



AGENDA

SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, April 14, 2014
5:45 p.m.

Conference Room 303 · Shoreline City Hall
17500 Midvale Avenue North

- 1. Joint Meeting with the Ronald Wastewater District**
 - Welcome, Introductions, Confirm Agenda 5:45
 - Utility Unification Efficiency Study 5:50
 - Joint preview of preliminary outcomes
 - Assumption Transition Planning Discussion 6:15
 - *Creating a Framework for Transition Planning*
 - *Proposed Joint Work Groups*
 - Joint Staff Operations Committee
 - Joint Electeds Sub-Committee
 - **Other Joint Interests** 6:40
 - **Adjourn** 6:50

Attachments

- A. Preliminary Findings from Utility Unification Efficiency Study (*to be distributed by 4/11/14*)
- B. 2002 Interlocal Operating Agreement

Attending

Ronald Wastewater District
Board President Bob Ransom
Board Vice-President George Webster
Commissioner Gretchen Atkinson
Commissioner Brian Carroll
Commissioner Arnie Lind
Michael Derrick, General Manager
George Dicks, Operations Manager
Mark Gregg, Finance Manager

City of Shoreline
Mayor Shari Winstead
Deputy Mayor Chris Eggen
Councilmember Will Hall
Councilmember Doris McConnell
Councilmember Chris Roberts
Councilmember Jesse Salomon
Councilmember Keith McGlashan
Debbie Tarry, City Manager
John Norris, Assistant City Manager
Mark Relph, Public Works Director
Dan Repp, Utility/Operations Manager

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.



Memorandum

DATE: April 9, 2014

TO: Debbie Tarry, City Manager

FROM: Mark Relph, Public Works Director

RE: City of Shoreline Utility Unification and Efficiency Study

CC: John Norris, Dan Repp

This memorandum provides a summary of the draft results of the City's Utility Unification and Efficiency Study (UUES) as it relates specifically to the Ronald Wastewater District (RWD). Also attached to this memo is a slide presentation intended to be shared at a joint dinner meeting of the City Council and Ronald Wastewater District Commissioners scheduled for April 14th. The final report is scheduled to be presented to City Council on April 21.

While it may be intuitive to many that efficiencies can be gained by sharing resources among the different utilities and City operations, this study is intended to quantify those opportunities. These efficiencies or savings are to be identified for each utility and for the City operation. The study will include the addition of the Ronald Wastewater District (RWD), the Seattle Public Utilities (SPU) water system and the North City Water District (NCWD) and will be sequenced first with the RWD in 2017, then adding the SPU system in 2021 and finally adding the NCWD at the end of the franchise agreement in 2028. However, the focus of discussion for the dinner meeting on April 14th is on cost savings created with the unification of RWD and City of Shoreline operations.

In addition to the direct utility savings identified, City of Shoreline taxpayers will benefit as a result of savings to current City operations. The savings are created by sharing the cost of existing staff and services with the wastewater utility. The City currently allocates administrative, legal, office building space, and other shared services among existing departments. It was assumed in the financial analysis that the wastewater utility will be allocated a portion of those shared services. This cost has been incorporated in the costs for the utility. Other

savings occur from the reduction in outsourcing costs that are feasible due to the new staff and equipment for the wastewater utility. The total reflects a savings in general operations costs to other departments within the City.

This memorandum will summarize the expected cost savings to the future City/RWD combined wastewater utility and to City of Shoreline general government operations.

RWD Service area unified with City operations

This analysis assumes the assumption of the RWD, per the Inter-local Operating Agreement, in October of 2017. This option is independent of the future SPU water acquisition.

Ronald Wastewater District Revenue and Expenditure Forecast

In order to get a baseline of expected future revenue and expenditures for a standalone RWD wastewater utility, the expected revenues and costs were forecast for the period 2020 through 2040. To alleviate any differences between the inflation rates used by different sources, all of the analysis was done in 2014 dollars. This allows items to be readily compared to today's costs and makes real changes in costs and revenues from year to year more transparent.

To project the financial results for RWD as an independent utility through 2040, the budget provided by RWD for 2014 was used as the starting point. In addition, the 2010 RWD Comprehensive Plan was used and historic financial reports were examined.

RWD revenues for 2014 reflect a recent \$1.00 reduction in the monthly sewer rate. Rates, going forward, were assumed to increase at the rate of inflation. Future growth of 0.3% to 0.4% per year was applied to the revenue projections to reflect an increase in the number of customers over time. These growth levels were taken from the City's 2012 SPU Report prepared by EES Consulting, Inc.

For cost projection purposes, the sewage treatment costs were separated from the basic rate charged by RWD. It was assumed that treatment charges would stay the same in real terms. In other words these, future increases in these charges were strictly based on anticipated inflation. Growth rates as noted previously were also applied to reflect the added treatment required for the assumed growth in customers. All other operating costs for RWD were assumed to remain the same in real terms.

Expenses related to the franchise fee paid to the City were also included by showing the future expense after 2017 as utility tax in an equal amount.

RWD currently has no debt and was projected as such. Annual capital investment levels were based on net operating revenues, which are consistent with the 2010 RWD Comprehensive Plan and are projected to remain in the

range of \$1.1 million per year in real terms through 2040. It was assumed that a reserve balance of \$3 million would be available at the time of the assumption in 2017 and would remain at the same level through 2040. This reserve level would be available for any unexpected capital investment requirements.

Based on the 20-year forecast for RWD it was determined that rates would be sufficient to meet the costs and CIP needs of the utility as long as both rates and costs increase at the rate of inflation without any increases in real terms. The assumptions and resulting revenues and costs were reviewed by RWD staff to ensure the financial forecast was appropriate.

The Table below provides a summary of the existing staffing at RWD, minus the elected Commissioners. This level of staffing was used in making the long-term expenditure projections.

Existing Staffing for RWD 2014 Dollars			
Classification Title	Department	Staff	Total Salaries & Benefits
Management		3	\$419,932
Administrative		4	\$281,364
Planning & Development		2	\$180,721
Maintenance		6	\$572,853
Total		15	\$1,454,870

For the existing RWD staffing, there are a total of 15 positions. Positions are shown in categories rather than individual positions. In the case where the wastewater utility is part of City operations, the existing RWD staff would be placed in the Public Works Department and the Administrative Services Department dependent on the function of the staff position.

The table below summarizes the financial results projected for RWD as a standalone utility in 2020.

Financial Results for RWD in 2020

Revenues

Rate Revenues (includes taxes)	\$3,343,202
Wholesale Treatment Revenue (includes taxes)	\$10,381,959
Misc. Revenues	\$371,215
Capital Contributions	\$515,285
Total Revenues	\$14,611,662

Expenses

Wholesale Water Supply/Treatment	\$9,864,497
Non-Supply O&M	
Labor	\$1,038,336
Materials & Supplies	\$145,500
Employee Benefits	\$416,534
Administrative	\$1,129,703
City of Shoreline Tax Expense (franchise fee)	\$823,510
Total Operating Expenses	\$13,418,080
Debt payments – Initial	\$0
Cash Funded CIP – Ongoing	\$1,193,582
Total Expenses (with Debt & CIP)	\$14,611,662

Financial Savings Resulting from Unification of RWD with City Operations

For RWD, it was assumed that certain non-payroll expense items would be fully or partially offset. This included 100% of the costs for utilities and building maintenance as it is anticipated that the organizations could operate from existing City facilities allowing for the sale of RWD facilities, 100% of the costs associated with the District Commissioners and elections, 100% of legal and financial consulting expenses and 100% of certain bank fees. Also included were 50% of the costs for most office expenses, administrative costs, advertising and public relations and engineering. These cost savings are expected not because those functions are not needed, but because the functions will be provided through the City. The costs for those services will be assigned to the new utility with the Shared Services allocation, and in some cases it was assumed there will be efficiencies in items such as capital planning between the two organizations. There were no savings estimated from the materials and supplies cost for the operation and maintenance of the utility facilities. The resulting administrative and consulting savings for the identified items is approximately \$600,000 in 2014 dollars.

The next direct savings for RWD would be the value of the buildings to be sold. Based on the book value of the facilities, the value was estimated at \$2.3 million dollars. It is likely this amount could offset other capital costs required for a new water/wastewater utility and therefore the value was amortized over 20 years, resulting in a savings of \$115,000 per year.

With RWD unified with City operations, the savings to the RWD budget is roughly \$740,000 per year. These reductions are replaced in part by the Shared Service allocation (overhead cost) of roughly \$500,000 per year. This allocation of overhead cost is to distribute the cost of such internal services as purchasing, accounting, facility maintenance, information technology services, City Attorney and City Manager's Office, etc. The resulting net benefit to the utility is roughly \$250,000 per year or \$5 million through the year 2040. The table that follow summarizes the savings to the sewer utility at 2020 when the SPU water system is added to the City operation, then totaled over the 20 year projection:

Sewer Utility Savings with RWD part of City Operations			
2014 Dollars			
Savings Summary	2020	2040	Total 2020-2040
Salaries & Benefits Savings	\$0	\$0	\$0
Administrative & Contract Savings	\$628,000	\$628,000	\$13,188,000
Amortization of Capital Items	\$115,000	\$115,000	\$2,415,000
Subtotal Direct Savings	\$743,000	\$743,000	\$15,603,000
Incremental Cost in Shared Services Allocation	-\$495,346	-\$495,346	-\$10,402,266
Net Direct Savings	\$247,654	\$247,654	\$5,200,734

Identification of General Government Operations Savings

General operations savings items are related to savings in other departments within the City. Sometimes they represent a reduction in costs due to the fact that a portion of existing costs are now allocated to the new water/wastewater utility, meaning that less is allocated to directly to their departments. Sometimes they reflect a cost that no longer exists.

With RWD unified to the City, the savings to general operations is \$820,000 per year and \$17 million through the year 2040. This savings will be explained in more detail with the Draft Report presentation to Council on April 21st.

General Operations Savings with RWD part of City Operates			
2014 Dollars			
Savings Summary	2020	2040	Total 2020-2040
Amount of Shared Services Allocation	\$495,346	\$495,346	\$10,402,266
Reduction in FTE Assigned to Other Depts	\$180,707	\$180,707	\$3,794,839
Reduction in City Contracts	\$145,000	\$145,000	\$3,045,000
Subtotal General Operations Savings	\$821,053	\$821,053	\$17,242,105

Utility Rates

For purposes of this study, all rates were assumed to be the same regardless of the option considered. This was done to provide a direct comparison between the options and identify the savings associated with unification. This is a simplifying assumption and does not reflect the fact that one of the primary goals in considering unification is the ability to reduce costs for residents within the City. It is expected that the savings achieved will be used in large part to keep rates low over the next 20 years. This would likely come in the form of offsetting future inflationary rate increases rather than actually reducing the rates in a given year. These rate reductions would be in addition to the amount related to the SPU acquisition that is assumed to be used for an extensive mains replacement program. In practice, rates will be set for a year or two at a time based on budgeted revenues and expenses, including CIP needs.

Other

While the quantified benefits of utility unification are substantial, there are additional benefits that have not been quantified. These benefits fall into the following three categories:

- Simplicity for Residents
- Sharing of City Resources
- Unified City Policies

Residents see simplicity by having one entity to deal with rather than two or three, single payments for multiple services, and customer service from one location. The City will have coordination of maintenance and emergency response among various functions and will be able to provide a unified message through combined public relation functions and customer information. The City will also be able to unify the policies for such issues as financial policies, rate setting, maintenance and growth. Together these non-quantified benefits will provide for a more cohesive City operation and better service for Shoreline residents and businesses.

City of Shoreline Utility Unification & Efficiency Study

Preliminary Findings for the Ronald Wastewater District



1

Purpose of this Briefing

- Review the objective of the Unification and Efficiency Study (UES)
 - High level analysis of the possible efficiencies gained when utilities are and City operations are unified
 - More analysis required to specifically define the opportunities
- The briefing focuses only on draft information related to the RWD
 - Review revenue and cost data sources used in the RWD analysis
 - Summarize draft results and findings for RWD
 - Final report will include Seattle Public Utility (SPU) & North City Water District (NCWD)
 - Includes efficiencies (i.e. savings) to City operations and to each utility



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Utility Unification & Efficiency Study Objective

- To quantify the efficiencies, savings gained from adding utilities to City operations
- The study includes:
 - Ronald Wastewater District (RWD)
 - Seattle Public Utilities (SPU)
 - North City Water District (NCWD)
 - City Operations:
 - Street Maintenance
 - Surface Water Utility
 - Facilities (i.e. buildings)
 - Fleet
 - General Administration (City management, Finance, HR, etc.)



3

Data Sources

- RWD 2014 Line Item Budget
- RWD 2014 Organizational Chart
- RWD Staff Input
- City administration cost or "overhead" is based on 2011 actual expenditures with no inflation
 - Includes the following cost centers:
 - Finance & Payroll,
 - Human Resources,
 - Legal Services,
 - Purchasing
 - Governing Body,
 - Information Technology
 - Facilities



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Methodology

- Using RWD & City budget data, identified duplicated services & contracts
- Some savings realized at 100% (elimination of service or contract)
- Some savings was assumed to be “partial”
 - Study used 50% of cost for an estimate
- RWD facility assumed to be surplus
 - Value from Assessor records at \$2.3 million
 - Amortized over 20 years
- City administration, or overhead allocation is based on:
 - 15 RWD employees
 - Required space for sewer utility at 2000 sq.ft.



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Preliminary Results – Sewer Utility Savings Summary

Direct Utility Savings Items	Amount	Saving Allocation
Contract Engineering	\$30,000	50%
Misc Office & Admin	\$56,225	50%
Building O&M Expenses	\$59,500	100%
Public Relations/Advertising	\$105,000	50%
Financial/Accounting	\$106,000	100%
Contract Legal Fees	\$135,000	100%
Governing Body/Elections	\$135,953	100%
Amortization of Surplus Facility	\$115,000	n/a
Total Savings	\$742,678	



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Draft Results – Net Savings

- Net annual savings to the Sewer Utility when part of City (No SPU or NCWD)
 - Total Savings with RWD, \$743,000
 - Minus City overhead at \$495,000
 - Net Annual savings at \$248,000
- Additional savings are realized to the Sewer Utility with the addition of SPU & NCWD
- Annual savings to Sewer Utility
 - City with RWD, savings at \$248,000
 - City with RWD, SPU and NCWD, savings at \$350,000
 - Total savings to Sewer utility at \$600,000 per year

Next Steps

- Adjustment from feedback this evening
- Final report to City Council on April 21
- City offers a presentation of final report to RWD

Questions and Discussion





City Clerk's Office

Receiving #

1956

F-02-004

Ronald Wastewater

District

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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

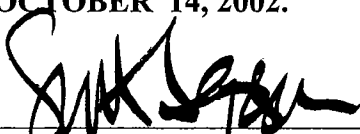
WHEREAS, City and Ronald Wastewater District are authorized under chapter 39.34 RCW, the Interlocal Cooperation Act, and RCW 35.13A.070 to contract for the coordinated exercise of powers and sharing of resources for the efficient delivery of services to their residents; and

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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F-02001

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

Exhibit 1

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

THIS AGREEMENT is made and entered into this 22nd day of October, 2002, by and between the city of Shoreline, a Washington Non-Charter Optional Municipal Code City (the "City") and Ronald Wastewater District, a Special Purpose Municipal Corporation (the "District").

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

WHEREAS, the District provides sanitary sewer service to properties located in the District and properties lying in the City's corporate boundaries and also to properties not located in the District or the City; and

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

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

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

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

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

12/15/17

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

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.

ORIGINAL

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

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

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

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

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

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

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

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

Section 6. Termination. In addition to all other rights and powers to remedy default including specific performance, both Parties reserve the right to revoke and terminate

this Agreement in the event of a substantial violation or breach of its terms and conditions.

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

Section 8. Definitions. The terms used in this Agreement, if not defined herein, shall have their meanings as defined in any other documents executed contemporaneously or in conjunction with this Agreement.

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

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

Section 11. Alternative Dispute Resolution-Arbitration. Except as otherwise provided under applicable state law, any dispute, controversy or claim arising out of or in connection with, or relating to, this Agreement or any breach or alleged breach of this Agreement, shall be submitted to, and settled by, arbitration to be held in King County, Washington in accordance with the provisions of Chapter 7.04 of the Revised Code of Washington, as amended, and with respect to matters not covered in such statute, by the rules of the American Arbitration Association; provided, however, that in the event of any conflict between such statute and such rules, the provisions of the statute shall control; and provided further, that notwithstanding anything in such statute or rules to the contrary: (a) the arbitrator's decision and award shall be made according to the terms and provisions of this Agreement and the applicable law, and such award shall set forth findings of fact and conclusions of law of the arbitrator upon which the award is based in the same manner as is required in a trial before a judge of the Superior Court of the State of Washington; (b) the arbitrator shall award attorney's fees to the prevailing party; and (c) in any such arbitration, there shall be a single arbitrator and any decision made shall be final, binding and conclusive on the parties. The fees of the arbitrator shall be borne equally by the parties except that, in the discretion of the arbitrator, any award may include a party's share of such fee if the arbitrator determines that the dispute, controversy or claim was submitted to arbitration as a dilatory tactic.

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

ORIGINAL

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

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

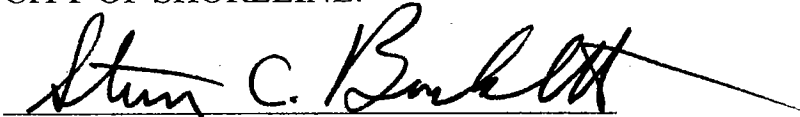
Section 15. Attorneys Fees. If either party employs an attorney to enforce any rights arising out of or relating to this Agreement, the prevailing party shall in such dispute be entitled to recover its reasonable attorneys' fees.

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

Section 17. Survival. All of the provisions, conditions and requirements of Sections 3.7, 3.8, 4.7, 4.8, 7, 8, 9, 10, 11, 12, 13,14, 15, and 16 shall survive the fifteen (15) year term of this Agreement.

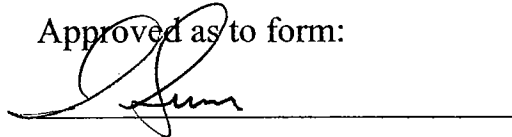
Section 18. Effective Date and Term of Contract. This agreement shall be in full force and effect and binding upon the parties hereto upon the execution of the Agreement and shall continue in full force and effect fifteen (15) years from the effective date.

CITY OF SHORELINE:



Steven C. Burkett, City Manager

Approved as to form:



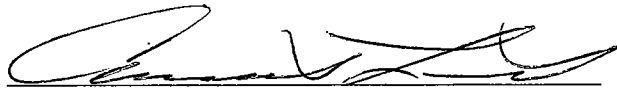
Ian R. Sievers, City Attorney

RONALD WASTEWATER DISTRICT:



President, Board of Commissioners

Attest:

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

Secretary, Board of Commissioners

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/11/04

PRODUCER USI Northwest of Washington 1001 Fourth Avenue, Suite 1800 Seattle, WA 98154 206 695-3100	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Ronald Wastewater District P.O. Box 33490 Shoreline, WA 98133	INSURER A: American Casualty Company of Reading	20427
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> PD Ded:5,000 GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/>	2048417840	01/01/04	01/01/05	EACH OCCURRENCE	\$1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$300,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS - COMP/OP AGG	\$2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	2048417790	01/01/04	01/01/05	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	2048417840 WA STOP GAP ONLY	01/01/04	01/01/05	WC STATUTORY LIMITS <input checked="" type="checkbox"/> OTHER	
						E.L. EACH ACCIDENT	\$1,000,000
						E.L. DISEASE - EA EMPLOYEE	\$1,000,000
						E.L. DISEASE - POLICY LIMIT	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Covering "All Operations" of the named insured, subject to all policy conditions, limitations and exclusions.

CERTIFICATE HOLDER City of Shoreline Attn: Debbie Tarry 17544 Midvale Ave. N. Shoreline, WA 98133-4921	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>45</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>Debbie R. Henderson</i>
---	--

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



FAX

DATE: July 14, 2004

NUMBER OF PAGES (including cover sheet): 3

FROM: Beau Sinkler, Administrative Assistant III for Debbie Tarry, Finance Director
City of Shoreline Finance Department
17544 Midvale Ave N., Shoreline, WA 98133-4921
Phone # (206) 546-0790 Fax # (206) 546-7870

TO: ATTENTION: **KATHY** 425-277-7242

Dear Kathy:

Per your phone conversation with Debbie, attached is the Certificate of Liability for the Ronald Wastewater District.

If you have any questions, please call Debbie at 206-546-0787.
Thanks!

Beau Sinkler
Finance Department, City of Shoreline
206 546 0790
fax: 206-546-7870

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 2169
CONNECTION TEL 914252777242
SUBADDRESS
CONNECTION ID
ST. TIME 07/14 09:56
USAGE T 01'34
PGS. SENT 3
RESULT OK



FAX

DATE: July 14, 2004

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City of Shoreline Finance Department
17544 Midvale Ave N., Shoreline, WA 98133-4921
Phone # (206) 546-0790 Fax # (206) 546-7870

TO: ATTENTION: **KATHY** 425-277-7242

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If you have any questions, please call Debbie at 206-546-0787.

Thanks!

Beau Sinkler

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
05/24/02

PRODUCER
USI Northwest
20415 NW 72d Ave. South Suite 300
Kent, WA 98032

INSURED
~~Ronald Wastewater District~~
P.O. Box 33490
Shoreline, WA 98133

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A: Transcontinental Insurance Company
INSURER B: Continental Casualty Co
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	248417840	01/01/02	01/01/03	EACH OCCURRENCE \$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$300,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$5,000
	<input checked="" type="checkbox"/> Per Project Agg				PERSONAL & ADV INJURY \$1,000,000
	<input checked="" type="checkbox"/> Stop Gap				GENERAL AGGREGATE \$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG \$2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				
B	AUTOMOBILE LIABILITY	248417790	01/01/02	01/01/03	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident) \$
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE				\$
	RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH-ER
					E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
	OTHER				

RECEIVED
MAY 28 2002
FINANCE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
The certificate holder is added as primary & non-contributory additional insured as respects work performed by the named insured on behalf of the certificate holder per attached form G-17957-F.

CERTIFICATE HOLDER City of Shoreline 17544 Midvale Ave N. Shoreline, WA 98133-4921	ADDITIONAL INSURED; INSURER LETTER: _____	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>Diana L. Phillips</i>
--	--	---

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
CONTRACTOR'S BLANKET ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. WHO IS AN INSURED (Section II)** is amended to include as an insured any person or organization (called additional insured) whom you are required to add as an additional insured on this policy under:
1. A written contract or agreement; or
 2. An oral contract or agreement where a certificate of insurance showing that person or organization as an additional insured has been issued; but the written or oral contract or agreement must be:
 1. Currently in effect or becoming effective during the term of this policy; and
 2. Executed prior to the "bodily injury," "property damage," "personal injury" or "advertising injury."
- B. The insurance provided to the additional insured is limited as follows:**
1. That person or organization is only an additional insured with respect to liability arising out of:
 - a. Your premises;
 - b. "Your work" for that additional insured; or
 - c. Acts or omissions of the additional insured in connection with the general supervision of "your work."
 2. The Limits of Insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever is less. These Limits of Insurance are inclusive and not in addition to the Limits of Insurance shown in the Declarations.
 3. Except when required by contract or agreement, the coverage provided to the additional insured by this endorsement does not apply to:
 - a. "Bodily injury" or "property damage" occurring after:
 - (1) All work on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured at the site of the covered operations has been completed; or
 - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.
 - b. "Bodily injury" or "property damage" arising out of acts or omissions of the additional Insured other than in connection with the general supervision of "your work."
 4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
 - a. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - b. Supervisory, or inspection activities performed as part of any related architectural or engineering activities.
- C. As respects the coverage provided under this endorsement, Paragraph 4.b. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended with the addition of the following:**
- 4. Other Insurance**
- b. Excess Insurance
- This insurance is excess over:
- Any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be either primary or primary and noncontributing. Where required by contract, we will consider any other insurance maintained by the additional insured for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

5002074894050030002826714701





FAX

DATE: June 11, 2004

NUMBER OF PAGES (including cover sheet): 3

FROM: Beau Sinkler, Administrative Assistant III for Debbie Tarry, Finance Director
City of Shoreline Finance Department
17544 Midvale Ave N., Shoreline, WA 98133-4921
Phone # (206) 546-0790 Fax # (206) 546-7870

TO: **ATTENTION:** **AL**
Phone #: Fax #: 206-546-8110

Dear Al,

Per your phone conversation with Debbie this morning, attached is your last year's Certificate of Liability for the Ronald Wastewater District. We look forward to receiving your current certificate soon!

Many thanks!

Beau Sinkler
Finance Department, City of Shoreline
206 546 0790
fax: 206-546-7870

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 2124
CONNECTION TEL 92065468110
SUBADDRESS
CONNECTION ID
ST. TIME 06/11 09:18
USAGE T 02'19
PGS. SENT 3
RESULT OK



FAX

DATE: June 11, 2004

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