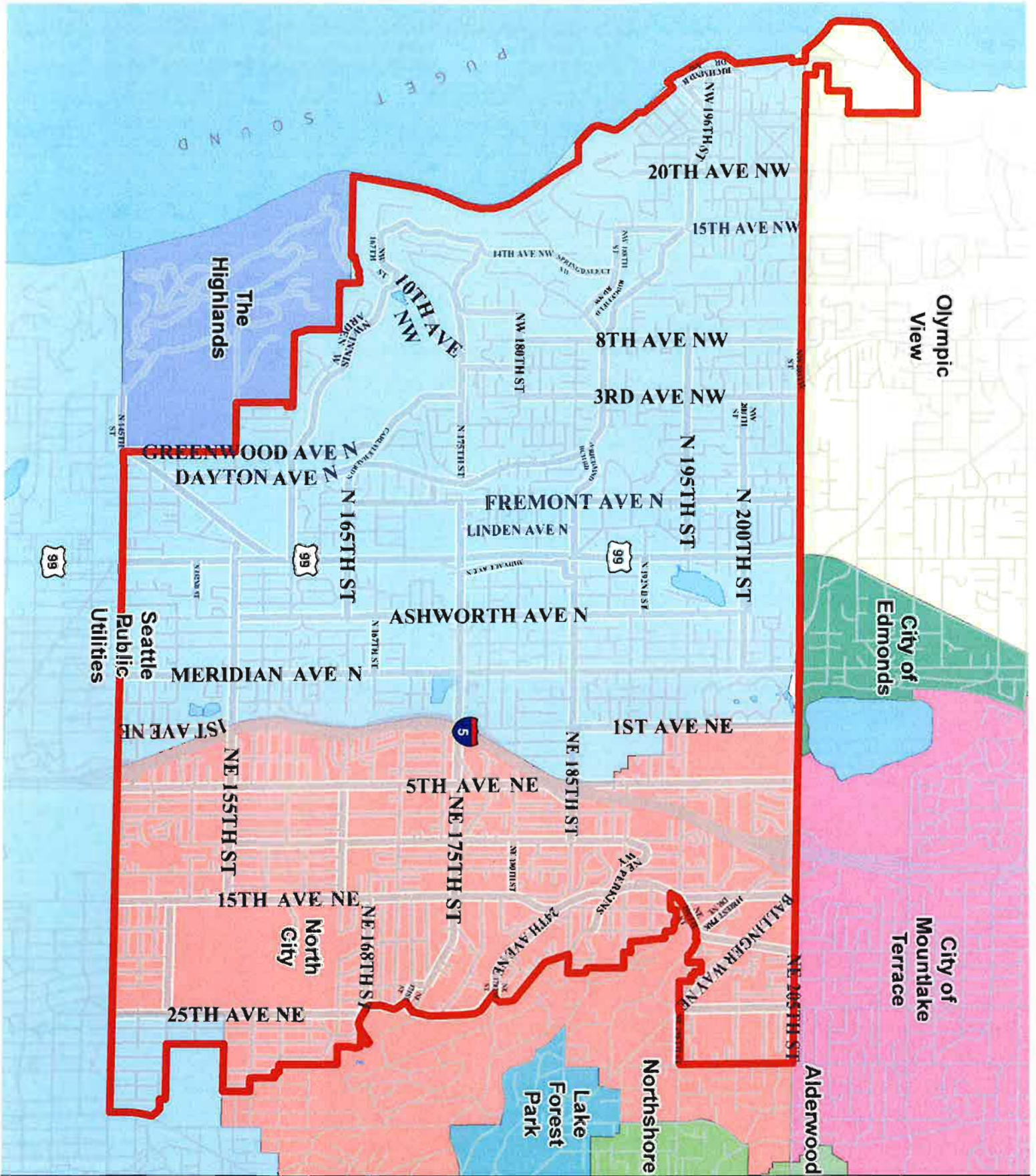


Ronald Wastewater District Boundary

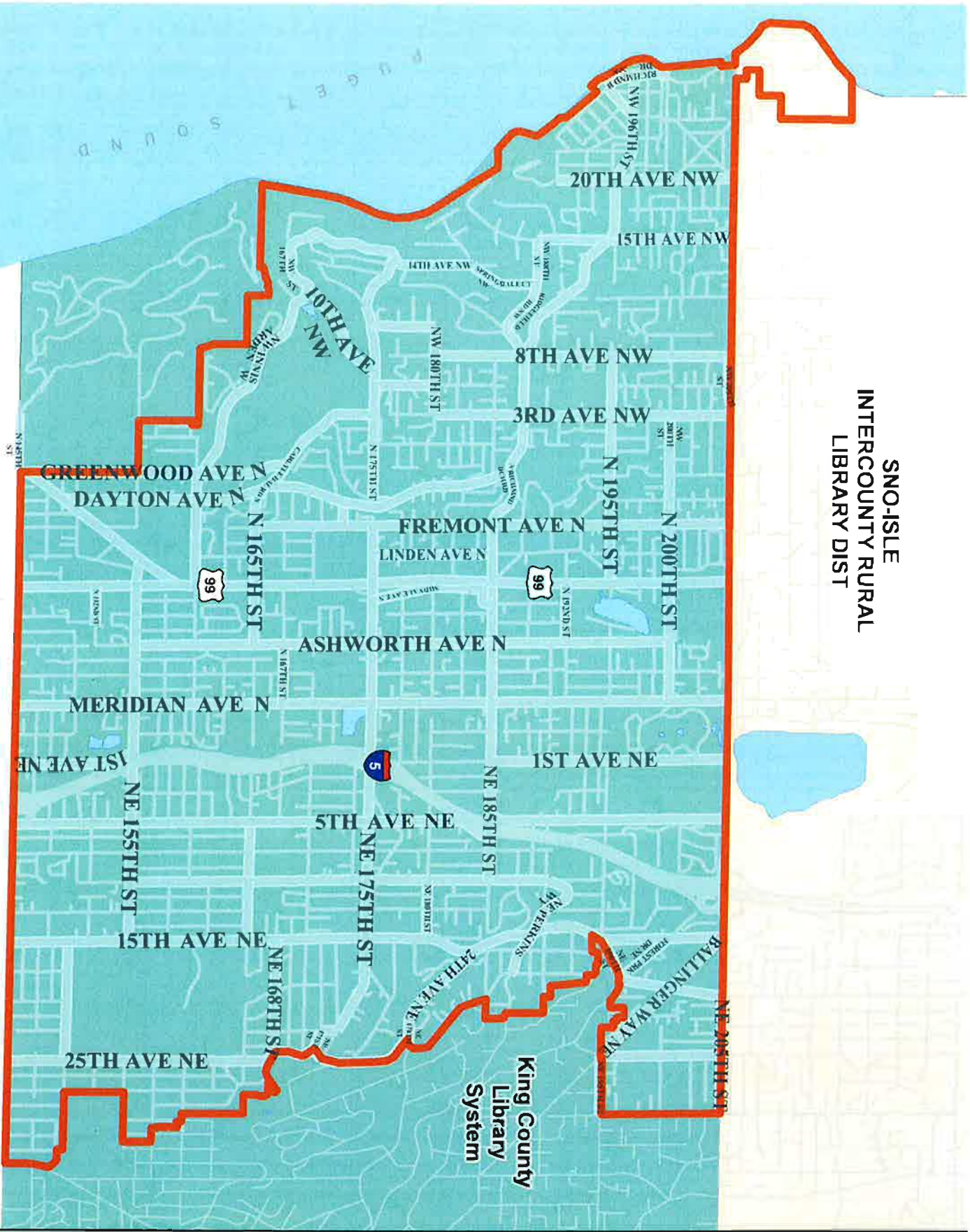
- Water District**
- Alderwood
 - City of Edmonds
 - City of Lynnwood
 - City of Mountlake Terrace
 - Lake Forest Park
 - North City
 - Northshore
 - Olympic View
 - Seattle Public Utilities
 - The Highlands




This map is not an official map. No warranty is made concerning the accuracy, currency, or completeness.



**SNO-ISLE
INTERCOUNTY RURAL
LIBRARY DIST**



**Library
Districts**

-  Ronald Wastewater District Boundary
-  King County Library District
-  Snohomish County Library District



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EXHIBIT I



Wastewater Districts



Ronald Wastewater District Boundary

- Alderwood
- City of Edmonds
- City of Lynnwood
- City of Mountlake Terrace
- Lake Forest Park
- Northshore
- Olympic View
- Ronald Wastewater
- Seattle Public Utilities
- The Highlands

Wastewater District

0 500 1000 2000 Feet

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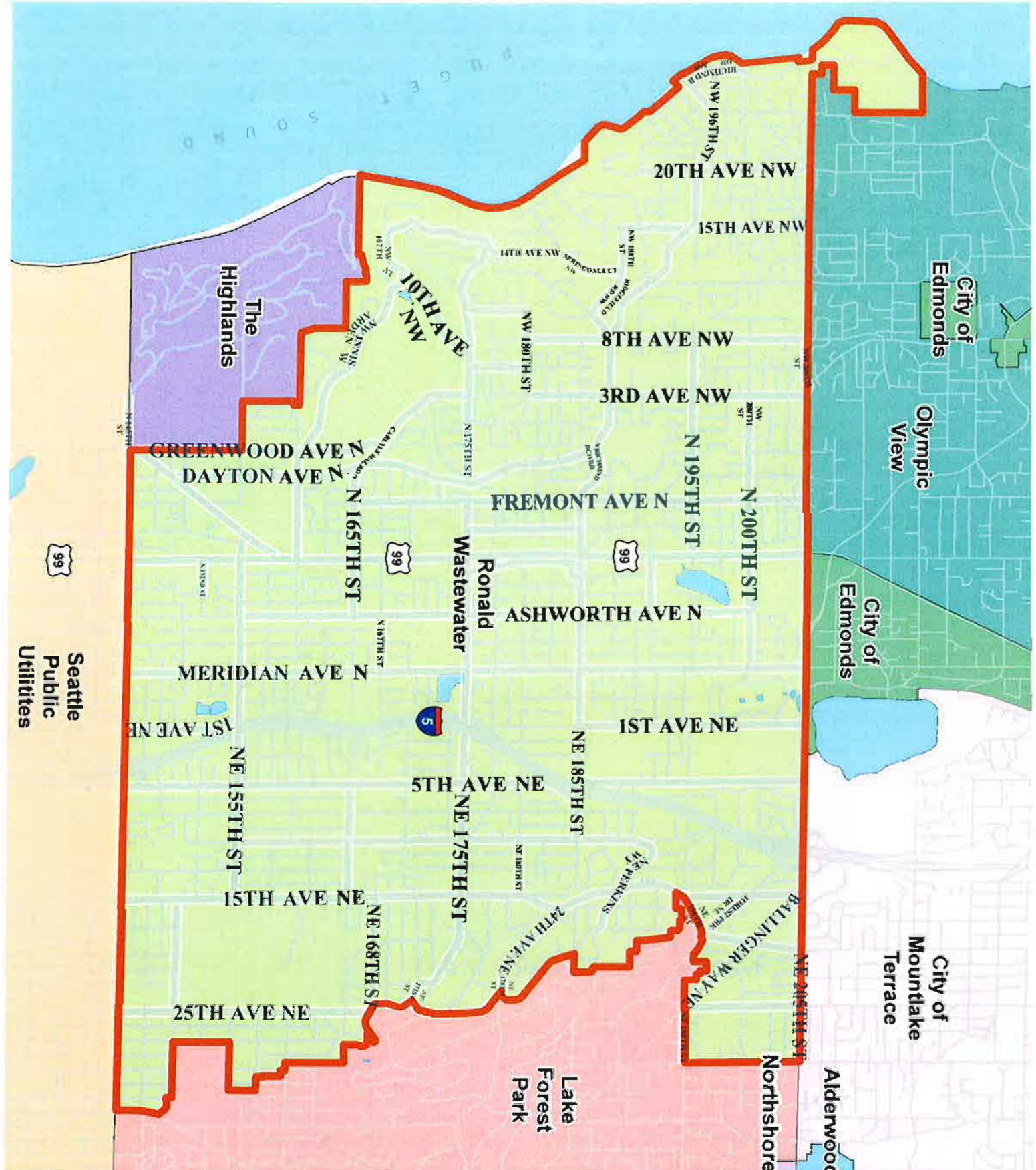


EXHIBIT J

Affidavit of Mailing

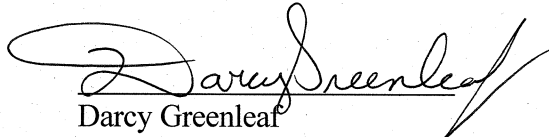
I, Darcy Greenleaf, declare and state:

I am a citizen of the State of Washington, over the age of 18 years, and not a party to this action. On the 27th day of May, 2014, I mailed a copy of the attached cover letter and City Manager's Notice of Intent cover letters to the King County Boundary Review Board and the Snohomish County Boundary Review Board, with assumption maps, legal description and Snohomish County Cover Sheet to the following:

Ronald Wastewater District
PO Box 33490
17505 Linden Ave N.
Shoreline, WA 98133-0490

I make this declaration subject to penalty of perjury under the laws of the State of Washington.

Dated this 27th day of May, 2014, at Shoreline, Washington.


Darcy Greenleaf

Amended Affidavit of Mailing

I, Darcy Greenleaf, declare and state:

I am a citizen of the State of Washington, over the age of 18 years, and not a party to this action. On the 23rd day of May, 2014, I mailed a copy of the attached cover letter and City Manager's Notice of Intent cover letters to the King County Boundary Review Board and the Snohomish County Boundary Review Board to the following:

North City Water District
1519 NE 177th St.
Shoreline, WA 98155

Shoreline Fire Department
17525 Aurora Ave N.
Shoreline, WA 98133

Seattle City Light
P. O. Box 34023
Seattle, WA 98124-4023

Seattle Public Utilities
700 5th Avenue # 4900
Seattle, WA 98104

Puget Sound Energy
10885 N.E. 4th Street
Bellevue, WA 98004-5591

King County Sheriff's Office
516 3rd Ave W-150
Seattle, WA 98104

Shoreline School District No. 412
18560 1st Ave NE
Shoreline, WA 98155

City of Mountlake Terrace
6100 219th Street SW, Suite 200
Mountlake Terrace, WA 98043

Olympic View Water and Sewer District
8128 228th Street SW
Edmonds, WA 98026

Town of Woodway
23920 113th PL W
Woodway, WA 98020

City of Lake Forest Park
17425 Ballinger Way NE
Lake Forest Park, WA 98155

King County Department of Parks and Natural
Resources Wastewater Treatment
King Street Center
201 S. Jackson St., Suite 500
Seattle, WA 98104-3855

City of Edmonds
121 5th Avenue N.
Edmonds, WA 98020

Anne Norris, Clerk of the Council
King County Courthouse
516 Third Avenue, Room 1200
Seattle, WA 98104

Carolyn Weikel
Snohomish County Auditor
3000 Rockefeller Avenue
Everett, WA 98201

Sno-Isle Library System
7312 35th Avenue NE
Tulalip, WA 98271-7417

King County Library System
960 Newport Way NW
Issaquah, WA 98027

Snohomish County PHD #2
Verdant Health Commission
PO Box 2606
Lynnwood, WA 98036

I make this declaration subject to penalty of perjury under the laws of the State of Washington.

Dated this 27th day of May, 2014, at Shoreline, Washington.


Darcy Greenleaf

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Dated this 23rd day of May, 2014, at Shoreline, Washington.

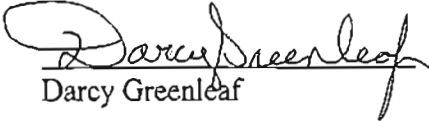
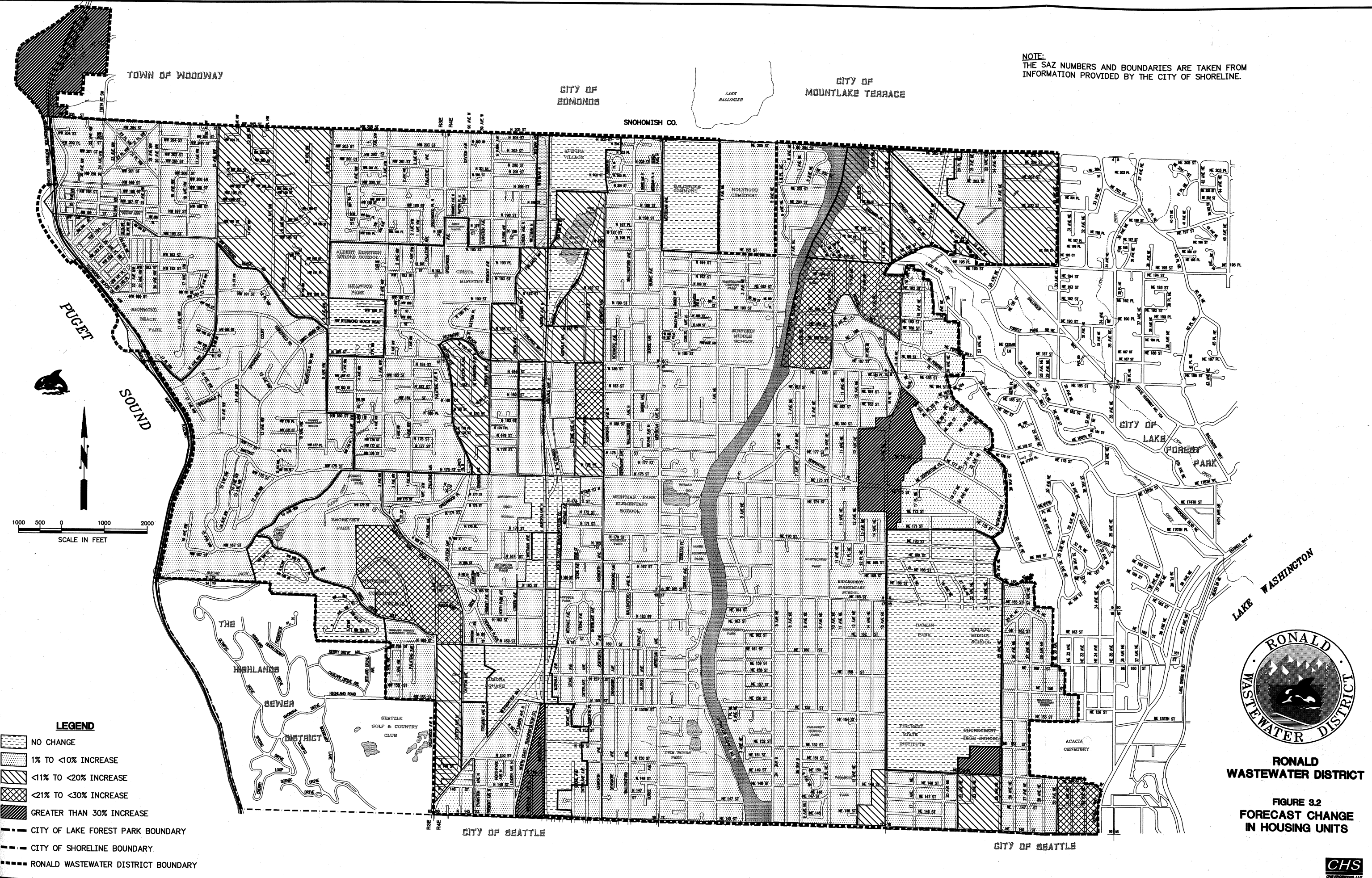

Darcy Greenleaf









EXHIBIT K

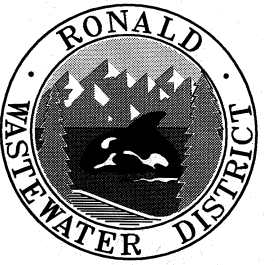


NOTE:
THE SAZ NUMBERS AND BOUNDARIES ARE TAKEN FROM
INFORMATION PROVIDED BY THE CITY OF SHORELINE.

SCALE IN FEET
0 500 1000 2000

LEGEND

-  NO CHANGE
-  1% TO <10% INCREASE
-  <11% TO <20% INCREASE
-  <21% TO <30% INCREASE
-  GREATER THAN 30% INCREASE
-  CITY OF LAKE FOREST PARK BOUNDARY
-  CITY OF SHORELINE BOUNDARY
-  RONALD WASTEWATER DISTRICT BOUNDARY



**RONALD
WASTEWATER DISTRICT**

**FIGURE 3.2
FORECAST CHANGE
IN HOUSING UNITS**

EXHIBIT L

RONALD WASTEWATER DISTRICT
CERTIFICATE OF SEWER AVAILABILITY



This certificate provides the City of Shoreline with information necessary to evaluate development proposals.

APPLICANT'S NAME: D Mark Wells
PROPOSED USE: Mixed Use Urban Center / Residential & Commercial Development
LOCATION: 20555 Richmond Beach Drive NW

- Sewer Available - See Requirements Below.
- Sewer Not Available At This Time - See Conditions Below.
- Building Permit Preliminary Plat or PUD * Short Subdivision * Rezoning or other _____
- * This Certificate of Availability is applicable for Rezone ONLY. All other development proposals will require a new Certificate.
- Rezone may impact our sewer facility and require future upgrading of our facilities. Developer will be responsible for all costs.
- All projects except a single family residence may/will require a capacity study by the District. Developer will be responsible for all costs.
- Sewer service will be provided by a 6" side sewer connection or an 8" or larger sewer main from the site.
- Applicable District permits, fees, plan review and approval required.
- [REDACTED]

I hereby certify that the above sewer agency information is true. This certification shall be valid for one year from date of signature.

Ronald Wastewater District Agency Name Brent Proffitt Signatory Name

Planning & Development and IT Analyst Title 16 February 2010 Date
[Signature] Signature

ATTACHMENT TO CERTIFICATE OF SEWER AVAILABILITY

Dated: 16 February 2010

For Applicant: D Mark Wells

- Sewer service is available contingent upon the owner meeting all District requirements under our Rules and Regulations, Res. 05-06 as amended, and any other District policies pertinent to the particular project. We have reviewed the applicant's request and noted some conditions below. A more comprehensive review during Ronald Wastewater application review process may reveal other conditions to be met.

- Connections are subject to Ronald Wastewater District General Facilities Charge and/or Local Facilities Charge as outlined in Res. 05-04.

- All new connections, additional connections, or revised connections are subject to Metro Capacity Charge. Questions: contact Metro Community Relations at 684-1138.

- Approved/Recorded short plat or lot line adjustment submitted to District with side sewer permit application.

- Addition encroaches on existing side sewer. Check with Local Plumbing Agency regarding current plumbing regulations.

- [REDACTED]

- May require saddle on main.

- May [REDACTED]

- TV inspection of the 6" lateral from the property to the sewer main by a District approved CCTV Service may be required.

- [REDACTED]

- Cap off of existing sewer required prior to demolition of any structure. Permit and inspection is required. NOTE: Unit will remain in billing until cap off is completed per District specifications.

- [REDACTED]

Prepared by 
Brent D. Pfeiff