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**RESOLUTION NO. 952**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DECLARING THE INTENT OF THE CITY TO ASSUME JURISDICTION AND OWNERSHIP OVER A PORTION OF THE ROSE HILL WATER DISTRICT'S SERVICE AREA, ASSETS, FACILITIES, RESPONSIBILITIES, PROPERTY, AND EQUIPMENT AND TO DISSOLVE THE DISTRICT; AUTHORIZING EXECUTION OF AN ASSUMPTION AGREEMENT WITH KIRKLAND, BELLEVUE AND THE DISTRICT AND AN OPERATION AGREEMENT WITH KIRKLAND AND BELLEVUE; AND DIRECTING THE FILING OF A NOTICE OF INTENT WITH THE BOUNDARY REVIEW BOARD FOR KING COUNTY.

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WHEREAS, the Rose Hill Water District currently provides water utility service to property within the corporate limits of the Cities of Redmond, Kirkland and Bellevue; and

WHEREAS, the City of Redmond is authorized by Chapter 35.13A RCW to assume jurisdiction and ownership of a water district's responsibilities, properties, facilities and equipment within or without of the City's boundaries and to contract with respect to the rights, powers, duties and obligations of the City and a water district with regard to the use and ownership of property, the provision of services, the maintenance and operation of facilities, the application and use of assets, the disposition of liabilities and debts, the performance of contractual obligations, and other matters arising out of the inclusion, in whole or in part, of the water district within the City; and

WHEREAS, in the interest of coordinating and cooperating with other municipalities in the provision of water service and the avoidance of duplication of costs and the joint use of existing and future facilities, the City has held discussions with the District and the Cities of Bellevue and Kirkland regarding the assumption of the District by the Cities; and

WHEREAS, at the request of the Cities, and with the cooperation of the District, a feasibility study entitled, "Assumption Feasibility Study of Rose Hill Water District," and dated September 29, 1989, was prepared by FCS Group, Inc. and RH2 Engineers and set forth preliminary conclusions and recommendations regarding the feasibility of the Cities' assumption of the District; and

WHEREAS, the Cities executed an agreement which provided for the Cities to cooperatively pursue the assumption of the District, to undertake additional review and analysis of specific issues relating to the possible assumption of the District by the Cities, and to form committees to accomplish the additional review and analysis; and

WHEREAS, the Cities and their consultants have completed the additional review and analysis of the specific issues relating to assumption by the Cities, and have transmitted that analysis to the City Council; and

WHEREAS, the City Council has reviewed the analysis and has determined to proceed with the assumption of a portion of the

Rose Hill Water District pursuant to a contract relating to the allocation of the District's service area, assets, facilities, responsibilities, property, and equipment; now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON,  
HEREBY RESOLVES AS FOLLOWS:

Section 1. Declaration of Intent. The City Council finds that it is in the best interests of the citizens of Redmond that, pursuant to Chapter 35.13A RCW, the City assume jurisdiction and ownership over a portion of the Rose Hill Water District's service area, assets, facilities, responsibilities, property, and equipment and dissolve the District. The City Council hereby declares Redmond's intent to assume such jurisdiction and ownership and to dissolve the District.

Section 2. Assumption and Operation Agreements Approved for Signature. The Mayor is hereby authorized to execute an Assumption Agreement on behalf of the City in substantially the form attached hereto as Exhibit A and incorporated herein by this reference as if set forth in full. The Mayor is also authorized to enter into an operation agreement with the Cities of Kirkland and Bellevue for the operation of the Rose Hill Water District facilities in substantially the form attached hereto as Exhibit B and incorporated herein by this reference as if set forth in full.


Section 3. BRB Notice of Intent. The Mayor is authorized to execute a Notice of Intent to Assume Portions of and to dissolve the Rose Hill Water District. Pursuant to

Chapter 36.93 RCW, the Notice of Intent shall be filed with the King County Boundary Review Board within thirty (30) days after execution of the Assumption Agreement by all parties.

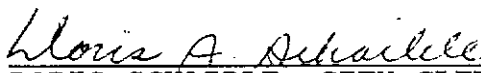
Section 4. Ordinance. Upon receipt of approval for the assumption from the King County Boundary Review Board, the City Attorney is directed to prepare the necessary assumption ordinance for Council review and approval.

RESOLVED this 20th day of July, 1993.

CITY OF REDMOND

  
ROSEMARIE IVES, MAYOR

ATTEST/AUTHENTICATED:

  
DORIS SCHAIBLE, CITY CLERK

FILED WITH THE CITY CLERK: July 14, 1993  
PASSED BY THE CITY COUNCIL: July 20, 1993  
RESOLUTION NO. 952



KIRKLAND

123 FIFTH AVENUE • KIRKLAND, WASHINGTON 98033-6189 • (206) 828-1100 • TTY (206) 822-1244

June 18, 1993

To: Participants in the Rose Hill Water District Assumption

Subject: Rose Hill Assumption

We have now completed all work and analysis for the assumption of the Rose Hill Water District by the Cities of Kirkland, Redmond, and Bellevue. This has been a long and cooperative process involving the Cities and the District toward the friendly assumption of the District by the Cities.

This long and cooperative process has included: feasibility studies of both the financial and engineering aspects of the assumption; rate impact studies to evaluate the impact of the assumption on the rates of existing City customers (both Kirkland and Redmond) as well as District customers; analysis of old water/new water allocation between the Cities; analysis of employee issues and offers of employment; SEPA compliance; legal review of statutes for compliance with applicable laws; a study of customer equity and asset distribution; and many other issues all necessary to effectively conclude the final assumption and dissolution of the District by the Cities.

The culmination of these efforts is the preparation of this Assumption Agreement to be ratified by all parties. It is our intent that this Assumption Agreement be the foundation of our submittal to the King County Boundary Review Board (BRB) for approval by that agency of the Assumption of the District.

To accomplish these ends in a timely manner and conclude this lengthy process, a final draft of the Assumption Agreement with all attachments or exhibits is attached for your information.

In your review of the attached Assumption Agreement and Exhibits, please direct your attention and efforts to errors in form or omissions in the content of the Agreement. The attached Assumption Agreement represents the eighth (8th) draft of this document, and while we strive for the clearest and most thorough document possible, it is reasonable to assume that we are beyond the point of "wordsmithing" on minor points (or we will never reach a conclusion to this process). The attorneys for the Cities and the District have been continuously involved throughout the development and review of all eight drafts of the Assumption Agreement, so there should not be any major changes at this point.

After your review of the attached documents, please give all comments in writing to Stu Turner. Stu will compile and have corrected all minor edits and typos for the final document which we will provide to you for your approval in accordance with the schedule included in this letter.

We propose the following schedule for review and adoption of the Assumption Agreement:

- |         |  |
|---------|--|
| 6/18/93 | Complete "final draft" Assumption Agreement including Exhibits. Submit to all parties for final review.          |
| 6/30/93 | Comments received from all parties for minor modifications to the Assumption Agreement.                          |
| 7/6/93  | Final Assumption Agreement and Exhibits to all parties.  |
| 7/19/93 | Assumption Agreement approved by Bellevue at regularly scheduled City Council Meeting.                           |
| 7/20/93 | Assumption Agreement approved by Kirkland and Redmond at regularly scheduled City Council Meetings.              |
| 7/27/93 | Assumption Agreement approved by Rose Hill Water District at regularly scheduled Board of Commissioners meeting. |

Should you wish to discuss any of these documents in further detail, please call Stu Turner at 828-1151.

Sincerely,

CITY OF KIRKLAND


  
Terrence L. Ellis  
City Manager

EXHIBIT "A"  
Resolution No. 952

# **ASSUMPTION AGREEMENT**

**For the Assumption  
of the**

**ROSE HILL WATER DISTRICT**

**By the Cities of**

**KIRKLAND, REDMOND AND BELLEVUE**

**July 1993**

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## **EXHIBITS**

- A. Assumption Study Agreement**
- B. BRB Notice of Intent**
- C. Joint Facilities**
- D. Kirkland Capital Improvement Projects**
- E. Redmond Capital Improvement Projects**
- F. Interlocal Operation and Maintenance Agreement**
- G. Old Water Allowance**
- H. District Employees**
- I. Employment Offers**
- J. District Manager Employment Agreement**
- K. District Service Area Allocation**
- L. Claims Against the District**

## ASSUMPTION AGREEMENT

THIS AGREEMENT is made by and between the City of Kirkland, a municipal corporation in King County, Washington ("Kirkland"), the City of Redmond, a municipal corporation in King County, Washington ("Redmond"), and the City of Bellevue, a municipal corporation in King County, Washington ("Bellevue"), collectively referred to as the "Cities," and Rose Hill Water District, a municipal corporation in King County, Washington ("District"), for the purposes set forth herein.

### R E C I T A L S:

A. The District provides water utility service to the geographic area known as Rose Hill, King County, Washington. Almost all of the District's area is included within the corporate boundaries of the Cities. The Cities are authorized by Chapter 35.13A RCW to assume jurisdiction and ownership of District responsibilities, properties, facilities and equipment within and without their boundaries.

B. A study of the feasibility of an assumption of the District by the Cities entitled "Assumption Feasibility Study of Rose Hill Water District" ("Feasibility Study") dated September 29, 1989, was prepared by F.C.S. Group, Inc. ("FCS") and RH2 Engineers ("RH2"). The Feasibility Study set forth preliminary conclusions and recommendations regarding the feasibility of the Cities' assumption of the District.

C. The Cities executed an Agreement, attached as Exhibit "A," (Assumption Study Agreement") which provided for the Cities to cooperatively pursue the assumption of the District, to undertake additional review and analysis of specific issues relating to the possible

assumption of the District by the Cities, and to form committees to accomplish the additional review and analysis.

D. The Cities and their consultants have completed the additional review and analysis of the specific issues relating to the assumption of the District by the Cities. Based on the recommendations and conclusions of the committees formed for the purpose of studying issues relating to the assumption, the Cities have concluded that the Cities' assumption of the District should proceed.

E. As further set forth below, the District and the Cities now agree to proceed with the Cities' assumption of the District pursuant to Chapter 35.13A RCW.

THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

1. Assumption and Dissolution Process.

1.1 Pursuit of Assumption. The Cities are authorized by Chapter 39.34 RCW to enter into inter-local agreements for joint action. In addition, the Cities and the District are authorized by RCW 35.13A.070 to enter into contracts relating to the rights, powers, duties and obligations of the Cities and the District with regard to the use and ownership of District property and other matters arising out of the inclusion, in whole or in part, of the District within the Cities. Therefore, the Cities and the District agree to the assumption of the District by the Cities consistent with and pursuant to the terms of this Agreement, any amendments thereto, and Chapter 35.13A RCW, subject to the approval of such assumption by the King County Boundary Review Board ("BRB") on substantially the terms and conditions contained herein.

1.2 Boundary Review Board Notices of Intent. Subsequent to the execution of this Agreement, the Cities and the District agree to cooperatively pursue the assumption and

dissolution of the District by the Cities in accordance with the terms set forth in this Agreement and the procedures set forth in Chapter 35.13A RCW, Chapter 36.93 RCW, and other applicable statutes. The Cities shall file with the BRB, at a mutually agreed time no later than thirty (30) days after the effective date of this Agreement, notices of intent to assume and dissolve the District pursuant to Chapter 36.93 RCW. The notices of intent shall be in substantially the form attached as Exhibit "B." The District agrees that it shall not oppose its assumption by the Cities, and that it shall not file a request for review of the assumption with the BRB on the condition that the assumption proceeds in accordance with the terms of this Agreement and any amendment thereto. Following the filing of the Cities' notices of intent as referenced above, in the event BRB jurisdiction to review the proposed assumption is invoked, the Cities shall coordinate, prepare and present testimony to the BRB regarding the proposed assumption and take all actions necessary to obtain BRB approval of the assumption of the District.

1.3 Dissolution of District. In the event that the BRB approves the assumption of the District, the Cities and the District shall cooperatively pursue the dissolution of the District as provided by RCW 35.13A.080 within three (3) months of the assumption date as defined in Section 1.4 herein. After the assumption date and until the dissolution of the District, the District Board of Commissioners shall continue to operate and function to effect the dissolution of the District. Effective upon the assumption date, the District shall initially fund and administer in its Expense Fund the amount of \$100,000 to pay outstanding payables existing as of the assumption date, exclusive of construction costs, and all District costs relating to the dissolution of the District incurred up to the time of dissolution, such as commissioner compensation, expense reimbursement, and consulting costs. Following the dissolution of the District, any balance remaining in such District Expense Fund shall be disbursed in accordance

with the provisions of Section 2 herein to Kirkland and Redmond's respective assumption CIP accounts referenced in Section 4 herein.

1.4 Assumption Date. In the event the BRB approves the assumption of the District, the "assumption date" for the purposes of this Agreement shall be the date established by the BRB when such assumption shall be effective. In the event the BRB does not establish a date upon which the assumption of the District by the Cities is effective, the Cities and the District shall agree upon the assumption date; provided, however, in the event the parties cannot agree upon an assumption date, the assumption date shall be the 90th day following the effective date of BRB approval.

2. Assumption and Distribution of District Assets and Liabilities.

2.1 The parties agree that on the assumption date, or as otherwise provided in this Agreement, the Cities shall assume and be obligated to pay all of the District's debts and liabilities and shall acquire all of the District's assets. Such assumption and acquisition of the District's assets and liabilities shall occur as follows:

2.1.1 The District's assets and liabilities shall be distributed to the Cities so that the equity per meter equivalent is nominally equal between the cities of Kirkland and Redmond. Nominally equal shall mean within \$5.00 per meter equivalent. "Equity per meter equivalent" shall be defined as "total equity" divided by the number of meter equivalents receiving water service from the District as of the assumption date. The respective cities' meter equivalents shall be similarly defined and shall reflect a proportion of allocation of total equity. Contributions in aid of construction (CIAC) shall be defined as the equity account(s) of the District's consolidated balance sheet reflecting the amount(s) of permanent fund capital contributed to the District by District customers, other public agencies, private parties,

developers and builders, and/or obtained through assessments. CIAC shall not be considered revenue on the District's statement of income; it is the contributed source of "total equity" as opposed to "retained earnings." "Retained earnings" shall be defined as an equity account reflecting the accumulated earnings of the District as reported in the historical statements of income. "Total equity" shall be defined as the District's net book value, e.g., equity equals total assets minus total liabilities. For the purpose of this Agreement, "total equity" is also the same as the sum of retained earnings and CIAC. "Construction work in progress" shall be defined as any fixed asset (utility property) construction programs not yet completed which would be classified as plant in service once the construction and inspection program is completed. The equity per meter equivalent for Bellevue will be higher than that of Redmond or Kirkland due to the high value of plant in service. "Plant in service" is defined as the District's utility property currently used in providing water utility service. All fixed assets, equipment, and capitalized leases are included in the definition of utility property.

2.1.2           The valuation of assets and liabilities shall be based on book value. If no book value exists, then the value shall be established by an estimate of the original cost or value of the respective asset or liability.

2.1.3           Ownership of plant in service shall be distributed as follows:

- a.     Distribution facilities including the associated land and easement rights shall be owned by the city in whose service area the facilities are located. Distribution facilities shall include water mains, hydrants, valves, meters, pressure-reducing stations, and other related facilities used for the transmission, storage, and District water system

operation. Distribution facilities shall not include joint facilities as defined in Paragraph 2.1.3(b) below.

- b. Joint facilities as described on Exhibit "C" attached hereto shall be jointly owned by the Cities in the undivided percentage interests as set forth on such exhibit.

2.1.4 Ownership of all other District assets and liabilities not included in Paragraph 2.1.3(a) and (b) above shall be divided between Redmond and Kirkland to achieve the required equity per meter equivalent as referenced above. Bellevue shall not receive ownership of any District assets and liabilities other than the distribution facilities within its service area and its percentage ownership interest of joint facilities as referenced in Paragraph 2.1.3(b) above. The distribution and assumption of such non-distribution assets and liabilities shall be as agreed to between the public works directors of Redmond and Kirkland. The following methods of distribution and assumption shall be applied to the extent that the required equity per meter equivalent can be achieved:

- a. Long-term debt for distribution facilities shall be assumed by the City in whose service area the facility is located. Long-term debt for joint facilities shall be assumed by the Cities in the proportion of ownership interest of the joint facility as set forth on Exhibit "C."
- b. Contributions in aid of construction and grants for distribution facilities shall be assumed by the city in whose service area the facility is located. Contributions in aid of construction and grants for joint facilities shall be assumed

by the cities in the proportion of ownership interest of the joint facility as set forth on Exhibit "C."

- c. Outstanding local improvement district assessments shall be allocated and distributed to the city in whose service area the real property subject to the assessment is located.
- d. Current accounts payable not paid from the Expense Fund provided for in Section 1.3 herein shall be paid from cash on hand prior to distribution of cash. Long-term accounts payable and liabilities shall be assumed by the city responsible for such long-term accounts payable and liabilities under this Agreement.
- e. Cash, cash equivalents (certificates of deposit, Treasury bills, and other similar investments) and receivables shall be allocated and distributed to the cities to achieve the equity per meter equivalent referenced in Section 2.1 above. The allocated cash, cash equivalents, and receivables are intended to provide funds determined necessary by the Cities to pay the accounts payable of the District not paid from the Expense Fund provided for in Section 1.3 herein and current liabilities (exclusive of construction costs funded by public works trust fund loan receivables referenced in paragraphs 4.1(c) and 4.1(f) herein) assumed by each city and then to provide funding



for the Cities capital improvement project accounts reserved for District capital improvement projects referenced in Section 4.1 herein.

- f. Unallocated equipment, inventory, and supplies shall be allocated as can be mutually agreed.
- g. Minor adjustments in the distribution and assumption of District assets and liabilities may be required due to changes at the District from normal operations occurring between the date of this Agreement and the assumption date. The cities agree to make such reasonable adjustments to fund balances and other asset distributions and liability assumptions as required.

2.2 District contracts outstanding on the assumption date not otherwise provided for under this Agreement shall be assumed by, assigned to, and performed by the respective city(s) as follows:

a. Developer Extension Agreements. Each city shall assume any developer extension agreements within the District service area allocated to that city as set forth in Section 8.1 herein.

b. Water Service Agreements. Each city shall assume any agreements by the District to provide water service within the District's service area allocated to that city as set forth in Section 8.1 herein. Notwithstanding the foregoing, Redmond shall assume the agreement dated January 14, 1992 to provide water to the proposed Willows Run Golf Course and the agreement dated February 11, 1992 to provide water to Metro's York Pump Station.

c. Construction Contracts. Each city shall assume any construction contracts within the District's service area allocated to that city as set forth in Section 8.1 herein, except Kirkland shall assume, administer, and perform the contract with Morse Construction for the construction of the 14.3 million gallon reservoir located at Mark Twain Park, Kirkland, Washington.

d. District Equipment Leases and Service Agreements. Each city shall assume any District equipment, leases, and service agreements for the District equipment allocated to the respective city as provided in this Agreement.

e. Miscellaneous District Contracts. All other District contracts not otherwise provided for in this Agreement, except any collective bargaining agreement to which the District is a party, shall be assumed by the respective city relating to the District's service area allocated to that city or, if the contract provides for matters of District-wide application, such contract shall be allocated and assumed by the Cities as agreed to by the Cities.

f. Collective Bargaining Agreement. Nothing in this Agreement shall be construed as obligating the Cities to assume or perform any collective bargaining agreement to which the District is a party, and the Cities expressly disclaim any intent to do so.

3. Execution of Documents.

3.1 The Cities and the District agree to approve and execute any and all documents, including any bills of sale, deeds, assignments of interests and rights necessary to convey, transfer, or assign the District's assets, rights, and interests and liabilities to the Cities.

4. District Capital Improvement Projects After Assumption.

4.1 To the extent funding is available, Kirkland agrees to include the District capital improvement (CIP) projects identified on Exhibit "D" attached hereto, and to construct and

install such District CIP projects within six years from the assumption date as part of Kirkland's CIP. To the extent funding is available, Redmond agrees to include the District capital improvement program projects identified on Exhibit "E" attached hereto, and to construct and install such District CIP projects within six years from the assumption date as part of Redmond's CIP. "To the extent funding is available" shall be defined as follows:

- a. The total District cash and cash equivalent (such as certificates of deposit, Treasury bills, and other similar investments) as of the assumption date to be transferred to the respective city;
- b. Total collectible customer accounts receivable allocated to the respective city under this Agreement;
- c. Total Public Works Trust Funds receivable allocated to the respective city under this Agreement; and
- d. Interest accruing on the CIP assumption accounts referenced in Paragraph 4.2 below;

LESS:

- e. An operating fund reserve of 12.3 percent of the increase in Kirkland's and Redmond's respective operating budgets due to the assumption;
- f. Total current liabilities including (1) construction payables, and (2) the next annual principal and interest debt service payment for Public Works Trust Fund Loans allocated to the respective city under this Agreement and prorated as of the assumption date; and
- g. Reserves for pending claims, suits, judgments, and other similar pending or potential liabilities against the District not otherwise covered by District

insurance; in the event any such claims, suits, judgments, or other similar pending or potential liabilities not covered by District insurance arise between the effective date of this Agreement and the date of assumption, the Cities and their respective risk managers and the president of the District Board of Commissioners shall agree upon reserve funding for such matter; following the resolution and termination of such matter, any balance remaining in such reserve funding shall be disbursed in accordance with the provisions of Section 2 herein to Kirkland and Redmond's respective assumption CIP account referenced in Section 4 herein.

However, even if funding is available as defined above for District CIP projects for either City, the Cities shall not be required to expend such fund balances on District CIP projects if such expenditures would cause the City to increase its respective water utility rates due to any District capital improvement, debt or liability assumed by either City, until the available funding is first applied against such debt service and/or liability in order to offset any projected increase in rate revenue requirement.

4.2 Upon the effective date of the assumption, available funding as defined herein, including earned and accumulated interest thereon, for District CIP projects shall be deposited into respective CIP assumption accounts for Kirkland and Redmond for use restricted to the CIP projects described herein. Such CIP assumption accounts shall be separately accounted for by restricted account established for such property. In the event the District CIP projects are completed before such available funding is fully utilized, the remaining funds shall be utilized for other City water utility projects within the former District service area assumed by the

respective City. Any party who was a District customer as of the assumption date as defined herein shall have the authority and standing to enforce the provisions of this section subsequent to the assumption date by legal action for such in King County Superior Court.

5. City of Seattle Contract.

5.1 The District shall assign its Water Purveyor Contract (Purveyor Contract) with the City of Seattle to Kirkland. Kirkland shall be the wholesale purveyor of water to Redmond and Bellevue, and shall operate the Seattle master meters as referenced in the Purveyor Contract. The ownership and obligation to operate, maintain, and pay the cost for the Seattle master meters shall be defined and allocated between the Cities pursuant to an Interlocal Operation and Maintenance Agreement referenced in Paragraph 6.1 below and attached hereto as Exhibit "F." Kirkland agrees to apportion its Purveyor Committee weighted votes between Kirkland and Redmond to the nearest whole vote relative to the water purchased by each city as allowed and provided by the Seattle Purveyor's Committee bylaws. Kirkland agrees to allocate the old water allowance which the District is currently receiving between the Cities as set forth on Exhibit "G" attached hereto. Kirkland agrees that any future allocations of water by Seattle at different rate blocks shall be allocated between Kirkland, Redmond, and Bellevue in proportion to the method utilized by Seattle.

6. Operation and Maintenance Agreement.

6.1 The Cities agree to provide for the respective responsibilities and obligations of Kirkland, Redmond, and Bellevue to provide for the ongoing operation and maintenance of water supply facilities conveyed to the Cities by the District within common service areas by the adoption of an Interlocal Operation and Maintenance Agreement in substantially the form as attached hereto as Exhibit "F." The Cities shall approve such Interlocal Operation and

Maintenance Agreement contemporaneously with the approval of this Agreement subject to and conditioned upon the assumption of the District.

7. Personnel Employment and Compensation.

7.1 The Cities shall offer employment to all employees of the District who are designated on Exhibit "H" attached hereto who are engaged in the operation of District's facilities on the assumption date. Such employees shall be allocated between the Cities as indicated on Exhibit "H" attached hereto. The Cities shall offer employment to those employees allocated to them as of the assumption date, and the offers of employment shall comply with RCW 35.13A.090 and shall be in the form attached as Exhibit "I." After the execution of this Agreement by all parties, if the District needs to hire additional employees for staffing purposes, the District agrees to forebear its right to hire additional full-time employees for such purposes. However, the District may hire full-time replacement employees, temporary part-time at-will employees or independent contractors, but such temporary part-time employees or independent contractors shall not be considered full-time employees for the purposes of RCW 35.13A.090 and the Cities shall not be required to offer employment to such temporary employees or independent contractors following the effective date of the assumption. Further, in the event the District hires any full-time replacement employees after the effective date of this Agreement, the District shall not pay or provide compensation or benefits to such replacement employee more than the compensation or benefits paid to the replaced employee. The City to whom the replaced full-time employee was allocated shall offer employment to the replacement employee on the same terms as the replaced employee, except that compensation and benefits shall not exceed the rate of compensation or benefits paid to such replacement employee by the District. The Cities also agree to make City employees available to assist the District for temporary

staffing purposes on terms and conditions agreed to between the respective city and the District. The City of Kirkland shall offer employment to the District Manager on the terms and conditions set forth in the proposed Employment Agreement and the proposed Professional Services Agreement attached hereto as Exhibit "J."

8. Allocation of the District's Area and Customers.

8.1 Upon the date of assumption, the District's service area shall be allocated between the Cities as indicated on Exhibit "K" attached hereto. The Cities shall be obligated to provide water service to the real property and to the customers previously served by the District, subject to the provisions of Section 9 herein.

9. City Utility Rates, Charges, and Regulations.

9.1 Each City agrees that it shall provide water service within the District's service area allocated to that city, whether inside or outside the city, on the same basis as water service is provided to other City customers in accordance with the Cities' respective ordinances, resolutions, regulations, and codes relating to the provision of water as adopted and enforced by the respective city. The city shall charge service charges, capital charges, meter fees, assessments, and any other charge or fee related to the service to the respective service area assumed pursuant to this Agreement, whether located within the city or outside the city, at no higher rate than the rate charged for the same "class of service" rendered within other portions of the city. The term "class of service" shall have the meaning as set forth in RCW 35.92.010, or as such statute may be amended. Specifically, Redmond agrees that it will not charge District customers or parties not yet receiving District water service within the District's boundaries, whether inside or outside Redmond's corporate boundaries, Redmond's utility surcharge for outside City customers (presently 25%) for water service. The Cities shall be entitled to charge

parties applying to connect to their water systems, all applicable city general and local facility charges if the parties applying for connection have not previously paid such charges to the District. The Cities shall be entitled to assess parties applying to connect to a city water system, all other administrative fees and charges such as meter and inspection charges.

10. District Commissioners Indemnification.

10.1 On and after the assumption date, the Cities shall assume all duties, obligations and liabilities of the District and its Commissioners. The Cities shall indemnify, defend and hold the District and the Commissioners harmless from any claim or liability arising directly or indirectly from the District's or Commissioner's alleged performance or failure to perform District duties, including all reasonable attorney's fees and costs incurred therein; provided, that the Cities' duty to indemnify, defend and hold the Commissioners and the District harmless shall only apply to claims or liabilities arising out of the District's and/or the Commissioners' performance or failure of performance of duties in good faith.

10.2 If any third party files any administrative or legal action or proceeding after the effective date of this Agreement contending that any City or Cities must assume any collective bargaining agreement to which the District is a party, the Cities shall indemnify, defend, and hold the Commissioners and District harmless from any claim or liability arising out of such action or proceeding relating to any such collective bargaining agreement; provided, however, the District, and its Commissioners and officers shall cooperate with Cities in the defense of any such action or proceeding by, but not limited to, availability for testimony in the preparation for, discovery relating to, and the defense of any such action or proceeding.



11. Liability for Damage, Indemnity, and Hold Harmless.

11.1 Each City agrees to indemnify, defend and hold harmless the District and its officers, employees, agents and consultants, from any and all claims, actions, liabilities, losses, costs, or expenses, including costs of any lawsuit and attorneys' fees, relating to any asset or liability assumed pursuant to this Agreement, arising out of any negligent or wrongful act or omission of the City resulting from or in any way connected with the responsibilities or obligations the City may have pursuant to this Agreement.

11.2 Each City agrees to defend, indemnify, and hold the other Cities harmless from any and all losses, claims, demands, payments, suits, liabilities, or judgments of every nature and description brought or recovered against the other Cities for damages suffered by person or property relating to or arising out of this Agreement, except to the extent such damage resulted from the negligence of the other Cities.

11.3 On and after the assumption date, each City shall be solely liable for all damages or claims made in connection with or arising out of the operation, maintenance, construction, repair or replacement of any asset or liability assumed by that City pursuant to this Agreement, irrespective of the date on which the damage or claim accrued or arose. Claims, suits, judgments, and other similar liabilities against the District shall be paid from District assets, insurance and/or reserves as provided in Section 4.1 herein.

12. Representation and Warranty; Insurance.

12.1 To the best of the District's knowledge, there are no outstanding or possible claims against the District which could involve or presently involve the District in litigation except as set forth in Exhibit "L" attached to this Agreement.

12.2 The District agrees to maintain all insurance it maintains as of the effective date of this Agreement, including auto, casualty, liability, errors and omissions, and public employee and elected officials bonding, in full force and effect from the effective date of this Agreement until the date of assumption. Thereafter, the District agrees to cooperate with the cities and complete, approve, and execute any applications or other documents required to obtain, extend, and/or renew District insurance coverage as required by the cities and to add the Cities as insureds on any such insurance coverage or policies, including but not limited to the purchase of a "tail" for the public officials errors and omissions coverage with the premium being paid out of District assets.

13. Records Made Available.

13.1 The District shall make available and transfer to the Cities all public documents and records which the District has in its possession or control.

14. Method for Sharing Costs of Assumption.

14.1 All costs incurred in the review and analysis of issues relating to the assumption of the District by the Cities, and in completing the assumption and dissolution process, including the preparation of this Agreement and all exhibits thereto, shall be divided proportionately between the Cities as follows: Kirkland - 50%; Redmond - 50%. The Cities hereby designate Kirkland as the lead agency to direct the Cities' consultants in the completion of the assumption and dissolution process. Subsequent to the execution of this Agreement by all the parties, Kirkland shall, upon receipt of all billings under its contract with the consultants, forward to Redmond a statement showing the total amount due, the amount owed by each of the Cities and the payment due date. The billing shall also include all costs such as BRB filing costs reasonably incurred by Kirkland in pursuing the assumption of the District by the Cities. Upon

receipt of any statement from Kirkland, Redmond shall remit payment to Kirkland as promptly as practicable.

14.2 Should either Kirkland or Redmond dispute any statements or payment submitted, the City disputing the statement shall notify the other of the nature of the dispute in writing no later than thirty (30) days after receipt of the statement. Failure of either City to assert a claim or dispute regarding a statement within the thirty day limit shall constitute a waiver of any such claim or dispute. Within ten (10) days of receipt of notice of a dispute, the Kirkland and Redmond public works directors or their representatives shall meet to resolve all such billing disputes. During the pendency of any dispute between the Cities and any consultant, Kirkland shall have the authority to make or withhold payment to the consultants as Kirkland and Redmond deem appropriate, and such payment shall not constitute a waiver of any right, claim or interest which the Cities may assert in the pending dispute.

14.3 Each City agrees to solely bear its respective cost of legal and staff services incurred in connection with this Agreement and any assumption of the District by the Cities, except those legal fees and costs incurred by the legal consultant employed by the Cities, which shall be divided proportionately between the Cities as provided in this section.

14.4 The District shall solely bear all costs incurred by the District on its own behalf relating to the assumption and dissolution process referenced in this Agreement.

15. Integration.

15.1 This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may be modified only by an agreement in writing signed by all parties hereto.

16. Superseding Agreement.

16.1 This Agreement supersedes the Assumption Study Agreement executed by the Cities, attached as Exhibit "A" which shall have no further force or effect.

17. Notice.

17.1 Any notice to be given or any documents to be delivered by any party to any other shall be delivered in person or mailed by certified mail and addressed to the respective parties at the following addresses:

To Kirkland at:      Public Works Director  
                             123 Fifth Avenue  
                             Kirkland, WA 98033

To Redmond at:      Public Works Director  
                             15670 N.E. 85th Street  
                             Redmond, WA 98052

To Bellevue at:      Utilities Manager  
                             City of Bellevue  
                             11511 Main Street  
                             Bellevue, WA 98009-9012

To District at:      Board of Commissioners  
                             Rose Hill Water District  
                             P. O. Box 539  
                             Kirkland, WA 98083-0539

18. Invalid Provisions.

18.1 If any paragraph or provision of this Agreement is held to be invalid, the remainder of the Agreement shall not be affected and shall remain in full force and effect.

19. Effective Date.

19.1 This Agreement shall take effect upon ratification by the City Councils of the respective Cities and by the Board of Commissioners of the District as set forth below.

20. Counterparts.

20.1 This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated document.

CITY OF KIRKLAND ("Kirkland")

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

Approved as to form:

OFFICE OF THE KIRKLAND CITY ATTORNEY

By \_\_\_\_\_  
Dated \_\_\_\_\_

CITY OF REDMOND ("Redmond")

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

Approved as to form:

OFFICE OF THE REDMOND CITY ATTORNEY

By \_\_\_\_\_  
Dated \_\_\_\_\_

CITY OF BELLEVUE ("Bellevue")

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

Approved as to form:

OFFICE OF THE BELLEVUE CITY ATTORNEY

By \_\_\_\_\_  
Dated \_\_\_\_\_

ROSE HILL WATER DISTRICT ("District")

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

Approved as to form:

OFFICE OF THE DISTRICT ATTORNEY

By \_\_\_\_\_  
Dated \_\_\_\_\_

ORIGINAL  
COPY

EXHIBIT "A"  
AGREEMENT

THIS AGREEMENT is made by and between the City of Kirkland, a municipal corporation in King County, Washington ("Kirkland"), the City of Redmond, a municipal corporation in King County, Washington ("Redmond"), and the City of Bellevue, a municipal corporation in King County, Washington ("Bellevue"), collectively referred to as the "Cities," for the purposes set forth herein.

SECTION I: RECITALS

1.01 The Rose Hill Water District ("District") provides water utility service to the geographic area known as Rose Hill, King County, Washington. Almost all of the District area is included within the corporate boundaries of the Cities. The Cities are authorized by RCW Chapter 35.13A to assume ownership and operation of District facilities and obligations relating thereto within and without their boundaries as provided in such statute.

1.02 Kirkland, Redmond, Bellevue, and the District have previously had prepared for them a study of the feasibility of an assumption of the District entitled, "Assumption Feasibility Study of Rose Hill Water District" ("Feasibility Study") dated September 29, 1989, prepared by FCS

Group, Inc. ("FCS") and RH2 Engineers ("RH2"). The Feasibility Study set forth preliminary conclusions and recommendations regarding the feasibility of the Cities assuming the District, and the Cities now require additional analysis of specific issues pertaining to the Cities' possible assumption of the District pursuant to RCW 35.13A.

THEREFORE, in consideration of the terms and conditions contained herein, the parties agree as follows:

## SECTION II: ASSUMPTION PROCESS AND TASK ORDERS

The Cities agree to cooperatively pursue an assumption of the District consistent with, and pursuant to, (a) the conclusions and recommendations of the Feasibility Study, (b) the Task Orders later referenced herein, (c) further agreements as referenced herein, and (d) RCW Chapter 35.13A. To that end, the Cities agree to undertake additional analysis of specific issues relating to the Cities' possible assumption of the District through its mutually acceptable consultants ("Consultant(s)") regarding the following:

2.01 Preparation of this Agreement. This Agreement has been prepared pursuant to Task Order No. 1, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference.



2.02        The Impact of Dissolving the District on Customer Rates for Kirkland, Redmond, and the District. The Consultant shall perform this analysis at the revenue requirements level pursuant to Task Order No. 2, a copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.

2.03        Master Meter Operations and Maintenance. Kirkland shall be the wholesale purveyor of water to Redmond and shall operate and maintain the master meters. The cost to operate and maintain the Seattle master meters, the assignment of the District's contract with the City of Seattle, and the cost to operate the master meter system shall be identified and allocated by supplemental agreement between Kirkland and Redmond.

2.04        Maintenance and Operation of the Above-the-Ground and In-the-Ground Water Facilities. The Consultant shall perform a technical analysis of this matter pursuant to Task Order No. 3, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference.

2.05        The Method for Sharing the Costs of Pursuing Any Assumption of the District by the Cities. All costs incurred to perform the Task Orders referenced herein shall be divided proportionally between the Cities, including costs reasonably

incurred prior to execution of this Agreement, as follows: Kirkland - Fifty (50) percent, Redmond - Fifty (50) percent. The Cities hereby designate Kirkland as the lead agency to direct the Consultants as to the performance and completion of the Task Orders as referenced herein. Subsequent to the execution of this Agreement by all parties, Kirkland shall, upon receipt of all billings under its contract with the Consultants, forward to Redmond a statement showing the total billing due, the amount owed by each of the Cities, and the payment due date. Such billing shall also include all costs reasonably incurred by Kirkland to initiate the Task Orders prior to the execution of this Agreement. Upon receipt of any statement from Kirkland, Redmond shall remit payment to Kirkland as promptly as practicable.

Should either Kirkland or Redmond dispute any statement submitted as provided herein, the city disputing the statement shall notify the other of the nature of the dispute in writing no later than thirty (30) days after receipt of the statement. Failure of either City to assert a claim or dispute regarding a statement within the thirty-day limit shall constitute a waiver of any such claim or dispute. Within ten days of receipt of notice of such a dispute, the Kirkland and Redmond Public Works Directors or their representatives shall meet to resolve all such billing disputes.

During the pendency of any dispute between the Cities and any consultant, Kirkland shall have the authority to make or withhold payment to the Consultants as Kirkland and Redmond deem appropriate, and such payment shall not constitute a waiver of any right, claim, or interest which the Cities may assert in the pending dispute.

Each city agrees to solely bear their respective cost of legal and staff services incurred relating to this Agreement and any assumption of the District pursuant to RCW 35.13A, except those legal fees and costs incurred by the Consultant referenced in Paragraph 2.01 above, which shall be divided proportionally between the Cities as provided in Paragraph 2.05 herein.

2.06      Application and Use of District Working Capital and Other Current Assets. The Consultant shall perform a technical analysis of this matter pursuant to Task Order No. 3, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference. The final application and use of District working capital and other current assets shall be identified and allocated between the Cities by supplemental agreement.

2.07        Assumption and Performance of Existing District Contractual Obligations. In the event of the assumption of the District by the Cities, the Cities agree to assume all valid and enforceable District contractual obligations subject to the provisions of Paragraph 2.08 herein. The distribution of such contractual obligations shall be determined by further task order study and supplemental agreement.

2.08        Disposition of Liabilities and Long-Term Debt. The Cities will consider the assumption or non-assumption of District liabilities and long-term debt following the review of the conclusions and recommendations of the Task Orders referenced herein and other necessary information such as input from bond counsel.

2.09        Distribution and Use of District Real Property and Easements. The Consultant shall perform a technical analysis of this matter pursuant to Task Order No. 3, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference. The distribution and use of District real property and easements shall be identified by supplemental agreement between the Cities.

2.10 Allocation of Old and New Water Purchase by the District from the City of Seattle. The Consultant shall perform a technical analysis of this matter pursuant to Task Order No. 3, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference. The final allocation to the Cities of old and new water purchased from Seattle shall be identified by supplemental agreement.

2.11 Administrative Processes for Proceeding with Formal and Informal Actions Relating to Any Assumption of the District. The Cities are authorized by RCW Chapter 39.34 to enter into interlocal agreements for joint action. In addition, the Cities and the District are authorized by RCW Chapter 35.13A.070 to enter into contracts regarding the rights, powers, duties, and obligations with regard to the use and ownership of District property, and any other matters arising out of the inclusion, in full or in part, of the District within the Cities. It is the intention of the Cities to pursue a cooperative assumption of the District consistent with and pursuant to this Agreement and any amendments or supplemental agreements which adopt the conclusions and recommendations of the Feasibility Study and Task Orders as necessary to accomplish such assumption. Subsequent to the execution of this Agreement by the parties, the Cities agree to cooperatively pursue the assumption of the District in

accordance with the procedures set forth in the statutes referenced herein. To that end, the Cities agree to file with the King County Boundary Review Board ("BRB"), at a mutually agreed time, notices of intention to assume the District pursuant to RCW 36.93. Any City may notify the other Cities of its desire to have filed with the BRB such mutual notices of intention to assume the District. Thereafter, the Cities shall agree within 30 days upon a date when such mutual notices of intention shall be filed with the BRB. In the event the Cities do not agree upon such date within the 30-day period, any City may file its notice of intention to assume the District with the BRB no sooner than 10 days after the expiration of the 30-day period set forth above. Following the filing of such notices of intention to assume the District, in the event the BRB invokes jurisdiction to review the proposed assumptions, the Cities shall coordinate, prepare, and present testimony to the BRB regarding the proposed assumptions as appropriate. Thereafter, in the event the BRB approves the proposed assumptions, the Cities agree to cooperatively pursue the dissolution of the District as provided by RCW Chapter 35.13A, but only in the event the Cities agree to assume all of the District's liabilities and long-term debt as referenced in Paragraph 2.08 herein. During the pendency of this Agreement and any assumption proceeding, the Cities agree that they will take no unilateral action regarding the proposed assumption of the District without the other Cities prior knowledge.

2.12        Personnel Employment and Compensation.     Kirkland and Redmond agree to employ all full-time employees of the District as of the date on which the Cities acquire the District facilities. The Cities further agree to employ and allocate such full-time District employees between the Cities proportional to the administrative, operational, and maintenance requirements of the District assets and facilities assumed by the respective Cities as determined by Task Order No. 3 referenced herein.

2.13        Joint Use Facilities.     The consultant shall perform a technical analysis regarding the sharing and/or allocation of District physical assets pursuant to Task Order No. 3, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference.

2.14        Task Order Administration.     The Consultant shall administer the above-referenced Task Orders pursuant to Task Order No. 4, a copy of which is attached hereto as Exhibit "D" and incorporated herein by this reference.

### SECTION III: GENERAL PROVISIONS

3.01        Assumption Implementation.    Upon receipt of the Task Order analyses referenced herein and all other necessary information, the Cities shall implement the conclusions and recommendations of such analyses. In the event additional analysis is required for any matter referenced herein, the Cities agree to authorize, undertake, and pay for such analysis on a task order basis as provided herein. Following the receipt of all necessary information and recommendations, it is the intention of the Cities to cooperatively pursue the assumption of the District pursuant to RCW Chapter 35.13A. To that end, the parties acknowledge that this Agreement may be amended, or that the Cities may enter into supplemental agreements regarding the assumption of the District.

3.02        Arbitration.    In the event the Cities are unable to agree upon any matters relating to the conclusions and recommendations of the Task Orders or any proposed assumption of the District, the Cities agree to use their best efforts to resolve such matter by the designation of an arbitrator with appropriate technical, legal, and financial expertise mutually acceptable to the Cities. In the event an arbitrator is required by the parties, the parties agree at such time to



further define the scope, powers, and authority of such arbitrator and the responsibility for the cost of the arbitrator.

3.03        Indemnity.    The Cities agree that the costs of any claim arising out of the contract or contracts for this study, including any associated legal fees, shall be divided equally between the Cities in the proportions set forth in Paragraph 2.05, and Bellevue and Redmond agree to indemnify Kirkland for their share of the costs of such claim, including associated legal fees; provided, however, that Bellevue and Redmond shall have no obligation to indemnify Kirkland for the cost of any claim, including associated legal fees, arising out of the contract or contracts for the task orders referenced herein which is attributable to the negligence of Kirkland, its employees or agents.

3.04        Successors and Assigns.    This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

3.05        Integration.    This document constitutes the entire agreement of the parties with respect to the subject matter hereof and may be modified only by an agreement in writing signed by all parties hereto.

3.06      Notice.      Any notice to be given or any documents to be delivered by any party to any other shall be delivered in person or mailed by certified mail and addressed to the respective parties at the following addresses:

To City of Kirkland at:      City of Kirkland  
Attn: Director of Public Works  
123 Fifth Avenue  
Kirkland, WA 98033

With a courtesy copy to:      City of Kirkland  
Attn: City Clerk  
123 Fifth Avenue  
Kirkland, WA 98033

To City of Redmond at:      City of Redmond  
Attn: Utilities Engineering Supervisor  
15965 N.E. 85th Street  
Redmond, WA 98052

With a courtesy copy to:      City of Redmond  
Attn: City Clerk  
15670 N.E. 85th Street  
Redmond, WA 98052

To City of Bellevue at:      City of Bellevue  
Attn: Utility Services Manager  
P.O. Box 90012  
Bellevue, WA 98009-9012

With a courtesy copy to:      City of Bellevue  
Attn: City Attorney  
P.O. Box 90012  
Bellevue, WA 98009-9012

3.07      Invalid Provisions.      If any paragraph or provision of this Agreement is held to be invalid, the remainder of the agreement shall not be affected and shall remain in full force and effect.

3.08      Effective Date.      This Agreement shall take effect upon ratification by the City Councils of the respective Cities as set forth below.

3.09 Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated document.

Approved as to form:

OFFICE OF THE CITY ATTORNEY

By: Hail Ford

Dated: 12-3-91

OFFICE OF THE CITY ATTORNEY

By: \_\_\_\_\_

Dated: \_\_\_\_\_

OFFICE OF THE CITY ATTORNEY

By: Scott M. Lee

Dated: 12/5/91

CITY OF KIRKLAND ("Kirkland")

By: Terence J. Ellis  
Its: City Manager

Dated: December 3, 1991

CITY OF REDMOND ("Redmond")

By: Doreen Marchione  
Its: Mayor

Dated: 12/17/91

CITY OF BELLEVUE ("Bellevue")

By: Pam Bassinetti  
Its: Deputy City Manager

Dated: 12/9/91

STATE OF WASHINGTON       )  
                                      ) ss.  
COUNTY OF KING            )

I certify that I know or have satisfactory evidence that TERRENCE L. ELLIS is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the CITY MANAGER of City of Kirkland to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

Dated 12-3-91

Letitia Anderson  
Notary Public in and for the State  
of Washington, residing at Brier  
My Appointment Expires 8-19-92

STATE OF WASHINGTON       )  
                                      ) ss.  
COUNTY OF KING            )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of City of Redmond to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

Dated \_\_\_\_\_

\_\_\_\_\_  
Notary Public in and for the State  
of Washington, residing at \_\_\_\_\_  
My Appointment Expires \_\_\_\_\_

STATE OF WASHINGTON       )  
                                  )  
COUNTY OF KING            ) ss.

I certify that I know or have satisfactory evidence that Pam Bissonette is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Deputy City Manager of City of Bellevue to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

Dated 12/9/91

Shawn Mattala

Notary Public in and for the State  
of Washington, residing at Auburn  
My Appointment Expires 8/9/94

**ROSE HILL WATER DISTRICT ASSUMPTION  
PROFESSIONAL SERVICES AGREEMENT  
TASK ORDER 1 - PREPARE "PRELIMINARY" INTERLOCAL AGREEMENT**

**Deliverable:**

A "draft" Preliminary Interlocal Agreement which provides for initial, or subsequent agreement on all of the above issues, and any additional considerations that are relevant at this time. If an issue is not resolvable at this time, then a procedure for resolving the issue will be stipulated.

**ROSE HILL WATER DISTRICT ASSUMPTION  
PROFESSIONAL SERVICES AGREEMENT  
TASK ORDER 1 - PREPARE "PRELIMINARY" INTERLOCAL AGREEMENT**

**Task Services:**

Prepare a draft interlocal agreement between the City of Kirkland, the City of Redmond and the City of Bellevue that addresses specific Rose Hill Water District assumption issues. The interlocal agreement will be termed "preliminary" because the respective City attorneys will negotiate the final provisions. It is expected that provisions of the "preliminary" agreement will be amended as separate study results are obtained, the process of assumption proceeds, information improves and unresolved negotiation issues are agreed upon. However, the agreement will be designed to establish the groundrules of the assumption process.

The issues to be addressed in the Preliminary Agreement should include at a minimum, and not necessarily in any order:

- o Use and ownership of properties
- o Which City will provide services to the other in terms of wholesale water and master meter operations and maintenance.
- o Which party to the agreement will maintain and operate above the ground and in-the-ground water facilities.
- o Joint use facilities, such as the water tank now owned by Rose Hill, the City of Kirkland and the City of Bellevue.
- o The method for sharing in the costs of executing the assumption,
- o Application and use of working capital and other current assets.
- o Disposition of liabilities and long-term debt.
- o Performance of existing contractual obligations of the District.
- o Use of District's real estate and easements.
- o Allocation of old and new water purchased from the City of Seattle.
- o Administrative process for proceeding with formal and informal actions pertaining to the assumption.
- o Personnel employment and compensation.

**Task Responsibility:**

The task will be performed by an FCS Group subcontractor, Inslee, Best, Dozie & Ryder. The principal attorney will be John Milne. FCS Group will manage the Task Order.

**Budget Estimate:**

Level of effort at \$128 per hour. The budget estimate is \$7,680. This budget estimate is based on an assumption that we will conduct two to three joint working sessions with the respective City representatives to identify 1) areas of agreement; 2) areas of disagreement and/or requiring more research, study or information and the methodologies to obtain information; and 3) methodologies to resolve areas of disagreement, if any. Sixty hours are anticipated to facilitate the working sessions and to prepare the draft document. This Task Order 1 budget estimate will not be exceeded without prior authorization from the Contractor via FCS Group.

EXHIBIT A

REF: PCS GROUP, RHT0A1

Resolution No. 952

RECEIVED

JAN 25 1991

PUBLIC WORKS  
CITY OF KIRKLAND

**ROSE HILL WATER DISTRICT ASSUMPTION  
PROFESSIONAL SERVICES AGREEMENT  
TASK ORDER 2 - CONDUCT CONSOLIDATED RATE IMPACT ANALYSIS**

**Task Services:**

The purpose of this analysis will be to determine what the impact of dissolving the District would have on the customer rates for all three entities. *This will be an analysis at the revenue requirements level*; across-the-board rate impacts will be calculated. We will rely on our knowledge of the current City of Kirkland and City of Redmond revenue requirements and rates, supplemented by the most recent rate study and updates performed for the District, if available to the Consultant. If possible, we would like to obtain "current" District financial budgets, and related information that more currently summarizes the fiscal condition of the District's construction and bond funds and reserve funds, the new water surcharge fund, the maintenance and operations fund, other cash reserves and debt, and present revenues and expenses. If such information is or can not made available to the Consultant in a timely manner, we will rely on the CCA study projections from the last rate update. Since the District is indicating that they will not need any rate increases in the near-term, we will need enough information to evaluate just how the District's rates will perform should the capital expenditure programs continue as projected, and new water surcharge revenue continues to decline as we suspect.

Task Order 2 services will be limited to the calculation of across-the-board impacts on single family, multi-family and commercial rates. This will avoid the cost of performing specific cost of service analysis and rate design.

*The scenario that will be modeled is: Across the-board rate impacts with complete dissolution.*

The revenue requirement impacts will be segmented between 1) administration, operations, maintenance and 2) debt service and capital outlays. Attention will be given to the respective fiscal policies; segregated Rose Hill revenue requirements by prospective new service area (Kirkland or Redmond); merged revenue requirements and across-the-board rate impacts.

**Task Responsibility:**

FCS Group will have task order responsibility. David Findlay and Ed Cebron will be principal consultants.

**Budget Estimate:**

88 hours; \$9,200 with expenses e.g., fax, mileage, computer and reproduction.

**Deliverable:**

Technical Memorandum presenting the analysis, findings and conclusions.

EXHIBIT B



**CITY OF KIRKLAND  
ROSE HILL WATER DISTRICT ASSUMPTION**

**TASK ORDER 3 - PHYSICAL ASSET AND OLD/NEW WATER SEPARATION**

**RH2 ENGINEERING WORK PLAN**

**TO3-A: DATA ACQUISITION/ASSEMBLY/EVALUATION**

1. Assemble and evaluate current physical asset records and related valuation.
2. Assemble and evaluate current contractual obligations related to water service and physical assets.
3. Assemble current data on purchase and cost of water supply.
4. Assemble current water consumption data base for use in separation analysis.

**TO3-B: PRELIMINARY WORKSHOP WITH ASSUMING CITY'S WATER SYSTEM  
MANAGEMENT STAFF**

1. Identify and discuss issue related to asset division.
2. Identify and discuss issue related to responsibility for water supply/transmission system operation and maintenance.
3. Identify current or future needs for non-operating plant and equipment.
4. Review and discuss alternative analytical methods for asset and old/new water allocation.
5. Identify and discuss additional data needs and methods of acquisition.

**TO3-C: DEVELOP ANALYTICAL METHODS FOR ASSET AND OLD/NEW  
WATER SEPARATION**

1. Develop clear, concise description of analysis methods for review and approval.
2. Prepare data base models required to implement each analysis.
3. Develop report formats for analytical results.
4. Meet with participants for final review and approval.

TO3-D:        PHYSICAL ASSET AND OLD/NEW WATER SEPARATION

1.    Complete analysis and develop recommendation.
2.    Prepare draft technical memorandum addressing conclusions and recommendations for:
  - a.    Division of operating water system facilities and the relative value based on net book value and/or replacement cost less depreciation based on date of service and useful life.
  - b.    Division of District's ownership of joint water supply, transmission and storage facilities based on current customer demands.
  - c.    Division of non-operating plant and equipment including recommended liquidations based on initial and future needs and operating responsibilities.
  - d.    Division of old water allowance based on geographic allocation of current water demands and division between "old" and "new" customers.
  - e.    Proposed assignment of current water service and joint facility operating contracts and/or recommended contract modifications.
3.    Workshop to review conclusions and recommendations.
4.    Address review issues and comments and finalize recommendations and supporting technical memorandum.

**ROSE HILL WATER DISTRICT ASSUMPTION  
PROFESSIONAL SERVICES AGREEMENT  
TASK ORDER 4 - ASSUMPTION STUDIES ADMINISTRATION**

**Task Services:**

To administer the legal and engineering task orders, provide monthly status reporting, attend assumption related meetings that are part of the strategic planning, information dissemination, non-analysis nature.

**Task Responsibility:**

An FCS Group, Inc. Principal.

**Budget Estimate:**

Level of effort at \$95 per hour; assume ten hours a month for six months for this task order. The consulting cost would be \$5,700 plus mileage at \$0.30.

**Deliverable:**

No hard deliverable. However, there will be monthly status reports to accompany the monthly billings, and attendance at meetings, et all.

EXHIBIT D

REF: PCS GROUP, RHTO4

Resolution No. 952



# City of Kirkland

## SEPA CHECKLIST

### A. BACKGROUND

#### 1. Name of proposed project, if applicable:

Assumption of Rose Hill Water District by the Cities of Kirkland, Redmond and Bellevue; and subsequent dissolution of the district pursuant to state law.

#### 2. Name of applicant:

City of Kirkland (acting as lead agency on behalf of the cities of Kirkland, Redmond and Bellevue).

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

##### Applicant:

Jim Arndt, Public Works Director  
City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033

##### Contact persons:

City of Kirkland:  
Stu Turner  
828-1151

City of Redmond:  
Jud White  
556-2709

Rose Hill Water District:  
Bill Skahan  
827-0681

City of Bellevue:  
Larry Southwick  
455-6978

#### 4. Date checklist prepared: January 6, 1993

*Reviewed by J. Soloff 1/27/93*

**5. Agency requesting checklist:**

City of Kirkland

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

Approval of this proposal is planned to occur during early 1993.

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

No plans at this time.

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

No known previous related environmental documents have been prepared. After assumption and dissolution of Rose Hill Water District, environmental compliance will be the responsibility of the respective City with jurisdiction.

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

None Known.

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

Assumption authorization resolutions and ordinances by the Cities of Kirkland, Redmond and Bellevue.

King County Boundary Review Board Approval

A Superior Court Order dissolving the district is anticipated to complete the dissolution process.

**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 proposal is to assume the assets, employment of personnel, debt, continuation of the district's Capital Improvement Program, and operations of Rose Hill Water District by the Cities of Kirkland, Redmond and Bellevue leading ultimately to the dissolution of

the District consistent with the provisions of RCW 35.13A.

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

Rose Hill Water District is located in the Rose Hill Area of King County. The western portion of the district is located in the City of Kirkland. Most of the eastern portion of the district is located within the City of Redmond. A small area in the southern part of the district is located in the City of Bellevue.

**TO BE COMPLETED BY APPLICANT**

**B. ENVIRONMENTAL ELEMENTS**

**1. Earth**

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

Most of the district is a relatively flat plateau. The eastern edges slope somewhat steeply toward the Sammamish Valley.

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

Some portions of the district have slopes in excess of 40%.

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

According to the Soil Conservation Service, four main soil types predominate in the Rose Hill Water District. These include the Alderwood Association, the Beausite-Alderwood Association, the Everett Association, and the Oridia-Seattle-Woodinville Association.

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

No.

- e. **Describe the purpose, type, and approximate quantities of any filling or**

**grading proposed. Indicate source of fill.**

None proposed.

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

Not applicable.

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

No change in the amount of impervious surface is proposed.

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

Not applicable.

**2. Air**

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

Assumption would not result in any emissions or dust.

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

None known

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

Not applicable.

**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 into which it flows.**

Yes, Yarrow and Forbes Creek originate within the district.



**City of Kirkland SEPA Checklist**

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

No.

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

None

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

No.

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

No

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

No waste would be discharged.

**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.

No

- 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.

No waste would be discharged into the ground

**c. WATER RUNOFF (including storm water):**

- 1) Describe the source of runoff (including storm water) and method of

**City of Kirkland SEPA Checklist**

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collection and disposal, if any (including quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

Changes in water run off should not occur.

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

Yes, see B.1.f and B.1.h above.

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

See b.1.h and B.3.b. 1) above.

**4. Plants**

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

  X   deciduous tree: alder, maple, aspen, other

  X   evergreen tree: fir, cedar, pine, other

  X   shrubs

  X   grass

  X   pasture

       crop or grain

  X   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?

None

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

None proposed.

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

None.

**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 \_\_\_\_\_

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

None.

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

Yes, the entire state of Washington is in the Pacific Flyway. Also, Forbes and Yarrow Creek support salmon migration.

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

None proposed.

**6. Energy and Natural Resources**

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

Electricity will continue to be used to operate the water facilities assumed by the cities.

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

No.

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

None proposed.

**7. Environmental Health**

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

No.

- 1) Describe special emergency services that might be required.

No special emergency services would be required.

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

None required

- b) Noise

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

The proposal would not be affected by noise sources.

- 2) What types of 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.

No long term noise would be generated by the proposal.

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

None proposed.

**8. Land and Shoreline Use**

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

Land use within the assumption/dissolution area is primarily residential. There are also a few neighborhood business areas and several schools.

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

No.

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

See 8.a.

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

No.

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

Zoning within the assumption/dissolution area is a mix of single and multi-family residential along with Business and Professional Office.

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

The district is within the designated Urban Growth Area of King County.

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

Not applicable.

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

Yes, there are stream corridors, wetlands and steep slopes designated as sensitive areas.

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

The proposal itself would not create any housing or jobs.

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

None.

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

None required.

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

The proposal is consistent with the Growth Management Act and the King County Countywide Planning Policies that promote cities as the provider of services within the Urban Area.

**9. Housing**

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

None.

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

None.

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

None required.

**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:**

No structures are proposed.

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

None.

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

None required.

**11. Light and Glare**

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

None.

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

No.

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

The proposal would not be affected by light or glare.

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

None required.

**12. Recreation**

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

Informal recreation opportunities exist throughout the assumption/dissolution area.

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

No.

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

None required.

**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.

None known.

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

None known.

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

None required.

**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:

Major roads within the assumption/dissolution area include the Kirkland-Redmond Road and 132nd Avenue Northeast.

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

METRO transit operates numerous bus routes within the assumption\dissolution area.

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

None.

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

No new roads or streets are proposed

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

No.

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

The proposal would not generate any trips.



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

None proposed.

15. Public Services

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

No additional public services would be required by the proposal.

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

None

16. Utilities

- a. Circle utilities currently available at the site:

electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other: \_\_\_\_\_

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

None proposed.

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: Eugen Kuten

Date Submitted: 1-6-1993

**d. NON-PROJECT SUPPLEMENT**

- 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 proposal is an assumption of a water district by three cities with the subsequent dissolution of the district pursuant to state law. Therefore, it would not directly result in any discharge to water, or in the production, storage, or release of toxic or hazardous substances or noise.

- a. 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 proposed assumption and dissolution would not directly affect plants, animals, fish, or marine life.

- a. 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 proposal would not deplete energy or natural resources.

- a. Proposed measures to protect or conserve energy and natural resources are:**

See above.

- 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 proposal would not affect environmentally sensitive areas or other designated areas.

- a. Proposed measures to protect such resources or to avoid or**

**reduce impacts are:**

See above.

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

The proposal would not affect land or shoreline use.

- a. **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?**

The proposal would not increase demands on public services or utilities.

- a. **Proposed measures to reduce or respond to such demand(s) are:**

See above.

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

This proposal is in accordance with all local, state, and Federal law and requirements for the protection of the environment.

**EXHIBIT "B"**  
**BOUNDARY REVIEW BOARD**  
**SUBMITTAL FOR**  
**ASSUMPTION AND DISSOLUTION**  
**OF ROSE HILL WATER DISTRICT**  
**AND ACCEPTING RESPONSIBILITY**  
**FOR WATER SERVICE BY**  
**THE CITIES OF KIRKLAND, REDMOND AND BELLEVUE**

**PREPARED BY**

**RH2 Engineering**  
**8383 158th Avenue NE**  
**Suite 200**  
**Redmond, WA 98052**

**DRAFT - May 26, 1993**

**KIR1200-20WOL.WPS**

## I. BACKGROUND/MAPS

### 1. Reason for proposed action.

Over the years more and more of Rose Hill Water District's service area (see map on next page) has been annexed into the Cities of Bellevue, Kirkland, and Redmond. The most recent significant annexation were the North and South Rose Hill annexations to the City of Kirkland in 1988. Upon completion of those annexations, about 90 percent of Rose Hill Water District's service area was within the city limits of either Bellevue, Kirkland, or Redmond. In 1989, the District, together with the Cities of Kirkland, Redmond, and Bellevue began discussing the possibility of the cities taking over operation of Rose Hill Water District. Some of the reasons for assumption of the District are listed below:

#### *Reduced Government Layers*

Assumption of Rose Hill Water District by the Cities of Redmond, Kirkland, and Bellevue will reduce the layers of government within the Rose Hill area. After assumption, each city will be responsible for providing water service within its city limits, eliminating a duplicative government.

#### *Consolidated Utility Service*

Eliminating this layer of government will allow for consolidation of utility service under the jurisdiction of each city. The water service areas for each city are shown on the map on the following page.

#### *Economies of Scale*

In the long run, economies of scale will accrue, especially in the areas of billing, legal services, customer service and administration. For example, instead of now receiving separate bills for water and sewer service, most residents will now receive one single bill from the city providing the water and sewer service.

#### *Regional Voice*

The residents of the former water district will have a stronger regional presence with regard to water supply issues because they will now be represented by much larger cities in those arenas.

#### *Improved Coordination*

Savings will also accrue because of the ability to better coordinate public improvements and construction of water system improvements with, for example, road, sewer, or storm water projects within each city.

1     *Enhanced Credit Options*

2     The cities have a wider range of credit options to reduce the cost of borrowing to make the  
3     capital improvements necessary to continue to provide quality water service in the Rose Hill area.

4     *Growth Management Implementation*

5     The Growth Management Act specifies that cities are the preferred provider of urban services  
6     within urban areas. Urban services include water service. The assumption of Rose Hill Water  
7     District by Bellevue, Kirkland, and Redmond will implement this basic policy of the Growth  
8     Management Act.

9     *Simplified Planning and Permitting*

10    By consolidating utility service within each city, better utility  
11    facility and capital improvement planning can be done. In addition, it will simplify the planning  
12    and permitting of water system infrastructure improvements necessary to implement the growth  
13    management policies of each city.

14    *Better Development Control*

15    The Growth Management Act explicitly requires that evidence of adequate water service be  
16    provided prior to the approval of any new development. Since each city is responsible for  
17    planning and managing land use within the Rose Hill area, integrating the water utility service  
18    into the city's decision-making process will better assure that this requirement of the Growth  
19    Management Act is met.

20    In this undertaking, the cities and district have decided to pursue a consensual (friendly)  
21    assumption and dissolution of the district by entering into an interlocal Assumption Agreement  
22    between all parties, which is attached as **Attachment A**. The basis for this agreement is the  
23    result of over 4 years of work shared between the cities and district to analyze and evaluate the  
24    legal, personnel, engineering, financial and rates issues related to the assumption and dissolution.  
25    The results of these committee activities are included or incorporated into this notice of intention  
26    to the King County Boundary Review Board.

27    The City of Kirkland has assumed the role as lead agency for application to the King County  
28    Boundary Review Board for the assumption and dissolution of the Rose Hill Water District by  
29    the Cities of Kirkland, Redmond and Bellevue.

## 2. Ordinances and Resolutions

Certified copies of the relevant Ordinances and Resolutions from the Cities of Kirkland, Redmond and Bellevue, and Rose Hill Water District are attached as Attachments B-1 through B-4.

## 3. SEPA Checklist

The SEPA Checklist and Determination of Non-Significance for the Assumption and Dissolution are attached as Attachment C.

## 4. Legal Description

Three legal descriptions that describe the boundaries of the areas of Rose Hill Water District to be assumed by the Cities of Kirkland, Redmond, and Bellevue are attached as Attachments D-1 through D-3.

## 5. Maps

A. Maps indicating the boundary of the proposal, its size and corporate limits are attached as Attachment E.

B. Vicinity Maps as required the King County Boundary Review Board (KCBRB), are attached as Attachment F.

## II. FACTORS THE BOARD MUST CONSIDER

### 1. Overview

#### A. Population

Current population within Rose Hill Water District is estimated at about 14,500 people. About 8,256 (57%) of these people is currently within the City of Kirkland and would be served by Kirkland after the assumption and dissolution. About 200 people are within the City of Bellevue and would be served by Bellevue after the assumption and dissolution. The remainder of the population would be served by the City of Redmond. Most of these people are within the current Redmond City limits (see Attachment F).

#### B. Territory (number of acres)

Rose Hill Water District includes about 6,020 acres, or about 8.9 square miles. The

1 service area is bounded on the west by I-405, on the east by the Sammamish River, on  
2 the north by the water system of the Northshore Utility District, and on the south by the  
3 Bellevue water system. Elevations within the service area range from about 525 feet  
4 adjacent NE 60 Street near Bridle Trails State Park to about 40 feet along Willows Road  
5 in the Sammamish River Valley.

6 The assumption will distribute this territory between Redmond, Kirkland and Bellevue in  
7 the manner shown below:

	Kirkland	Redmond	Bellevue
8 Approximately -	2660 acres	3218 acres	142 acres

10 About 972 acres of the district that will be assumed by the cities of Kirkland and  
11 Redmond is currently unincorporated.

#### 12 *C. Density*

13 Average gross density within the district is slightly more than 1 dwelling unit per acre  
14 (about 6500 single and multi family units divided by 5682 acres). Almost 70 percent of  
15 the district is zoned for low or medium density single-family development. Most of the  
16 remaining zoning is multi-family residential, business park, industrial and commercial.

#### 17 *D. Assessed Value*

18 According to the King County Assessor, the total 1993 assessed value within Rose Hill  
19 Water District is \$2,096,995,188.

## 20 **2. Land Use**

### 21 *A. Existing Land Use*

22 Land use within the assumption/dissolution area is primarily residential. There are also  
23 a few neighborhood business areas and several schools.

### 24 *B. Proposed Land Use: immediate or long-range*

25 Under current zoning, approximately 68 percent of the total developable service area is  
26 zoned single-family residential and another eight percent is zoned for multi-family  
27 development. The remainder is zoned for commercial/industrial, which includes  
28 institutional uses such as schools, churches and business office and parks. **Attachments**  
29 **G and H** illustrate planned land uses as designated by the Cities of Kirkland's and  
30 Redmond's Land Use Plans.



1       **3.       Comprehensive Plans/Franchises**

2       ***A. King County Comprehensive Plan/Ordinances***

3       The vast majority of the district is within the corporate limits of the assuming cities and  
4       therefore is not subject to the plans and ordinances of King County. However,  
5       assumption of Rose Hill Water District is supported by **Policy F-113** of the 1985  
6       Comprehensive Plan which states:

7                   *Cities and incorporated Rural Activity Centers are the preferred service providers*  
8                   *within future annexation areas ... within King County...*

9       Redmond is currently participating in a process with all cities in King County to establish  
10      future annexation areas that was established as part of the Countwide Planning Policies.  
11      (See **Attachment I** for **Policies FW-10 and LU-19 through 22**). According to the  
12      Redmond Department of Planning and Community Development an interlocal agreement  
13      with King County that establishes future annexation areas will be signed concurrently  
14      with the update of the City's Comprehensive in 1994.

15      ***B. Proponents Comprehensive Plan/Franchise***

16      The assumption area is primarily within the existing city limits of Kirkland, Redmond and  
17      Bellevue. Each city's comprehensive plan has addressed Rose Hill across the full range  
18      of issues including land use, facilities and services and sensitive areas. (see **Attachments**  
19      **J, K and L**).

20      **4.       Planning Data**

21      ***A. Revenue/Expenditures***

22      In general, the proposed assumption is revenue neutral. Detailed accounting of assets,  
23      liabilities and future responsibilities has been addressed in both the Assumption  
24      Agreement (**Attachment A**) and the Operations and Maintenance Agreement  
25      (**Attachment M**).

26      ***B. Services***

27      The amount and quality of municipal services will not be diminished by the assumption  
28      and dissolution. No other service except water service will be affected. A summary of  
29      the affects on water service for district customers is provided in **Attachment N** and a  
30      graph that displays a detailed comparison of rates is included as **Attachment O**. As  
31      shown in **Attachment O** water rates for average and low water usage will be less after  
32      the assumption. On the other hand, high water users will pay more after the assumption.

1      5.      General

2      *A. Extension of services*

3      Small areas of the water district are currently unincorporated. The cities have agreed that  
4      annexation will not be required as a condition of service (see Attachment A).

5      *B. Topography & natural boundaries*

6      Most of the district is a relatively flat plateau. The eastern edges slope somewhat steeply  
7      toward the Sammamish Valley.

8      *C. Projected Growth*

9      While vacant land exists within the district, growth will be limited by several factors.  
10     These include: 1) generally poor soils for on-site sewage disposal and lack of sanitary  
11     sewers; 2) steep slopes and other sensitive areas; and 3) small parcel sizes that limits the  
12     potential scale of development.  
13    

14     *D. Other services*

15     Not Applicable

16     *E. Delay in implementing service delivery*

17     Not Applicable

18     *F. Adequacy, cost or rates of service to area and how will increase in future.*

19     See response to 4.A and 4.B, above.

20     **III.      OBJECTIVES**

21     The assumption of Rose Hill Water District helps achieve several objectives listed in RCW  
22     36.93.180. These include:

23     *36.93.180(1) Preservation of natural neighborhoods and communities*

24     Assumption would further clarify the identity of already incorporated neighborhoods.  
25     Currently, these neighborhoods are within a city, but receive water service from a separate  
26     special purpose district. Eliminating the district will strengthen each neighborhood's  
27     identity with its respective city.



Attachment Document List

A. Assumption Agreement

B.1. City of Kirkland Ordinance \_\_\_\_ approving the Assumption of Rose Hill Water District.

B.2. City of Redmond Ordinance \_\_\_\_ approving the Assumption of Rose Hill Water District.

B.3. City of Bellevue Ordinance \_\_\_\_ approving the Assumption of Rose Hill Water District.

B.4. Rose Hill Water District Resolution \_\_\_\_ approving the Assumption of Rose Hill Water District.

C. SEPA Checklist and Determination of Non-Significance

D.1. Legal Description of the portion of Rose Hill Water District to be assumed by the City of Kirkland.

D.2. Legal Description of the portion of Rose Hill Water District to be assumed by the City of Redmond.

D.3. Legal Description of the portion of Rose Hill Water District to be assumed by the City of Bellevue.

E. King County Assessor's Maps

F. Vicinity Maps

G. Kirkland Land Use Plan Map

H. Redmond Land Use Plan Map

I. Policies FW-10 and LU-19 through LU-22 of the King County Countywide Planning Policies adopted pursuant to the Growth Management Act.

J. City of Kirkland North and South Rose Hill Neighborhood Plans

K. City of Redmond Comprehensive Plan Policies

L. City of Bellevue Comprehensive Plan Policies

M. Rose Hill Assumption Operations and Maintenance Agreement

- 1 N. Fact Sheet - Assumption of Rose Hill Water District by the Cities of Redmond, Kirkland
- 2 and Bellevue
- 3 O. Graph comparing city water rates with Rose Hill water rates.



KIRKLAND

123 FIFTH AVENUE • KIRKLAND, WASHINGTON 98033-6189 • (206) 828-1100 • TTY (206) 822-1244

February 16, 1993

Jim Arndt  
Public Works Director  
City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033

Dear Mr. Arndt :

Subject: Environmental Determination for Rose Hill Water District  
Assumption and Dissolution by the Cities of Kirkland, Redmond and  
Bellevue, SEP93-0004

The City has completed its environmental review of the proposed action by the Cities of Kirkland, Redmond and Bellevue to assume and dissolve the Rose Hill Water District. Please find enclosed a copy of the previous Determination of Non-significance (DNS) SEP92-0035 that has been withdrawn by your request, and a copy of the new Determination of Non-significance SEP93-0004 issued on February 17, 1993. In accordance with local ordinance, the determination will be published in the Journal-American Thursday, February 25, 1993.

Should you have any questions regarding this letter, please contact me at 828-1274, and refer to SEP92-0035 or SEP93-0004 .

Sincerely,

PLANNING AND COMMUNITY DEVELOPMENT

*Janice Soloff*

Janice Soloff  
Planner

Attachment: Withdrawal of DNS SEP92-0035  
New DNS SEP93-0004

cc: Stu Turner, City of Kirkland Public Works Dept.  
Gene Peterson, RH2 Engineering, 8383 158th Ave.,  
Redmond, WA 98052  
Jim Pidduck, Thomas, Gorud and Graves, 505 Market  
Street, Kirkland WA 98033  
Alphabetical File: Rose Hill Water District  
Assumption/Dissolution

## CITY OF KIRKLAND

123 FIFTH AVENUE KIRKLAND, WASHINGTON 98033-6189 (206) 828-1257

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### WITHDRAWAL OF DETERMINATION OF NON-SIGNIFICANCE (DNS)

**Case No.** SEP92-0035, Assumption of Rosehill Water District by the City of Kirkland Public Works Department


**Date Issued:** 10/8/92

**Proponent:** City of Kirkland Public Works Department

**Lead Agency:** City of Kirkland (acting as lead agency on behalf of the cities of Kirkland, Redmond and Bellevue.

**Reason for Withdrawal:** Pursuant to WAC 197-11-340.(3)(a) iii, the City of Kirkland, acting as lead agency, is withdrawing the DNS SEP92-0035 issued on 10/8/92 at the request of the proponent. The information contained within the environmental checklist, prepared September 17, 1992, may not have clearly described the proponent's proposed action of Dissolution of the Rosehill Water District as well as its Assumption. As a result of the DNS, SEP92-0035 does not include Dissolution of the District in its "Description of Proposal" section, only Assumption. A new threshold determination will be issued to replace SEP92-0035.

**Responsible Official:**

  
Eric Shields, Director  
Dept. of Planning and Community  
Development, 828-1257

2/17/93  
Date

**Address:** City of Kirkland  
123 5th Avenue  
Kirkland, WA 98033

(Over)

**Distributed to the following agencies and parties:**

Environmental Review Section, Department of Ecology, P.O. Box 47703, Olympia, WA 98504-7703

Department of Fisheries, (with plans) 115 General Administration Building, Olympia, WA 98504-8711

Department of Wildlife, 16018 Mill Creek Boulevard, Mill Creek, WA 98012

Seattle District, U.S. Army Corps of Engineers, P. O. Box C-3755, Seattle, WA 98124

Rose Hill Water District P. O. Box 539, Kirkland, WA 98033

King County Boundary Review Board, King County Courthouse, 516 3rd Ave., Room 402, Seattle, WA 98104

Department of Natural Resources, P.O. Box 68, Enumclaw, WA 98022-0068

Muckleshoot Tribal Council, Environmental Division, Fisheries Division, 39015 172nd S.E., Auburn, WA 98002

Office of Environmental Coordination, City of Bellevue, P.O. Box 90012, Bellevue, WA 98009-9013

Environmental Coordinator, Planning and Community Development, 15670 NE 85th, Redmond, WA 98052

Applicant/Agent: Jim Arndt, Public Works Derector, 123 5th Avenue, Kirkland, WA 98033

Gene Peterson, RH2 Engineering, 8383 158th Avenue, Redmond, Wa 98052

Jim Pidduck, Thomas, Gorud and Graves, 505 Market Street, Kirkland, Wa 98033  
John W. Milne, Inslee, Best, Doezie and Ryder, 2340 130th Avenue NE, Building D, P.O., Box C90016, Bellevue, WA 98009-9016  
James E. Haney, Ogden, Murphy and Wallace, 1601 5th Ave., Suite 2100, Seattle, WA 98101-1686

cc: SEPA Notebook  
Alphabetical File: Rose Hill Water District

Distributed by:  
Date:

*Betty L. Kalan*  
*2/17/93*



CITY OF KIRKLAND

123 FIFTH AVENUE KIRKLAND, WASHINGTON 98033-6189 (206)828-1257

DETERMINATION OF NONSIGNIFICANCE (DNS).  
CASE #:SEP93-0004 DATE ISSUED:02/17/93

DESCRIPTION OF PROPOSAL-----

The proposal is to assume the assets, employment of personnel, debt, and operations of Rose Hill Water District by the Cities of Kirkland, Redmond and Bellevue, leading to the dissolution of the District consistent with the provisions of RCW 35.13A. Kirkland is acting as lead agency.

PROPONENT: CITY PUBLIC WORKS DEPARTMENT

LOCATION OF PROPOSAL-----

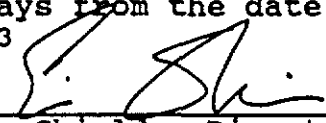
Rose Hill Water District is located in the Rose Hill Area of King County. The western portion of the district is located in the City of Kirkland. Most of the eastern portion of the district is located within the City of Redmond. A small area in the southern part of the district is located in the City of Bellevue.

LEAD AGENCY is The City of Kirkland on behalf of the cities of Kirkland, Redmond and Bellevue

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

This DNS is issued under 197-11-340(2); the lead agency will not act on this proposal for 15 days from the date above. Comments must be submitted by March 4, 1993

Responsible official:

  
Eric Shields, Director  
Department of Planning and Community Development  
828-1257

2/17/93  
Date

Address: City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033-6189

You may appeal this determination to LAURI ANDERSON at Kirkland City Hall, 123 Fifth Avenue, Kirkland, WA 98033 no later than March 11, 1993 by WRITTEN NOTICE OF APPEAL.

You should be prepared to make specific factual objections. Contact Lauri Anderson to read or ask about the procedures for SEPA appeals.

Please reference Case Number SEP93-0004

Publish in the Daily Journal American (date): 2/25/93

Distribute this form with a copy of the checklist to the following

Distributed to the following agencies and parties:

Environmental Review Section, Department of Ecology, P.O. Box 47703, Olympia, WA 98504-7703

Department of Fisheries, (with plans) 115 General Administration Building, Olympia, WA 98504-8711

Department of Wildlife, 16018 Mill Creek Boulevard, Mill Creek, WA 98012

Seattle District, U.S. Army Corps of Engineers, P. O. Box C-3755, Seattle, WA 98124

Rose Hill Water District P. O. Box 539, Kirkland, WA 98033

King County Boundary Review Board, King County Courthouse, 516 3rd Ave., Room 402, Seattle, WA 98104

Department of Natural Resources, P.O. Box 68, Enumclaw, WA 98022-0068

Muckleshoot Tribal Council, Environmental Division, Fisheries Division, 39015 172nd S.E., Auburn, WA 98002

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Environmental Coordinator, Planning and Community Development, 15670 NE 85th, Redmond, WA 98052

Applicant/Agent: Jim Arndt, Public Works Director, 123 5th Avenue, Kirkland, WA 98033

Gene Peterson, RH2 Engineering, 8383 158th Avenue, Redmond, Wa 98052

Jim Pidduck, Thomas, Gorud and Graves, 505 Market Street, Kirkland, Wa 98033  
John W. Milne, Inslee, Best, Doezie and Ryder, 2340 130th Avenue NE, Building D, P.O., Box C90016, Bellevue, WA 98009-9016  
James E. Haney, Ogden, Murphy and Wallace, 1601 5th Ave., Suite 2100, Seattle, WA 98101-1686

cc: SEPA Notebook  
Alphabetical File: Rose Hill Water District

Distributed by:

Date: 2-17-93

*Betty L. Holan*

## EXHIBIT "C"

## EXHIBIT "C"

PAGE 1 OF 3

**JOINT OWNERSHIP FACILITIES-WATER SUPPLY, STORAGE AND TRANSMISSION  
DISTRIBUTION OF OWNERSHIP AFTER ASSUMPTION  
(SEE NOTE 1)**

81-Jun-83

DESCRIPTION	LOCATION CITY AREA	ORIGINAL COST OR ESTIMATE	DISTRICT COST	CONTRACTUAL OWNERS BEFORE ASSUMPTION (SEE NOTE 2)				CONTRACTUAL O AFTER ASSUMPTIO (SEE NOTE 2)				CONTRACT REFERENCE
				RHW %	KRK %	BELL %	RED %	KRK %	RED %	BELL %		

**WATER SUPPLY FACILITIES**

WATER SUPPLY METERS FROM CITY OF SEATTLE STATION 5-12 INCH AT NE 116TH ST AND 132ND AVE NE FROM SEATTLE, WITH 12 X 4 PRV	KIRKLAND	\$45,000	\$42,000	15.0%	85.0%	0.0%	0.0%	91.2%	8.8%	0.0%	KRK/WD81/WD99-12/3/70 & KRK/WD81-3/22/83
STATION 7A-16 INCH AT SR 908 AND 132ND AVE NE FROM SEATTLE, WITH 10" & 12" BALL VALVES	REDMOND	\$32,000	\$16,000	50.0%	50.0%	0.0%	0.0%	70.6%	29.4%	0.0%	KRK/WD81/WD99-12/3/70
STATION 8-12 INCH AT NE 70TH ST AND 140TH AVE NE FROM SEATTLE, WITH 12" BALL VALVES AND 8" PRV	REDMOND	\$13,000	\$4,000	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%	KRK/WD81/WD99-12/3/70
WATER SUPPLY PRESSURE REGULATING STATIONS PRESURE REDUCING STATION SW TO 545 ZONE	KIRKLAND	\$27,000	\$27,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	KRK/WD81/WD99-12/3/70
PRESSURE REDUCING STATION SW TO 650 ZONE LOCATED AT N LN SW 1/4 SEC 10-25-5, 1100' W OF 140TH AVE NE	REDMOND	\$8,000	\$8,000	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%	KRK/WD81/WD99-12/3/70
PRESSURE REDUCING STATION SW TO 650 ZONE LOCATED AT NE 85TH ST AND 132ND AVE NE	KIRKLAND	\$33,000	\$33,000	50.0%	50.0%	0.0%	0.0%	70.6%	29.4%	0.0%	KRK/WD81/WD99-12/3/70
TOTAL WATER SUPPLY FACILITIES		\$158,000	\$130,000								

**PUMPING PLANT**

2000 GPM, TWO PUMPS WITH POWER GENERATION- 545 ZONE SW CORNER OF SR 908 AND 132ND AVE NE	REDMOND	\$466,000	\$94,000	60.5%	39.5%	0.0%	0.0%	64.4%	35.6%	0.0%	KRK/WD81-3/22/83
2500 GPM, ONE PUMP TO BE RELOCATED IN 1991-545 ZONE 131ST AVE NE AND NE 108TH ST	KIRKLAND	\$54,000	\$54,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	KRK/RHWD-10/16/91
3250 GPM, 5 PUMPS, ONE EQUIPED WITH VARIABLE FREQUENCY DRIVE-650 ZONE SE CORNER OF NE 65TH ST AND 130TH AVE NE	KIRKLAND	\$70,000	\$70,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.
TOTAL PUMPING PLANT		\$590,000	\$218,000								

**TRANSMISSION AND DISTRIBUTION**

STANDPIPES/RESERVOIRS											
RESERVOIRS											
11.2 MG STEEL SE CORNER OF NE 65TH ST AND 130TH AVE NE	KIRKLAND	\$730,600	\$182,200	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%	KRK/WD81/WD99-12/3/70
14.3 MG STEEL KIRKLAND MARK TWAIN PARK SW CORNER OF NE 108TH ST AND 132ND AVE NE	KIRKLAND	\$3,696,000		49.6%	50.4%	0.0%	0.0%	70.8%	29.2%	0.0%	KRK/RHWD-10/16/91
STANDPIPES											
1.5 MG STEEL (TO BE REPLACED IN 1991) SW CORNER OF NE 108TH ST AND 132ND AVE NE	KIRKLAND	\$191,000	\$191,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.
TOTAL STANDPIPES/RESERVOIRS		\$921,600	\$373,200								

## EXHIBIT "C"

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81-Jun-83

JOINT OWNERSHIP FACILITIES-WATER SUPPLY, STORAGE AND TRANSMISSION  
 DISTRIBUTION OF OWNERSHIP AFTER ASSUMPTION  
 (SEE NOTE 1)

DESCRIPTION	LOCATION CITY AREA	ORIGINAL COST OR ESTIMATE	DISTRICT COST	CONTRACTUAL OWNERS BEFORE ASSUMPTION (SEE NOTE 2)				CONTRACTUAL O AFTER ASSUMPTION (SEE NOTE 2)			CONTRACT REFERENCE				
				RHW %	KRK %	BELL %	RED %	KRK %	RED %	BELL %					
DISTRIBUTION															
REDMOND METERING STATIONS															
STATION 11-6 INCH AT NE 51ST ST AND W LK SAMMAMISH PKWY NE	REDMOND	\$14,000	\$0	0.0%	0.0%	0.0%	100.0	0.0%	100.0	0.0%	REDMD/WD81-4/13/65				
STATION R1-6 INCH AT LEARY WAY NE AND SAMMAMISH RIVER	REDMOND	\$16,000	\$0	0.0%	0.0%	0.0%	100.0	0.0%	100.0	0.0%	REDMD/RHWD-86				
STATION R2-6 INCH AT NE 85TH ST AND SAMMAMISH RIVER	REDMOND	\$16,000	\$0	0.0%	0.0%	0.0%	100.0	0.0%	100.0	0.0%	REDMD/RHWD-86				
STATION R3-6 INCH AT NE 51ST ST AND 156TH AVE NE	REDMOND	\$14,000	\$0	0.0%	0.0%	0.0%	100.0	0.0%	100.0	0.0%	REDMD/RHWD-86				
BELLEVUE METERING STATION															
STATION 10-6 INCH AT 140TH AVE NE AND NE 61ST ST	BELLEVUE	\$14,000	\$4,000	25.0%	0.0%	75.0%	0.0%	10.3%	14.7%	75.0%	KRK/WD81/WD99-12/3/70				
KIRKLAND METERING STATIONS-METERED SUPPLY TO KIRKLAND															
STATION 4-8 INCH AT NE 116TH ST AND I-405	KIRKLAND	\$34,000	\$5,000	50.0%	50.0%	0.0%	0.0%	70.6%	29.4%	0.0%	KRK/WD81/WD99-12/3/70				
STATION 2-12 INCH AT NE 85TH ST AND I-405	KIRKLAND	\$34,000	\$17,000	50.0%	50.0%	0.0%	0.0%	70.6%	29.4%	0.0%	& KRK/WD81-3/22/83				
STATION 1-12 INCH AT NE 60TH AND I-405	KIRKLAND	\$34,000	\$5,000	50.0%	50.0%	0.0%	0.0%	70.6%	29.4%	0.0%					
STATION 3-12 INCH AT NE 86TH ST AND I-405	KIRKLAND	\$34,000	\$17,000	50.0%	50.0%	0.0%	0.0%	70.6%	29.4%	0.0%					
SUBTOTAL METERING STATIONS		\$210,000	\$48,000												
TRANSMISSION MAINS-545 ZONE															
660'-12" DI ON 132ND AVE NE FROM NE 116TH ST TO 200' N OF NE 177TH ST	KIRKLAND	\$37,000	\$37,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.				
1649'-12" DI ON LAKE WASH VOTECH EASEMENT FROM NE 116TH ST TO 132ND AVE NE	KIRKLAND	\$86,000	\$0	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.				
120'-12" DI ON EASEMENT 350'W OF 132ND AVE NE FROM NE 108TH ST TO 135' S OF NE 108TH ST	KIRKLAND	\$2,000	\$2,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.				
350'-12 DI ON NE 108TH ST FROM 20' W OF 132ND AVE NE TO 370' W 132ND AVE NE	KIRKLAND	\$6,000	\$6,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.				
55'-16" DI ON 104TH AVE NE FROM E TO W SIDE OF 132ND AVE NE	KIRKLAND	\$4,000	\$4,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.				
9063'-16" DI ON 132ND AVE NE FROM NE 85TH ST TO NE 116TH ST	KIRKLAND	\$588,000	\$588,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%	N.A.				
895'-16" DI ON 132ND AVE NE FROM OLD REDMOND ROAD TO NE 65TH ST	KIRKLAND	\$58,000	\$58,000	60.5%	39.5%	0.0%	0.0%	64.4%	35.6%	0.0%	N.A.				
2500'-16" ON NE 66TH ST, 135TH AVE NE, & 136TH AVE NE FROM 132ND AVE NE TO S LN SW 1/4 SEC 10-25-5	REDMOND	\$55,000	\$14,000	25.0%	0.0%	75.0%	0.0%	10.3%	14.7%	75.0%	KRK/WD81/WD99-12/3/70				
1370'-16" DI ON S LN SW 1/4 SEC 10-25-5 FROM 136TH AVE NE TO 140TH AVE NE	REDMOND	\$27,000	\$7,000	25.0%	0.0%	75.0%	0.0%	10.3%	14.7%	75.0%	KRK/WD81/WD99-12/3/70				
485'-16" DI ON NE 65TH ST FROM 132ND AVE NE TO 11.2 MG RESERVOIR	KIRKLAND	\$9,000	\$3,000	25.0%	0.0%	75.0%	0.0%	10.3%	14.7%	75.0%	KRK/WD81/WD99-12/3/70				
700'-16" DI ON 132ND AVE NE FROM OLD REDMOND ROAD TO NE 66TH ST	KIRKLAND	\$13,000	\$5,000	25.0%	0.0%	75.0%	0.0%	10.3%	14.7%	75.0%	KRK/WD81/WD99-12/3/70				
280'-20" DI ON NE 65TH ST FROM 305' W TO 132ND AVE NE	KIRKLAND	\$8,000	\$1,000	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%	KRK/WD81/WD99-12/3/70				
4115'-20" CI ON 116TH AVE NE FROM 132ND AVE NE TO I-405	KIRKLAND	\$103,000	\$15,000	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%	KRK/WD81/WD99-12/3/70				

## EXHIBIT "C"

PAGE 3 OF 3

JOINT OWNERSHIP FACILITIES-WATER SUPPLY, STORAGE AND TRANSMISSION  
DISTRIBUTION OF OWNERSHIP AFTER ASSUMPTION  
(SEE NOTE 1)

81-Jun-83

DESCRIPTION	LOCATION CITY AREA	ORIGINAL COST OR ESTIMATE	DISTRICT COST	CONTRACTUAL OWNERS BEFORE ASSUMPTION (SEE NOTE 2)				CONTRACTUAL O AFTER ASSUMPTION (SEE NOTE 2)				CONTRACT REFERENCE
				RHW	KRK	BELL	RED	KRK	RED	BELL		
560'-20" DI ON 132ND AVE NE FROM OLD REDMOND ROAD TO NE 70TH ST	KIRKLAND	\$12,000	\$4,000	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%		KRK/WD81/WD99-12/3/70
2870'-20" DI ON NE 70TH ST FROM 132ND AVE NE TO 140TH AVE NE	REDMOND	\$59,000	\$22,000	36.6%	50.0%	13.4%	0.0%	65.1%	21.5%	13.4%		KRK/WD81/WD99-12/3/70
4280'-24" DI ON 132ND AVE NE FROM NE 70TH ST TO SR-908(NE 85TH ST)	KIRKLAND	\$370,000	\$185,000	60.5%	39.5%	0.0%	0.0%	64.4%	35.6%	0.0%		KRK/WD81-3/22/83
TRANSMISSION MAINS-650 ZONE												
1250'-12" AC ON OLD REDMOND ROAD FROM 132ND AVE NE TO 136TH AVE NE		\$10,000	\$10,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%		N.A.
320'-12" DI ON NE 65TH ST FROM 132ND AVE NE TO 280' E OF 130TH AVE NE		\$8,000	\$8,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%		N.A.
2150'-12" DI ON 132ND AVE NE FROM OLD REDMOND ROAD TO NE 60TH ST		\$75,000	\$75,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%		N.A.
285'-12" DI ON NE 65TH ST FROM 130TH AVE NE TO 280' E OF 130TH AVE NE		\$5,000	\$5,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%		N.A.
1080'-12" DI ON 130TH AVE NE FROM NE 65TH ST TO NE 70TH ST		\$16,000	\$16,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%		N.A.
950'-12" DI ON NE 70TH ST FROM 132ND AVE NE TO 130TH AVE NE		\$60,000	\$60,000	100.0	0.0%	0.0%	0.0%	41.2%	58.8%	0.0%		N.A.
SUBTOTAL TRANSMISSION MAINS		\$1,611,000	\$1,125,000									
TOTAL DISTRIBUTION FACILITIES		\$1,821,000	\$1,173,000									
TOTAL JOINT FACILITIES		\$3,490,600	\$1,894,200									

## NOTES:

(1) JOINT FACILITIES MAY NOT INCLUDE CONSTRUCTION WORK IN PROGRESS ON OR AFTER 12/31/91.

DISTRIBUTION OF ROSEHILL OWNERSHIP IN THESE FACILITIES WILL BE AS FOLLOWS:

CITY OF KIRKLAND 41.19 %  
CITY OF REDMOND 58.81 %

(2) PARTICIPANTS IN JOINT OWNERSHIP ARE ABBREVIATED AS FOLLOWS:

RHWD ROSEHILL WATER DISTRICT  
KRK CITY OF KIRKLAND  
REDMD CITY OF REDMOND  
BELL CITY OF BELLEVUE

ROSE HILL WATER DISTRICT CAPITAL IMPROVEMENT PROJECT (REV 3/10/93)			
YEAR	WITHIN CITY OF REDMOND	WITHIN CITY OF KIRKLAND	TOTAL
1993	\$969,350.00	\$525,430.00	\$1,494,780.00
1994	\$427,035.00	\$562,905.00	\$989,940.00
1995	\$344,250.00	\$473,340.00	\$817,590.00
TOTAL	\$1,740,635.00	\$1,561,675.00	\$3,302,310.00

FILE: RHWD.WK1

DATE: 1/92 (REV 3/10/93)

PROJECT: LOTUS

FILE: RHWD.WK1

ROSE H. WATER DISTRICT  
WATER LINE REPLACEMENT PROGRAM  
1993 CONSTRUCTION SCHEDULE

LINE	LOCATION	FROM	TO	EXISTING SIZE AND TYPE	AGE	NEW SIZE (DUCTILE IRON)	LENGTH	1993 COST
KIRKLAND (1993)								
1	NE 100TH ST	124TH AVE NE	128TH AVE NE	NONE	-	8"	1,830	\$95,160.00
2	NE 102ND PL	128TH AVE NE	132ND AVE NE	6" AC	1962	8"	1,325	\$68,900.00
3	NE 112TH ST	128TH AVE NE	132ND AVE NE	6" AC	1959	8"	1,405	\$73,060.00
4	NE 113TH ST	128TH AVE NE	132ND AVE NE	6" AC	1963	8"	1,405	\$73,060.00
5	SLATER AVE NE	NE 126TH PL	470' W'LY OF NE 123RD ST	8" AC	1956 TO 64	12"	1,970	\$147,750.00
6	NE 126TH PL	SLATER AVE NE	900' E'LY OF SLATER AVE NE	8" AC	1964	12"	900	\$67,500.00
				TOTAL 1993 ESTIMATED PROJECT COST				
				TOTAL 12" 2,870 LF X \$75 = \$215,250				
				TOTAL 8" 5,965 LF X \$52 = \$310,180				
				\$525,430.00				

EXHIBIT "D"

DATE: 7/92 (REV 3/10/93)

PROGRAM: LOTUS

FILE: RHWD.WK1

ROSE HILLYER WATER DISTRICT  
WATER LINE REPLACEMENT PROGRAM  
1994 CONSTRUCTION SCHEDULE

LINE	LOCATION	FROM	TO	EXISTING SIZE AND TYPE	AGE	NEW SIZE (DUCTILE IRON)	LENGTH	1993 COST
KIRKLAND (1994)								
1	NE 75TH ST	122ND AVE NE	130TH AVE NE	6" AC	1963 & 1967	8"	2,645	\$137,540.00
2	127TH AVE NE	NE 75TH ST	CUL-DE-SAC S	4" AC	1967	2"	180	\$6,300.00
3	129TH AVE NE	NE 75TH ST	CUL-DE-SAC S	4" AC	1963	2"	200	\$7,000.00
4	128TH AVE NE	NE 73RD ST	NE 75TH ST	6" AC	1963	8"	470	\$24,440.00
5	NE 72ND ST	124TH AVE NE	126TH AVE NE	6" AC	1961	8"	615	\$31,980.00
6	NE 73RD ST	124TH AVE NE	126TH AVE NE	6" AC	1961	8"	615	\$31,980.00
7	130TH AVE NE	NE 73RD ST	NE 75TH ST	6" AC	1963	8"	470	\$24,440.00
8	NE 74TH ST	130TH AVE NE	CUL-DE-SAC E	4" AC	1963	2"	210	\$7,350.00
9	124TH AVE NE	NE 70TH ST	NE 75TH ST	4" AC & 6" AC	1963	8"	1,300	\$67,600.00
10	NE 73RD ST	128TH AVE NE	132ND AVE NE	6" AC	1959	8"	1,330	\$69,160.00
11	128TH AVE NE	30' S'LY OF NE 107TH PL	NE 104TH ST	6" AC	1961	8"	1,125	\$58,500.00
12	NE 69TH ST	120TH AVE NE	210' W'LY OF 120TH AVE NE	6" AC	UNKNOWN	2"	205	\$7,175.00
13	NE 120TH AVE NE	NE 70TH ST	535' S'LY OF NE 70TH ST	6" AC	UNKNOWN	8"	550	\$28,600.00
14	124TH AVE NE	300' S'LY OF NE 85TH ST	NE 80TH ST	6" AC	1961	8"	1,170	\$60,840.00

TOTAL 1994 ESTIMATED PROJECT COST

\$562,905

TOTAL 8" (KIRKLAND) 10,290 LF x \$52 = \$535,080

TOTAL 2" (KIRKLAND) 785 LF x \$35 = \$27,825



DATE: 8/7/92 (REV 3/10/93)

PROGRAM: LOTUS

FILE: JWD.WK1

ROSE HILL WATER DISTRICT  
WATER LINE REPAIR-CEMENT PROGRAM  
1995 CONSTRUCTION SCHEDULE

LINE	LOCATION	FROM	TO	EXISTING SIZE AND TYPE	AGE	NEW SIZE DUCTILE IRON	LENGTH	1993 COST
KIRKLAND (1995)								
1	116TH AVENUE	NE 67TH ST	NE 60TH ST	6" AC	1961	8"	1940	\$100,880.00
2	NE 88TH ST	130TH AVENUE	132ND AVENUE	6" AC	1961	8"	710	\$36,920.00
3	130TH AVENUE	NE 87TH ST	NE 88TH ST	6" AC	1961	8"	310	\$16,120.00
4	NE 87TH ST	130TH AVENUE	131 ST AVENUE	6" AC	1961	8"	280	\$14,560.00
5	131ST AVENUE	NE 85TH ST	NE 87TH ST	4" & 6" AC	1961	8"	480	\$24,960.00
6	NE 112TH PL	126TH AVENUE	CUL-DE-SAC E	4" AC	1961	2"	160	\$5,600.00
7	126TH AVENUE	100' S'LY OF NE 113TH CT	240' N'LY OF NE 107TH PL	6" AC	1961	8"	1620	\$84,240.00
8	NE 112TH PL	124TH AVENUE	126TH AVENUE	6" AC	1961	8"	490	\$25,480.00
9	NE 108TH PL	124TH AVENUE	126TH AVENUE	6" AC	1961	8"	590	\$30,680.00
10	NE 109TH ST	127TH PL NE	126TH PL NE	6" AC	1961	8"	410	\$21,320.00
11	127TH PL NE	NE 110TH ST	NE 109TH ST	6" AC	1961	8"	440	\$22,680.00
12	NE 110TH ST	300' W'LY 127TH PL NE	127TH PL NE	6" AC	1961	8"	300	\$15,600.00
13	NE 83RD ST	128TH AVENUE	CUL-DE-SAC E	6" AC	1967	8"	1015	\$52,780.00
14	NE 111TH PL	127TH AVENUE	127TH PL NE	6" AC	1961	8"	410	\$21,320.00

TOTAL 1995 ESTIMATED PROJECT COST \$473,340.00

TOTAL 8" 8,995 LF X \$52 = \$467,740

TOTAL 2" 160 LF X \$35 = \$5,600

ROSE HILL WATER DISTRICT CAPITAL IMPROVEMENT PROJECT (REV 3/10/93)			
YEAR	WITHIN CITY OF REDMOND	WITHIN CITY OF KIRKLAND	TOTAL
1993	\$969,350.00	\$525,430.00	\$1,494,780.00
1994	\$427,035.00	\$562,905.00	\$989,940.00
1995	\$344,250.00	\$473,340.00	\$817,590.00
TOTAL	\$1,740,635.00	\$1,561,675.00	\$3,302,310.00

FILE: RHWD.WK1

DATE: 3-32 (REV 3/10/93)  
 PROGRAM: LOTUS  
 FILE: RHW.D.WK1

ROSE HILLS WATER DISTRICT  
 WATER LINE REPLACEMENT PROGRAM  
 1993 CONSTRUCTION SCHEDULE

LINE	LOCATION	FROM	TO	EXISTING SIZE AND TYPE	AGE	NEW SIZE (DUCTILE IRON)	LENGTH	1993 COST
REDMOND (1993)								
1	132ND AVE NE	NE 104TH ST	NE 114TH ST	8" STEEL	25 YEARS	ABANDON RECONNECT SERVICES TO ABANDON EXIST. 16"		
2	132ND AVE NE	NE 100TH ST	NE 104TH ST	6" AC	1951			\$32,100.00
3	OLD REDMOND RD	140TH AVE NE	148TH AVE NE	8" AC	1961	16"	2,700	\$243,000.00
4	148TH AVE NE	NE 70TH ST	NE 60TH ST	8" AC	1961	16"	2,630	\$236,700.00
5	NE 61ST CT	147TH PL NE	148TH AVE NE	8" DI	UNKNOWN	12"	200	\$15,000.00
6	NE 51ST ST	SR 520	159TH AVE NE	8" AC	1961	12"	2,350	\$176,250.00
7	NE 60TH ST	SR 520	156TH AVE NE	6" AC	UNKNOWN	12"	500	\$37,500.00
8	156TH AVE NE	NE 51ST ST	NE 60TH ST	6" AC	UNKNOWN	8"	2,400	\$124,800.00
9	158TH PL / 159TH AVE NE	NE 51ST ST	NE 56TH ST	6" AC	UNKNOWN	8"	2,000	\$104,000.00
TOTAL 1993 ESTIMATED PROJECT COST \$969,350.00 TOTAL 16" 5,330 LF X \$90 = \$479,700 TOTAL 12" 3,050 LF X \$75 = \$228,750 TOTAL 8" 4,400 LF X \$52 = \$228,800 RECONNECT SERVICES = \$32,100								

DA 87/92 (REV 3/10/93)  
 PROGRAM: LOTUS  
 FILE: RHWD.WK1

ROSE HILL WATER DISTRICT  
 WATER LINE REPLACEMENT PROGRAM  
 1994 CONSTRUCTION SCHEDULE

LINE	LOCATION	FROM	TO	EXISTING SIZE AND TYPE	AGE	NEW SIZE (DUCTILE IRON)	LENGTH	1993 COST
REDMOND (1994)								
1	140TH AVE NE	NE 80TH ST	110' S'LY OF NE 70TH PL	8" AC	1961	12"	2,760	\$207,000.00
2	NE 83RD ST	134TH AVE NE	135TH PL NE	6" AC	1968	12"	500	\$37,500.00
3	134TH PL NE	NE 83RD PL	300' S'LY	6" AC	1968	8"	55	\$2,860.00
4	135TH PL NE	NE 80TH ST	NE 83RD ST	6" AC	1965	2"	245	\$8,575.00
5	NE 80TH ST	135TH PL NE	140TH AVE NE	6" AC	1951	12"	730	\$54,750.00
6	NE 58TH ST	156TH AVE NE	110' W'LY OF 156TH AVE NE	4" AC	1963	2"	1,500	\$112,500.00
							110	\$3,850.00

TOTAL 1994 ESTIMATED PROJECT COST \$427,035.00  
 TOTAL 12" 5,490 LF X \$75 = \$411,750  
 TOTAL 8" 55 LF X \$52 = \$2,860  
 TOTAL 2" 355 LF X \$35 = \$12,425

DATE: 1/92 (REV 3/10/93)  
 PROGRAM: LOTUS  
 FILE: RHWD.WK1

ROSE HAVEN WATER DISTRICT  
 WATER LINE REPLACEMENT PROGRAM  
 1995 CONSTRUCTION SCHEDULE

LINE	LOCATION	FROM	TO	EXISTING SIZE AND TYPE	AGE	NEW SIZE (DUCTILE IRON)	LENGTH	1993 COST
REDMOND (1995)								
1	NE 90TH ST	470' E'LY OF WILLOWS RD NE	151ST AVE NE	8" DI & AC	1967	12"	260	\$19,500.00
2	151ST AVE NE	NE 90TH ST	300' N'LY OF NE 90TH ST	8" AC	1967	12"	300	\$22,500.00
3	WILLOWS RD NE	400' M'LY OF NE 80TH ST	140' S'LY OF NE 90TH ST	8" AC	1961 - 64	12"	2,360	\$177,000.00
4	NE 87TH ST	210' E'LY OF 148TH AVE NE	WILLOWS RD NE	6" AC	1961	12"	940	\$70,500.00
5	NE 80TH ST	151ST AVE NE	WILLOWS ROAD NE	8" AC	1961	12"	730	\$54,750.00
				TOTAL 1995 ESTIMATED PROJECT COST				
				\$344,250.00				
				TOTAL 12" 4590 LF X \$75 = \$344,250.00				

EXHIBIT "F"

to Assumption Agreement

**INTERLOCAL OPERATION AND MAINTENANCE AGREEMENT**

This Agreement is made by and between the Cities of Kirkland ("Kirkland"), Redmond, ("Redmond"), and Bellevue, ("Bellevue"), municipal corporations in King County, Washington, collectively referred to as the "Cities" for the purposes set forth herein.

RECITALS

A. The Cities are, contemporaneously with their approval of this Interlocal Operation and Maintenance Agreement, approving an Assumption Agreement whereby the Cities are assuming the assets, liabilities and operations of the Rose Hill Water District, a municipal corporation in King County, Washington ("District").

B. Prior to the assumption of the District by the Cities, Kirkland and Bellevue maintained jointly owned water facilities with the District pursuant to various interlocal agreements providing for such. In addition, Redmond entered into certain interlocal agreements with the District regarding water system operation and water supply. Upon the effective date of the assumption of the District by the Cities, the Cities will assume ownership and responsibility for the District's water supply facilities within the Cities' respective service areas. However, certain District facilities will continue to be jointly owned and operated by the Cities in accordance with the terms of the Assumption Agreement and their respective undivided ownership interests in such facilities.

C. The purpose of this Agreement is to provide for the respective responsibilities and obligations of the Cities to provide for the ongoing operation and maintenance of water supply facilities ("joint facilities") within the common service areas as further described in this Agreement.

D. The Cities are authorized by Chapter 39.34 RCW, the Interlocal Cooperation Act, to enter into interlocal agreements for the joint action referenced herein.

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

1. Service Areas. Each City shall be the direct provider of water service within its service area. For purposes of this Agreement, "service area" means that portion of the District that overlays a portion of each City's incorporated area as more generally described further

in this section. The service area for Bellevue shall be that area existing within the Bellevue city limits as of the effective date of this Agreement. The service area for Kirkland shall be that area existing within the Kirkland city limits as of the effective date of this Agreement and any District areas in unincorporated King County lying west of 132nd Avenue NE. The service area for Redmond shall be that area existing within the Redmond city limits as of the effective date of this Agreement and any District areas in unincorporated King County lying east of 132nd Avenue NE. If any unincorporated area is subsequently annexed into a City, the annexed area shall remain in or be transferred to the service area of the annexing City.

2. Meter Areas. Within each City there are hereby established "direct read meter areas" and "master meter areas."

a. Direct read meter areas are those between the Seattle meters as installed within the District water system as of the effective date of this Agreement and the points at which master meters for the Cities exist or are installed in the future.

b. Master meter areas are those areas downstream from City master meters outside of existing District service areas.

c. City master meters are those meters placed at or near the boundaries of the District that meter water to areas outside the District called master meter areas.

3. Water Supply. Kirkland shall purchase water from The City of Seattle ("Seattle") or other regional water supply authority at Kirkland's sole discretion for supply to the service areas of all three Cities and shall sell water to Redmond and Bellevue. In the event any portion of Bellevue's direct service area lies within a Redmond master meter area, then Redmond shall sell water to Bellevue to serve such area. In the event Kirkland terminates its water purveyor contract with Seattle, as identified in Section 9 herein, and in section 5 of the Assumption Agreement, Kirkland assumes no responsibility for water supply to the other Cities beyond the effective date of said termination; provided, however, that such contract termination must be made in accordance with the terms and conditions of Kirkland's purveyor contract with Seattle.

4. Water Usage. The water usage within the direct read meter areas shall be referred to as "retail water" and the water usage through master meters shall be referred to as "wholesale water." The water loss within the direct read meter areas to uses including but not limiting to flushing,

construction, leakage and firefighting shall be referred to as "unaccounted water." The usage of each City shall be computed for retail water, wholesale water and unaccounted water separately. Unaccounted water usage shall be determined by subtracting the wholesale water usage and retail water usage for each of the three Cities from the quantity of water purchased from The City of Seattle. The unaccounted water shall then be allocated to each of the Cities in proportion to the amount of retail water used within each City's service area.

5. Operation and Maintenance. Kirkland, Redmond and Bellevue shall be responsible for the operation and maintenance of any facilities jointly owned by the Cities, such joint facilities being described in Exhibit C of the Assumption Agreement and incorporated herein by this reference. Redmond shall operate, maintain and repair any jointly owned water lines within the Redmond service area. Kirkland shall operate, maintain and repair all other joint facilities as described in such Exhibit C.

6. Establishment of a Joint Board. The Cities hereby establish a Joint Board which shall be responsible for the planning and performance of operations, maintenance, extraordinary maintenance, repair and replacement of the joint facilities. The Joint Board shall meet at least annually and shall be comprised of the Public Works Director (or equivalent department head) of each City or his/her designee.

A quorum at any meeting of the Joint Board shall consist of a simple majority of the Joint Board's membership. All Joint Board members shall have one equal vote and, except as provided otherwise herein, all actions required to be authorized by vote of the Joint Board shall require approval of a majority of those present; provided however, that if the proposed action directly pertains to the operations, maintenance, extraordinary maintenance, repair or replacement of a particular jointly-owned facility, then the Joint Board action shall be by weighted majority vote based on the percentage of ownership interest of each City in the particular jointly owned facility to be maintained and operated, repaired or replaced.

7. Water Supply, Operation and Maintenance Costs. Costs for water supply and water system operation, maintenance, extraordinary maintenance, repair and replacement as further defined herein, shall be shared by the Cities and shall consist of the following components:

a. Water Charges: The water rates for wholesale water, retail water and unaccounted water shall be the commodity rates charged by the City of Seattle for the type of water (old, new) and for the period consumed



(summer, winter). This rate shall also include but not be limited to emergency surcharges and applicable commodity or other charges or surcharges established by the City of Seattle.

b. Meter Charges: The meter charges for the City of Seattle master meters shall initially be allocated to each City as follows:

Kirkland:	65%
Redmond:	35%
Bellevue:	0%

The percentage allocation of meter charges to the Cities shall be reviewed annually by the Joint Board on or about January 1 and shall be adjusted, if deemed necessary by the Joint Board, based upon the total quantity of water through the direct read meters, city master meters and unaccounted water for each City in proportion to the total quantity of water through the Seattle meters for the previous year.

There shall be no charges for any City-operated master meter. Costs associated with the operation and maintenance of master meters shall be borne by the City served by the master meter. City operated master meters will be tested and calibrated every two (2) years by the City served by the master meter.

c. Operation Charges. Kirkland shall assess Redmond and Bellevue for their proportionate shares of labor and costs incurred in the daily operation of the joint facilities based on their respective ownership interests in the joint facilities. Operation of the joint facilities shall include but not be limited to the operation of the instrumentation/control systems for such joint facilities, and for controlling the rate of flow from the Seattle supply facilities. The operation charges shall initially be as follows (and shall be subject to periodic review by the Joint Board at least every two (2) years and equitable adjustment based on actual labor costs and expenses incurred by Kirkland): Redmond - \$\_\_\_\_\_ and Bellevue - \$\_\_\_\_\_.

d. Maintenance Charges: Kirkland shall assess Redmond and Bellevue, based on their respective ownership interests in the joint facilities, for providing routine maintenance of and repairs to the joint facilities for which Kirkland is responsible. These maintenance and repair activities include but are not limited to maintenance and repair of the instrumentation/control system for the joint facilities, maintenance and repair of the reservoir,

jointly owned pipelines, pumping facilities, reservoir control facilities, landscape maintenance and groundskeeping for the various joint facilities, water line leak repairs, and other activities of a similar nature. The Cities' ownership interests in the joint facilities are identified in Exhibit C of the Assumption Agreement and incorporated herein by reference.

The maintenance charges shall initially be as follows (and shall be subject to periodic review by the Joint Board at least every two (2) years and equitable adjustment based on actual labor costs and expenses incurred by Kirkland): Redmond - \$\_\_\_\_\_ and Bellevue - \$\_\_\_\_\_.

e. Administration Charges: Kirkland shall assess Redmond and Bellevue for their proportionate shares of the administrative costs incurred by Kirkland to provide administrative activities and duties for this Agreement and operation and maintenance of the joint facilities for which Kirkland is responsible. These administrative activities include but are not limited to coordination with the City of Seattle, financial and accounting services, record keeping, and billing. The administrative charges shall initially be as follows (and shall be subject to periodic review by the Joint Board at least every two (2) years and equitable adjustment based on actual labor costs and expenses incurred by Kirkland): Redmond - \$\_\_\_\_\_ and Bellevue - \$\_\_\_\_\_.

f. Insurance: The Joint Board shall determine the nature and amount of hazard and liability insurance to be provided for the joint facilities and their operation. Each City may but shall not be required to maintain casualty insurance for all risks of direct physical loss from external cause on the jointly-owned facilities to the extent of their interest at the current replacement cost of such improvements, which costs shall be updated annually. The Cities may agree that one of the Cities may obtain such insurance naming the other Cities as named insureds and for the sharing of the costs of such insurance.

g. Special Assessments.

1. Special Assessments for Emergency Items. Special assessments shall be made for emergency maintenance, repair and replacement activities of the joint facilities. Emergency maintenance, repair or replacement activities shall be defined as maintenance, repair or replacement of joint use facilities requiring immediate attention and,

without such attention, could cause a disruption to water supply or quality. The Joint Board shall have the authority to approve and assess such special assessments based on actual costs of such emergency maintenance, repair or replacement activities as demonstrated by an accounting of time and materials; provided, however, any such special assessment approved by the Joint Board, to the extent it exceeds \$50,000.00 for any City, shall not obligate such City until and unless approved by that City, unless that City delegates by appropriate legislative action the authority to its representative on the Joint Board to approve a larger special assessment on its behalf. This amount may be adjusted every five (5) years by the Joint Board by an amount not to exceed increased costs due to inflation. In calculating such adjustments, the Joint Board may rely on consumer price indices for the Seattle-Metropolitan area and similar locally available indices. Time and materials shall include labor, benefits, overhead, materials, taxes and contract amounts. Overhead shall be 100% of direct labor and benefit costs. Each City shall be assessed such special assessment based on its respective ownership interest in the joint facility under emergency maintenance or repair.

2. Special Assessments for Extraordinary Items. Special assessments may also be made for extraordinary maintenance, repair and replacement activities of the joint facilities. Extraordinary maintenance, repair and replacement activities may include but are not limited to coating, replacement, and structural repairs of the water storage facilities, and replacement of joint facilities (pipelines, pumps, motors, valves, faults, supply meters and structures).

3. In the event any of the joint facilities are destroyed or irreparably damaged by any cause, the facility so destroyed or damaged shall be promptly replaced by the Cities and the cost thereof shall be paid in the same proportion as the ownership of the facility destroyed or irreparably damaged; Provided, however, the Cities may, by unanimous agreement, determine that such facilities need not be replaced or reconstructed if the Joint Board finds the facilities are no longer necessary to the efficient provision of water supply.

h. Charge Adjustment Process. The operations, maintenance and administrative charges set forth above

shall be subject to periodic review and equitable adjustment by the Joint Board based on actual labor costs and expenses incurred by Kirkland. A cost of service study shall be prepared at least every five (5) years or sooner if requested by any City to review such charges. The cost of service study shall be prepared by an independent consultant if requested by any City. The Joint Board shall have the authority to revise operations, maintenance and administrative charges based on the cost of service study.

8. Water Supply, Operation and Maintenance Payments.

a. Meter Reading. The Cities shall read their master meters and direct read meters as follows:

1. Redmond: Kirkland shall read Redmond's master meters at least monthly. Redmond shall read its direct read meters monthly or bimonthly in accordance with Redmond's policies and procedures. Redmond shall report to Kirkland the retail usage and the meter read dates within thirty (30) days of meter reading.

2. Bellevue: Kirkland shall read Bellevue's master meters at least monthly. Bellevue shall read its direct read meters monthly or bimonthly in accordance with Bellevue policies and procedures. Bellevue shall report to Kirkland the retail usage and meter read dates within thirty (30) days of meter reading. If Bellevue is within a Redmond master meter area, then Redmond shall read the master meter and Bellevue shall report to Redmond the retail usage and meter read dates within thirty (30) days of meter reading.

3. Kirkland: Kirkland shall read its master meters at least monthly and shall read its direct read meters monthly or bimonthly in accordance with Kirkland policies and procedures.

b. Supply and Consumption Reports. Kirkland shall prepare a supply and consumption report for each quarter of the year within ninety (90) days of the end of each such quarter. The report shall indicate the total purchased supply, the wholesale usage and retail water usage reported by each City, and the unaccounted water usage calculated for each City. This report shall correlate the total purchased supply and reported usages to actual calendar periods of use as may be determined based on the varying meter read dates and frequency of meter readings. This report shall indicate the type of water used (old, new) and the period of use (summer, winter).

c. Billings and Payments. Kirkland shall invoice Redmond and Bellevue monthly for estimated water usage. Estimated water usage shall be established from prior years' actual consumption records. With each quarterly supply and consumption report an invoice shall be prepared based on actual usage. Redmond and Bellevue shall pay their respective invoices within thirty (30) days of receipt.

9. Seattle Water Purveyor Contract. The parties acknowledge that the District has assigned its water purveyor contract with the City of Seattle to Kirkland pursuant to the Assumption Agreement and that Kirkland is a wholesale purveyor of water to Redmond and Bellevue. As set forth in the Assumption Agreement, Kirkland agrees to apportion its purveyor committee weighted votes between Kirkland and Redmond as allowed and provided by the Seattle Purveyors Committee By-laws. Kirkland further agrees to allocate between the Cities the flushing allowance provided for in the water purveyor contract.

The water purveyor contract also provides in section III F therein for a purveyor facilities account. That section provides for identification and compensation for certain facilities that have been allocated to and paid for by the purveyors. Any allocation or credit to Kirkland under the purveyor contract in the event of the application of Section III F shall be reallocated by Kirkland to the three Cities based upon each City's proportion by meter equivalents within the area encompassed by the District boundaries on the effective date of assumption and the Kirkland service area.

10. Status of Parties. This Agreement shall not be construed to establish a partnership, joint venture or any other legal relationship between the parties hereto except as common owners of the jointly owned facilities.

11. Successors. This agreement and its terms and conditions shall be binding upon the successors and assigns of the parties hereto.

12. Change in Proportion of Use or Ownership. The Cities may agree to adjust the use and/or ownership of the joint facilities identified in this Agreement and exhibits hereto as either a permanent amendment to this Agreement or as a temporary arrangement, and may agree that one party will pay the other party on an agreed basis for such permanent or temporary use of all or part of the other parties' contract share of the joint facilities.

13. Term and Termination. The term of this Agreement shall commence contemporaneously with the effective date of

the Assumption Agreement, as identified in Section 1.4 of said Agreement. This Agreement shall remain in effect until terminated by mutual agreement of the three (3) Cities. Upon termination of this Agreement, the disposition of the jointly owned facilities shall be in accordance with the ownership interests identified in Exhibit C of the Assumption Agreement; and all other property acquired during the life of this Agreement shall be distributed to the contributing City or Cities to the extent of such City's or Cities' contribution(s).

14. Emergencies, Notice and Response. In the event of an emergency condition occurring in the water system within the service areas of any of the Cities, the City experiencing the emergency condition shall, upon learning of the condition, endeavor to immediately notify the other Cities. The Joint Board shall establish procedures for such notification providing as a minimum, a priority of names and telephone numbers for notification. The parties so notified shall, if requested and to the extent practicable, render emergency assistance to the other party and modify their system operations and control to the extent practicable as reasonably necessary to meet the emergency. In the event of such emergency, the party experiencing the emergency shall reimburse the other parties for the reasonable cost of any assistance provided.

15. Records. Kirkland shall maintain records indicating all operation and maintenance and administrative costs and charges. Kirkland shall also maintain records indicating maintenance schedules for the joint facilities for which Kirkland is responsible and identifying actual maintenance performed.

16. Indemnification. Each City agrees to defend, indemnify, and hold the other Cities harmless from any and all losses, claims, demands, payments, suits, liabilities, or judgments of every nature and description brought or recovered against the other Cities for damages suffered, or alleged to be suffered by persons or property caused by or resulting from the operation or maintenance of the joint facility as described herein, except to the extent such damages resulted from the negligence of the other Cities.

17. Notice and Communications. All notices and other formal communications to be given or any documents to be delivered by any party to any other party shall be delivered in person or mailed by certified mail and addressed to the respective parties at the following addresses:

To Kirkland at:        Director of Public Works  
                         City of Kirkland  
                         123 Fifth Avenue  
                         Kirkland, Washington 98033

To Redmond at:            Director of Public Works  
                             City of Redmond  
                             15670 NE 85th Street  
                             Redmond, Washington 98052

To Bellevue at:           Utility Director  
                             City of Bellevue  
                             PO Box 90012  
                             Bellevue, WA 98009-9012

18. Modification of Agreement. This Agreement may be amended, modified or added to only by written instrument properly signed by all parties hereto.

19. Superseding Agreement. This Agreement supersedes the following agreements previously executed by the Cities and the respective parties referenced therein which shall have no further force and effect:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

20. Severability. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Agreement shall not affect the validity of the remainder of the Agreement.

21. Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated document.

22. Filing and Effective Date. This Agreement shall be filed with the King County Department of Records and Elections and the Secretary of State of the State of Washington and shall take effect contemporaneously with the effective date of the Assumption Agreement.

CITY OF KIRKLAND

Approved as to Form:  
OFFICE OF THE KIRKLAND  
CITY ATTORNEY

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

CITY OF REDMOND

Approved as to Form:  
OFFICE OF THE REDMOND  
CITY ATTORNEY

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

CITY OF BELLEVUE

Approved as to Form:  
OFFICE OF THE BELLEVUE  
CITY ATTORNEY

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

6city93\operagre\rijp:nmw  
6/16/93



## EXHIBIT "G"

## EXHIBIT "G"

ROSEHILL WATER DISTRICT ASSUMPTION AGREEMENT  
MONTHLY ALLOCATION OF OLD WATER PURCHASED FROM CIT

01-Jun-93

MONTH	KIRKLAND ALLOCATION (CCF)	REDMOND ALLOCATION (CCF)	BELLEVUE ALLOCATION (CCF)	TOTAL SEATTLE OLD WATER ALLOWANCE (CCF)
PROPOSED ALLOCATION AFTER ASSUMPTION				
JANUARY	107,188	61,176	982	169,346
FEBRUARY	113,309	76,215	1,135	190,659
MARCH	111,886	76,477	1,564	189,927
APRIL	113,592	74,564	840	188,996
MAY	117,217	77,949	1,299	196,465
JUNE	125,127	73,791	2,064	200,982
JULY	169,413	97,988	1,812	269,213
AUGUST	203,690	160,752	2,199	366,641
SEPTEMBER	97,807	24,335	1,904	124,046
OCTOBER	93,688	47,720	861	142,269
NOVEMBER	109,469	50,884	1,147	161,500
DECEMBER	105,495	69,132	1,793	176,420
TOTALS	1,467,881	890,983	17,600	2,376,464

## EXHIBIT "H"

## ROSE HILL WATER DISTRICT

EMPLOYEE	POSITION	INTEREST	CITY PREFERENCE
Trudy Sullivan*	Controller	Accounting	Redmond
Carol Wade	Account Spec.	Accounting (P.T. 20 hrs/wk)	Kirkland
Jan Hover	Recpt. Sec II	Accounting	Kirkland
Sandra Green	Recpt. Sec II	Utility Billing	Kirkland
Tracy Dressent	Exc.Secretary	Engineering, Inspection New Const.Sec.	Uncommitted
Brant Bates	Utility Inspector	Utility-New Const.	Redmond
Larry Andrews	Leadperson		Redmond
Dan Van Iterson*	Foreman Autocad Spec.	Foreman, Autocad	Uncommitted info on Positions
Bob Gidley	Meter Reader	Utility/More Info	Uncommitted
Rocky Hodgkin	Utility Spec.	Utility/More Info	Uncommitted
Karla Holmes	Utility Spec.	Utility/More Info	Uncommitted
Joe Johnson	Utility Spec.	Utility/More Info	Uncommitted
Carl Karvonen	Utility Spec.	Utility/More Info	Redmond

\* Unrepresented

Lotus 1/91 EmplstRH  
6/17/93



9 March 1993

THE CITY OF REDMOND  
HUMAN RESOURCES DEPARTMENT

COPY

Bill Skahan  
Manager  
Rose Hill Water District  
P.O. Box 539  
Kirkland WA 98033-0539

Subject: Employee Compensation Following Assumption

Enclosed is the information the District requested showing the titles, pay grades, and salary levels of the seven Rose Hill employees who will work at Redmond following assumption. Please note:

1. All former Rose Hill employees will work either in the City's Water & Sewer Utility or in utility funded positions.
2. Three employees (Larry Andrew, Bob Gidley, and Joe Johnson) are in positions covered by the City's collective bargaining agreement with the Washington State Council of County and City Employees, the local arm of the national AFSCME union. The other four employees (Tracy Dreessen, Brant Bates, Jan Hover and Trudy Sullivan) are in positions covered by the Redmond City Hall Employees Association (RCHEA), a local guild.
3. The current salaries of most Rose Hill employees fall within the current range of comparable Redmond positions. Thus, former Rose Hill employees will be paid the same at Redmond as they were at Rose Hill.
4. In the two situations where an employee's current salary is greater than the top of the comparable Redmond range, the City will "red-line" each employee at their current salary. This means they will continue to receive the same pay as they did at Rose Hill until such time as the assigned range catches up to their salary level.

Bill Skahan  
9 March 1993

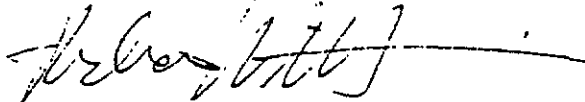
Page 2

5. The City will honor the Rose Hill employees' full seniority to the extent possible with regard to salary levels, vacation accruals, longevity pay, and other benefits related to years of service. However, under the rules of the City's Municipal Employee Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, Rose Hill employees will start vesting when they begin contributing to the plan as a Redmond employee.
6. Under a tentative agreement reached with each of our bargaining units, seniority for purposes of layoff and bumping will commence as of February 1, 1993, the day Rose Hill employees were formally notified of the city, department, and positions they would move to following assumption.

We believe that the above salary and benefits for former Rose Hill employees goes well beyond the statutory requirements.

The information presented here reflects the City's current intentions in the event of an agreed assumption in the near future. It is subject to approval by both the respective bargaining units and the City Council.

If you or your employees have further questions with regard to this information, please feel free to contact Glenna Travers or me directly.



Richard Wilkinson  
Human Resources Director

RW/mas

enclosures

copies: Rosemarie Ives, Mayor  
Linda Herzog, Executive Assistant  
Carol Osborne, Public Works Director  
Jud White, Deputy Public Works Director  
Glenna Travers, Human Resources Analyst  
Doug Albright, Ogden Murphy Wallace

cc:rose

19-Jan-93  
DRAFT #5  
RCHEA

ROSE HILL WATER DISTRICT ASSUMPTION  
PROPOSED POSITIONS AND  
MONTHLY SALARY RANGES  
CITY OF REDMOND  
Jan-93

NAME	ROSE HILL TITLE	PROPOSED REDMOND TITLE/DEPT.	ROSE HILL SALARY	PROPOSED REDMOND SALARY	REDMOND GRADE
DREESSEN, TRACY	BOARD EXEC. SECRETARY	ENGR. AIDE/ PUBLIC WORKS/ UTILITY DIVISION	\$2,748	\$2,748	11
BATES, BRANT	INSPECTOR/ X-CONNECT	CONST. INSPECT./ PUBLIC WORKS/ CONSTRUCTION DIVISION	\$2,853	\$2,960	14
HOVER, JAN	RECEPTIONIST/ SECRETARY II	ACCTG. CLERK/ FINANCE	\$2,221	\$2,221	6
SULLIVAN, TRUDY	CONTROLLER	MANAGEMENT ANALYST/PUBLIC WORKS/UTILITY DIVISION	\$3,572	\$3,572-RED LINE	13

4-Jan-93  
DRAFT #4  
AFSCME

ROSE HILL WATER DISTRICT ASSUMPTION  
PROPOSED POSITIONS AND  
MONTHLY SALARY RANGES  
CITY OF REDMOND  
Jan-93

NAME	ROSE HILL TITLE	PROPOSED REDMOND TITLE(S)	ROSE HILL SALARY	PROPOSED REDMOND SALARY	REDMOND GRADE
ANDREW, LARRY	LEADMAN	SR. MW	\$2,888	\$2,888	11
GIDLEY, BOB	METER READER	METER READER	\$2,445	\$2,445	8
JOHNSON, JOE	UTILITY SPEC.	MW	\$2,883	\$2883 - RED LINE	8



123 FIFTH AVENUE • KIRKLAND, WASHINGTON 98033-6189 • (206) 828-1100 • TTY (206) 822-1244

May 5, 1993

Mr. Dan Van Iterson  
Rose Hill Water District  
P.O. Box 539  
Kirkland, WA 98083

Dear Mr. Van Iterson:

Upon the assumption of the Rose Hill Water District by the Cities of Kirkland and Redmond, you will become a City of Kirkland employee. The purpose of this letter is to detail the final offer of employment to you from the City of Kirkland.

Your classification will be Sr. Maintenance Person, Step E, in the Public Works Department. Your position is represented by Teamsters Local #763. When you come to Kirkland, you will continue to receive the equivalent of your current Rose Hill pay of \$3,432 per month. Your salary will be frozen (i.e., "red-lined") at your current Rose Hill pay until the salary paid by the City of Kirkland based upon your classification and time in service in that classification (including credit for your Rose Hill time in the equivalent position) "catches up" to your current salary. (Your current salary at Rose Hill is \$430 per month higher than the applicable Kirkland salary.)

The City will honor your Rose Hill seniority for purposes of determining the rate at which you accrue vacation leave. You will accrue sick leave at a rate of eight hours per full month of service; the normal rate for City employees. If you elect to participate in the City's Municipal Employees Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, your "vesting" in the plan will begin when you begin contributing as a City of Kirkland employee. We strongly encourage you to participate in this excellent employee benefit.

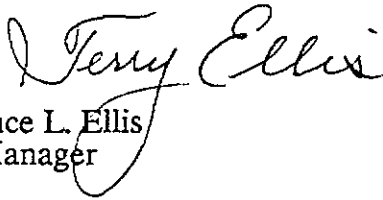
Your seniority for purposes of a layoff will necessarily commence as of the effective date of the assumption and the date at which you officially become a City of Kirkland employee. As a practical matter, the City is in sound financial condition and has not laid off any employees in the past, nor do we anticipate any layoffs in the foreseeable future. However, to further assure your peace of mind and add to your sense of security, we will guarantee you that you will not be subject to layoff due to reduction in force during the calendar years 1993 or 1994. Again, we do not anticipate that layoffs will be a concern for the City in the foreseeable future, so this really is a "non-issue" in your employment with the City of Kirkland.

Mr. Dan Van Iterson  
May 5, 1993  
Page Two

If you have further questions or need additional clarification of any of the topics covered in this letter, please contact the City's Personnel Manager, Annette Wine, at 828-1167.

We look forward to having you become part of our organization and know that you will find the City of Kirkland a great place to work.

Sincerely,



Terrence L. Ellis  
City Manager

TE:sl

cc: Jim Arndt, Director of Public Works  
Tom Anderson, Director of Administration & Finance  
Annette Wine, Personnel Manager  
Rose Hill Water District Commissioners  
Bill Skahan, Rose Hill General Manager  
Tom Krett, Teamsters Local 763  
Jim Pidduck, Assistant City Attorney  
Stu Turner, Operations & Maintenance Engineer  
Kirkland City Council

rh-vanit



CITY OF



KIRKLAND

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May 5, 1993

Mr. Rocky Hodgins  
Rose Hill Water District  
P.O. Box 539  
Kirkland, WA 98083

Dear Mr. Hodgins:

Upon the assumption of the Rose Hill Water District by the Cities of Kirkland and Redmond, you will become a City of Kirkland employee. The purpose of this letter is to detail the final offer of employment to you from the City of Kirkland.

Your classification will be Utility Person, Step E, in the Public Works Department. Your position is represented by Teamsters Local #763. When you come to Kirkland, you will continue to receive the equivalent of your current Rose Hill pay of \$2,663 per month. Your salary will be frozen (i.e., "red-lined") at your current Rose Hill pay until the salary paid by the City of Kirkland based upon your classification and time in service in that classification (including credit for your Rose Hill time in the equivalent position) "catches up" to your current salary. (Your current salary at Rose Hill is \$181 per month higher than the applicable Kirkland salary.)

The City will honor your Rose Hill seniority for purposes of determining the rate at which you accrue vacation leave. You will accrue sick leave at a rate of eight hours per full month of service; the normal rate for City employees. If you elect to participate in the City's Municipal Employees Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, your "vesting" in the plan will begin when you begin contributing as a City of Kirkland employee. We strongly encourage you to participate in this excellent employee benefit.

Your seniority for purposes of a layoff will necessarily commence as of the effective date of the assumption and the date at which you officially become a City of Kirkland employee. As a practical matter, the City is in sound financial condition and has not laid off any employees in the past, nor do we anticipate any layoffs in the foreseeable future. However, to further assure your peace of mind and add to your sense of security, we will guarantee you that you will not be subject to layoff due to reduction in force during the calendar years 1993 or 1994. Again, we do not anticipate that layoffs will be a concern for the City in the foreseeable future, so this really is a "non-issue" in your employment with the City of Kirkland.

Mr. Rocky Hodgin  
May 5, 1993  
Page Two

If you have further questions or need additional clarification of any of the topics covered in this letter, please contact the City's Personnel Manager, Annette Wine, at 828-1167.

We look forward to having you become part of our organization and know that you will find the City of Kirkland a great place to work.

Sincerely,



Terrence L. Ellis  
City Manager

TE:sl

cc: Jim Arndt, Director of Public Works  
Tom Anderson, Director of Administration & Finance  
Annette Wine, Personnel Manager  
Rose Hill Water District Commissioners  
Bill Skahan, Rose Hill General Manager  
Tom Krett, Teamsters Local 763  
Jim Pidduck, Assistant City Attorney  
Stu Turner, Operations & Maintenance Engineer  
Kirkland City Council

rh-hodgi



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May 5, 1993

Ms. Carol Wade  
Rose Hill Water District  
P.O. Box 539  
Kirkland, WA 98083

Dear Ms. Wade,

Upon the assumption of the Rose Hill Water District by the Cities of Kirkland and Redmond, you will become a City of Kirkland employee. The purpose of this letter is to detail the final offer of employment to you from the City of Kirkland.

Your classification will be Accounting Clerk IV, Step E, half-time, in the Public Works Department. Your position is represented by the Kirkland Public Employees' Guild. When you come to Kirkland, you will continue to receive the equivalent of your current Rose Hill pay of \$1,503 per month. Your salary will be frozen (i.e., "red-lined") at your current Rose Hill pay until the salary paid by the City of Kirkland based upon your classification and time in service in that classification (including credit for your Rose Hill time in the equivalent position) "catches up" to your current salary. (Your current salary at Rose Hill is \$245 per month higher than the applicable Kirkland salary, based on a full-time salary of \$3,006 per month.)

The City will honor your Rose Hill seniority for purposes of determining the rate at which you accrue vacation leave. You will accrue sick leave at a rate of eight hours per full month of service; the normal rate for City employees. If you elect to participate in the City's Municipal Employees Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, your "vesting" in the plan will begin when you begin contributing as a City of Kirkland employee. We strongly encourage you to participate in this excellent employee benefit.

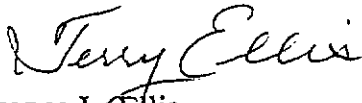
Your seniority for purposes of a layoff will necessarily commence as of the effective date of the assumption and the date at which you officially become a City of Kirkland employee. As a practical matter, the City is in sound financial condition and has not laid off any employees in the past, nor do we anticipate any layoffs in the foreseeable future. However, to further assure your peace of mind and add to your sense of security, we will guarantee you that you will not be subject to layoff due to reduction in force during the calendar years 1993 or 1994. Again, we do not anticipate that layoffs will be a concern for the City in the foreseeable future, so this really is a "non-issue" in your employment with the City of Kirkland.

Ms. Carol Wade  
May 5, 1993  
Page Two

If you have further questions or need additional clarification of any of the topics covered in this letter, please contact the City's Personnel Manager, Annette Wine, at 828-1167.

We look forward to having you become part of our organization and know that you will find the City of Kirkland a great place to work.

Sincerely,



Terrence L. Ellis  
City Manager

TE:sl

cc: Jim Arndt, Director of Public Works  
Tom Anderson, Director of Administration & Finance  
Annette Wine, Personnel Manager  
Rose Hill Water District Commissioners  
Bill Skahan, Rose Hill General Manager  
Tom Krett, Teamsters Local 763  
Jim Pidduck, Assistant City Attorney  
Stu Turner, Operations & Maintenance Engineer  
Kirkland City Council

rh-wade

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May 5, 1993

Ms. Karla Holmes  
Rose Hill Water District  
P.O. Box 539  
Kirkland, WA 98083

Dear Ms. Holmes:

Upon the assumption of the Rose Hill Water District by the Cities of Kirkland and Redmond, you will become a City of Kirkland employee. The purpose of this letter is to detail the final offer of employment to you from the City of Kirkland.

Your classification will be Utility Person, Step B, in the Public Works Department. Your position is represented by Teamsters Local #763. When you come to Kirkland, you will continue to receive the equivalent of your current Rose Hill pay of \$2,445 per month. Your salary will be frozen (i.e., "red-lined") at your current Rose Hill pay until the salary paid by the City of Kirkland based upon your classification and time in service in that classification (including credit for your Rose Hill time in the equivalent position) "catches up" to your current salary. (Your current salary at Rose Hill is \$285 per month higher than the applicable Kirkland salary.)

The City will honor your Rose Hill seniority for purposes of determining the rate at which you accrue vacation leave. You will accrue sick leave at a rate of eight hours per full month of service; the normal rate for City employees. If you elect to participate in the City's Municipal Employees Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, your "vesting" in the plan will begin when you begin contributing as a City of Kirkland employee. We strongly encourage you to participate in this excellent employee benefit.

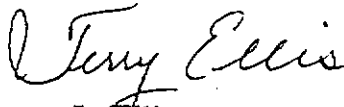
Your seniority for purposes of a layoff will necessarily commence as of the effective date of the assumption and the date at which you officially become a City of Kirkland employee. As a practical matter, the City is in sound financial condition and has not laid off any employees in the past, nor do we anticipate any layoffs in the foreseeable future. However, to further assure your peace of mind and add to your sense of security, we will guarantee you that you will not be subject to layoff due to reduction in force during the calendar years 1993 or 1994. Again, we do not anticipate that layoffs will be a concern for the City in the foreseeable future, so this really is a "non-issue" in your employment with the City of Kirkland.

Ms. Karla Holmes  
May 5, 1993  
Page Two

If you have further questions or need additional clarification of any of the topics covered in this letter, please contact the City's Personnel Manager, Annette Wine, at 828-1167.

We look forward to having you become part of our organization and know that you will find the City of Kirkland a great place to work.

Sincerely,



Terrence L. Ellis  
City Manager

TE:sl

cc: Jim Arndt, Director of Public Works  
Tom Anderson, Director of Administration & Finance  
Annette Wine, Personnel Manager  
Rose Hill Water District Commissioners  
Bill Skahan, Rose Hill General Manager  
Tom Krett, Teamsters Local 763  
Jim Pidduck, Assistant City Attorney  
Stu Turner, Operations & Maintenance Engineer  
Kirkland City Council

rh-holme

May 5, 1993

Mr. Karl Karvonen  
Rose Hill Water District  
P.O. Box 539  
Kirkland, WA 98083

Dear Mr. Karvonen:

Upon the assumption of the Rose Hill Water District by the Cities of Kirkland and Redmond, you will become a City of Kirkland employee. The purpose of this letter is to detail the final offer of employment to you from the City of Kirkland.

Your classification will be Utility Person, Step C, in the Public Works Department. Your position is represented by Teamsters Local #763. When you come to Kirkland, you will continue to receive the equivalent of your current Rose Hill pay of \$2,501 per month. Your salary will be frozen (i.e., "red-lined") at your current Rose Hill pay until the salary paid by the City of Kirkland based upon your classification and time in service in that classification (including credit for your Rose Hill time in the equivalent position) "catches up" to your current salary. (Your current salary at Rose Hill is \$131 per month higher than the applicable Kirkland salary.)

The City will honor your Rose Hill seniority for purposes of determining the rate at which you accrue vacation leave. You will accrue sick leave at a rate of eight hours per full month of service; the normal rate for City employees. If you elect to participate in the City's Municipal Employees Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, your "vesting" in the plan will begin when you begin contributing as a City of Kirkland employee. We strongly encourage you to participate in this excellent employee benefit.

Your seniority for purposes of a layoff will necessarily commence as of the effective date of the assumption and the date at which you officially become a City of Kirkland employee. As a practical matter, the City is in sound financial condition and has not laid off any employees in the past, nor do we anticipate any layoffs in the foreseeable future. However, to further assure your peace of mind and add to your sense of security, we will guarantee you that you will not be subject to layoff due to reduction in force during the calendar years 1993 or 1994. Again, we do not anticipate that layoffs will be a concern for the City in the foreseeable future, so this really is a "non-issue" in your employment with the City of Kirkland.

Mr. Karl Karvonen  
May 5, 1993  
Page Two

If you have further questions or need additional clarification of any of the topics covered in this letter, please contact the City's Personnel Manager, Annette Wine, at 828-1167.

We look forward to having you become part of our organization and know that you will find the City of Kirkland a great place to work.

Sincerely,



Terrence L. Ellis  
City Manager

TE:sl

cc: Jim Arndt, Director of Public Works  
Tom Anderson, Director of Administration & Finance  
Annette Wine, Personnel Manager  
Rose Hill Water District Commissioners  
Bill Skahan, Rose Hill General Manager  
Tom Krett, Teamsters Local 763  
Jim Pidduck, Assistant City Attorney  
Stu Turner, Operations & Maintenance Engineer  
Kirkland City Council

rh-karvo



CITY OF



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May 5, 1993

Ms. Sandra Green  
Rose Hill Water District  
P.O. Box 539  
Kirkland, WA 98083

Dear Ms. Green:

Upon the assumption of the Rose Hill Water District by the Cities of Kirkland and Redmond, you will become a City of Kirkland employee. The purpose of this letter is to detail the final offer of employment to you from the City of Kirkland.

Your classification will be Accounting Clerk III, Step E, in the Administration & Finance Department. Your position is represented by the Kirkland Public Employees' Guild. When you come to Kirkland, you will continue to receive the equivalent of your current Rose Hill pay of \$2,334 per month. Your salary will be frozen (i.e., "red-lined") at your current Rose Hill pay until the salary paid by the City of Kirkland based upon your classification and time in service in that classification (including credit for your Rose Hill time in the equivalent position) "catches up" to your current salary. (Your current salary at Rose Hill is \$42 per month higher than the applicable Kirkland salary.)

The City will honor your Rose Hill seniority for purposes of determining the rate at which you accrue vacation leave. You will accrue sick leave at a rate of eight hours per full month of service; the normal rate for City employees. If you elect to participate in the City's Municipal Employees Benefit Trust (MEBT), our voluntary retirement savings plan that substitutes for social security, your "vesting" in the plan will begin when you begin contributing as a City of Kirkland employee. We strongly encourage you to participate in this excellent employee benefit.

Your seniority for purposes of a layoff will necessarily commence as of the effective date of the assumption and the date at which you officially become a City of Kirkland employee. As a practical matter, the City is in sound financial condition and has not laid off any employees in the past, nor do we anticipate any layoffs in the foreseeable future. However, to further assure your peace of mind and add to your sense of security, we will guarantee you that you will not be subject to layoff due to reduction in force during the calendar years 1993 or 1994. Again, we do not anticipate that layoffs will be a concern for the City in the foreseeable future, so this really is a "non-issue" in your employment with the City of Kirkland.

Ms. Sandra Green  
May 5, 1993  
Page Two

If you have further questions or need additional clarification of any of the topics covered in this letter, please contact the City's Personnel Manager, Annette Wine, at 828-1167.

We look forward to having you become part of our organization and know that you will find the City of Kirkland a great place to work.

Sincerely,



Terrence L. Ellis  
City Manager

TE:sl

cc: Jim Arndt, Director of Public Works  
Tom Anderson, Director of Administration & Finance  
Annette Wine, Personnel Manager  
Rose Hill Water District Commissioners  
Bill Skahan, Rose Hill General Manager  
Tom Krett, Teamsters Local 763  
Jim Pidduck, Assistant City Attorney  
Stu Turner, Operations & Maintenance Engineer  
Kirkland City Council

rh-green

EXHIBIT "J"

EMPLOYMENT AGREEMENT BETWEEN  
WILLIAM T. SKAHAN AND  
THE CITY OF KIRKLAND

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 1993 by and between the City of Kirkland (hereinafter the "City") and William T. Skahan (hereinafter referred to as "Special Projects Manager"), both of whom agree as follows:

WHEREAS, the City, in conjunction with and subject to completion of the City of Kirkland's and City of Redmond's assumption of the Rose Hill Water District pursuant to the provisions of Chapter 35.13A RCW, desires to employ the services of William T. Skahan as Special Projects Manager in the City's Department of Public Works, and

WHEREAS, it is the desire of the City to (1) secure and retain the services of the Special Projects Manager and to provide inducement to remain in such employment; (2) promote the Special Projects Manager's productivity, morale and peace of mind with respect to his work and security; (3) deter misfeasance, nonfeasance and malfeasance on the part of the Special Projects Manager; and (4) provide a just means for terminating the Special Projects Manager's services at such time as the Special Projects Manager may be unable to duly discharge his duties, or when the City may desire to otherwise terminate employment; and

WHEREAS, William T. Skahan desires and commits to be in employment as Special Projects Manager in the City's Department of Public Works from \_\_\_\_\_, 1993 through December 31, 1993, and

WHEREAS, it is the parties' intent that this employment agreement supersede William T. Skahan's employment agreement with the Rose Hill Water District last amended on or about August 23, 1990,

Now, therefore in consideration of the covenants herein contained, the parties agree:

I. DUTIES:

Pursuant to the terms of this Agreement, William T. Skahan shall be employed as Special Projects Manager in the City of Kirkland Public Works Department to perform the functions and duties set forth in Appendix A hereto and such other duties as the Director of Public Works may assign.

## II. TERMS

A. This Agreement shall take effect upon completion of the cities of Kirkland's and Redmond's assumption of the Rose Hill Water District pursuant to the provisions of Chapter 35.13A RCW and shall terminate at midnight, December 31, 1993. In the event the Rose Hill Water District is not so assumed, this Agreement shall have no effect.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the City to terminate the services of the Special Projects Manager at any time, subject to the provisions for severance pay set forth in paragraph III of this Agreement.

## III. TERMINATION AND SEVERANCE PAY

William T. Skahan commits to work for the City of Kirkland through December 31, 1993 in the capacity of Special Projects Manager. In consideration for this commitment, in the event the Special Projects Manager is terminated by the City effective before December 31, 1993 and during such time the Special Projects Manager is willing to perform his duties for the City, the City agrees to pay the Special Projects Manager severance pay equal to six (6) months of his then current salary.

## IV. SALARY

The City agrees to compensate the Special Projects Manager for services rendered pursuant to this Agreement, a monthly base salary equal to his monthly base salary at the Rose Hill Water District as of January 1, 1993, plus any cost of living allowance given to City unrepresented at-will employees, payable in installments at the same time which employees of the City are paid. The Special Project Manager's monthly base salary will be pro-rated for the month during which the assumption is completed. No compensation shall be received for overtime or compensatory time.

## V. TRAVEL AND EXPENSE ALLOWANCE

The Special Projects Manager shall be allowed reimbursement for travel expenses incurred at the request of, and approved by, the Director of the Department of Public Works and in accordance with City policies and procedures governing travel of City employees.

## VI. EMPLOYEE BENEFITS

The City shall pay the Special Projects Manager those fringe benefits as set forth in City policies and procedures governing unrepresented City employees. The City agrees to maintain those benefits during the term of this Agreement.

## VII. LEAVE

### A. Sick Leave.

Upon becoming a City employee, the Special Projects Manager shall retain his accrued and unused sick leave earned under the District's sick leave plan. Such sick leave shall be paid at his pay rate in effect when the leave is taken. The City will recognize the Special Projects Manager's length of service with the District in calculating sick leave he earns as a City Employee.

### B. Vacation.

Upon becoming a City Employee, the Special Projects Manager shall retain his accrued and unused vacation earned at the District up to a maximum of 240 hours. Such vacation shall be paid at his pay rate in effect when the vacation is taken. The City will recognize the Special Projects Manager's length of service with the District in calculating vacation he earns as a City employee.

### C. Cash Conversion of Sick Leave and Vacation.

The maximum combined amount of sick leave and vacation the Special Projects Manager may convert to cash at the time his employment with the City is terminated is 240 hours.

## VIII. PERFORMANCE EVALUATIONS

The Special Project Manager's performance will be reviewed by the Director of the Department of Public Works and discussed with the Director. The Special Projects Manager shall be advised of the level of performance being demonstrated and shall be advised of any need for improvement and/or modification of his performance.

## IX. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

The Director of the Department of Public Works, in consultation with the City Manager, shall fix any such terms and conditions of employment as he may determine from time to time, relating to the performance of the Special Projects Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement.

## X. TERMINATION OF PRIOR AGREEMENT

William T. Skahan's employment agreement with the Rose

Hill Water District, as last amended on or about October 23, 1990, and all liabilities and obligations thereunder, shall terminate at such time as this Agreement between Mr. Skahan and the City of Kirkland becomes effective.

XI. DURATION

This employment agreement shall terminate at midnight December 31, 1993.

DATED this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

CITY OF KIRKLAND

By: \_\_\_\_\_  
City Manager

\_\_\_\_\_  
William T. Skahan

city92\skahempl\rjp:nmw

**CITY OF KIRKLAND**  
**CLASSIFICATION DESCRIPTION**

<b>DEPARTMENT:</b>	Public Works	<b>TITLE:</b>	Special Projects Manager
<b>DATE:</b>	October 1992	<b>REPORTS TO:</b>	Public Works Director

**POSITION PURPOSE:**

Manage specific projects relating to Operations Division of the Public Works Department.

**ACCOUNTABILITIES:**

Responsible for many of the projects relating to the assumption of the Rose Hill Water District.

**ESSENTIAL DUTIES:**

1. Facilitates transition of Rose Hill Water District to the Cities of Kirkland and Redmond. To include advising as to the daily field and clerical operations performed and how they may be incorporated into the respective Cities operations.
2. Project coordinator for Rose Hill Reservoir construction project. Continues as coordinator of the project between engineer and contractor and serve as coordinator responsible for fiscal management and construction acceptability of the project.
3. Administers the Seattle Water contract. Advise City as to the impacts and obligations of the contract to the City and monitor interpretations and modifications from the Seattle Water Department.
4. Project coordinator for Water Shortage Response plan. Act as City representative in working regionally in the preparation of the plan.
5. Project coordinator for Conservation Plan Update. Act as City representative in updating and coordinating a City Conservation Plan with other regional water users.
6. Coordinator for Rose Hill Water District Capital Improvement Plan, Advise City as to the Rose Hill Water District Capital Improvement Projects' schedules over the next three years; coordinate inclusion of projects with Senior Project Engineer to include in the City's Capital Improvement Program.
7. Prepare Emergency Response section of the Public Works manual. From the City's overall Emergency Response Plan, prepare a specific Public Works manual for emergency response.
8. Manage telemetry system change from Rose Hill to City of Kirkland. With the Operations and Maintenance Engineer, advise City as to current Rose Hill Water District telemetry system operation and manage contract to relocate as necessary.
9. Representative to the Seattle Purveyor Committee. Attend committee meetings and represent City position as required. Coordinate committee activities and City response with the Public Works Director.
10. Performs other work as assigned.

SKILLS AND ABILITIES:

1. Must possess good management skills; including supervisory, motivational, delegation, problem solving, decision making, leadership, human relations and diplomacy skills.
2. Knowledge of the complexities of water districts and challenges facing them.
3. Ability to carry a project for conception to completion and implementation.
4. Thorough knowledge of the principles, materials, methods, technique and equipment used to install, operate, maintain and repair water systems.
5. Must have excellent written and verbal communication skills.
6. Ability to handle sensitive department materials.

WORKING CONDITIONS:

For the majority of the time, work will be performed in an office environment. Occasionally, position will involve driving to job sites.

MINIMUM QUALIFICATIONS:

A Bachelor's Degree in Civil Engineering or equivalent Water Management experience are required. Advanced degree is desirable. Must maintain a valid Washington Driver's License and ability to remain insurable under the City's insurance plan. Engineer In Training certification and Professional Engineer certification preferred.

\_\_\_\_\_  
Incumbent                                      Date

\_\_\_\_\_  
Department Head                                      Date



## PROFESSIONAL SERVICES AGREEMENT

The City of Kirkland, Washington, a municipal corporation (hereinafter the "City") and William T. Skahan, (hereinafter the "Consultant"), agree and contract as follows:

### I. SERVICES BY CONSULTANT

The Consultant agrees to perform the services described in Attachment A to this Agreement, which attachment is incorporated herein by reference.

### II. COMPENSATION

- A. The total compensation to be paid to Consultant for these services shall not exceed \$45,000.00, as detailed in Attachment A.

The above fees include all labor, materials and expenses required for the completion of these services.

- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all work performed under this Agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid monthly on the basis of invoices submitted. Invoicing will be on the basis of time, in accordance with the provisions of Attachment A.
- D. The City shall have the right to withhold payment to Consultant for any work not completed in a satisfactory manner until such time as Consultant modifies such work to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payments shall be considered timely if a warrant is mailed or is available within 30 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.
- F. The City shall pay State Industrial Insurance on behalf of the Consultant to the extent required by law. The Consultant hereby authorizes the required deduction from the Consultant's compensation for said benefits. The City shall not be responsible for withholding or

otherwise deducting federal income tax, social security tax, or pension payments, other than such deductions as are stated hereinabove. The compensation set forth in this paragraph shall constitute the sole compensation of the Consultant for the services under this Agreement.

### III. CONDITIONS/ARRANGEMENTS

- A. Consultant will supply all materials, equipment, and skills necessary to provide the services identified in Attachment A; except that the City shall provide office space at a City of Kirkland facility for Consultant's use during the regular business hours of the City.
- B. Consultant will complete defined projects of a special nature, to be identified by the Director of Public Works or his designee. The Director, or his designee, will periodically review the progress of the projects to determine whether Consultant's work is being accomplished in accordance with the terms of this contract.
- C. The services identified under this contract, and all duties incidental or necessary thereto, shall be conducted and performed diligently and competently and in accordance with professional standards of conduct and performance.
- D. The Consultant is responsible for the payment of or procurement of all licenses, fees, taxes, bonds, insurance, and the like, which are or may be required of a self-employed entity performing a similar service.

### IV. OWNERSHIP OF WORK PRODUCT

Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, plans, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this contract or the project to which it relates, without written concurrence by the Consultant, will be at the sole risk of the City.

### V. GENERAL ADMINISTRATION AND MANAGEMENT

The Director of Public Works for the City of Kirkland, or his designee, shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by Consultant, and shall coordinate all communications with the Consultant from the City.

VI. INDEPENDENT ENTITY

Consultant and City agree that Consultant is an independent entity with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither Consultant nor any employee of Consultant shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement.

Except for the payments enumerated above, the City shall not provide any compensation or benefits such as, but not limited to, sick leave; medical, dental, or other insurance; seniority; unemployment compensation; expense reimbursement; or transportation.

VII. SUCCESSORS AND ASSIGNS

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this agreement without prior written consent of the City.

VIII. HOLD HARMLESS/INDEMNIFICATION

The Consultant agrees to indemnify, defend, and save harmless the City and its officers, agents, and employees, from any claim, real or imaginary, filed against the City or its officers, agents, or employees, alleging damage or injury arising out of the subject matter of this Agreement; provided, however, that such provision shall not apply to the extent that damage or injury results from the fault of the City or its officers, agents, or employees. "Fault" as herein used shall have the same meaning as set forth in RCW 4.22.015.

IX. COMPLIANCE WITH LAWS

The Consultant shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes.

X. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

XI. DURATION

The services of the Consultant shall commence on the 1st day of January, 1994, and terminate on the 31st day of December, 1994; provided however, this Agreement shall automatically be renewed for calendar year 1995 unless written notice of

termination is delivered by either party to the other by November 30, 1994.

XIII. TERMINATION OF AGREEMENT

Each party reserves the right to terminate this Agreement at any time, with or without cause, by giving thirty (30) days notice to the other in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, Consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on the project prior to the date of termination, not to exceed the payment ceiling set forth above.

XIV. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended, modified or added to only by written instrument properly signed by both parties hereto.

Agreed to and executed this \_\_\_\_ day of \_\_\_\_\_, 1993.

CONSULTANT

CITY OF KIRKLAND

\_\_\_\_\_  
William T. Skahan  
Print name \_\_\_\_\_  
Address \_\_\_\_\_  
City, Zip \_\_\_\_\_  
Phone(s) \_\_\_\_\_  
SS#/Tax ID# of Payee: \_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Kirkland City Attorney

3city93\skahpsa\rjp:nmw

## ATTACHMENT "A"

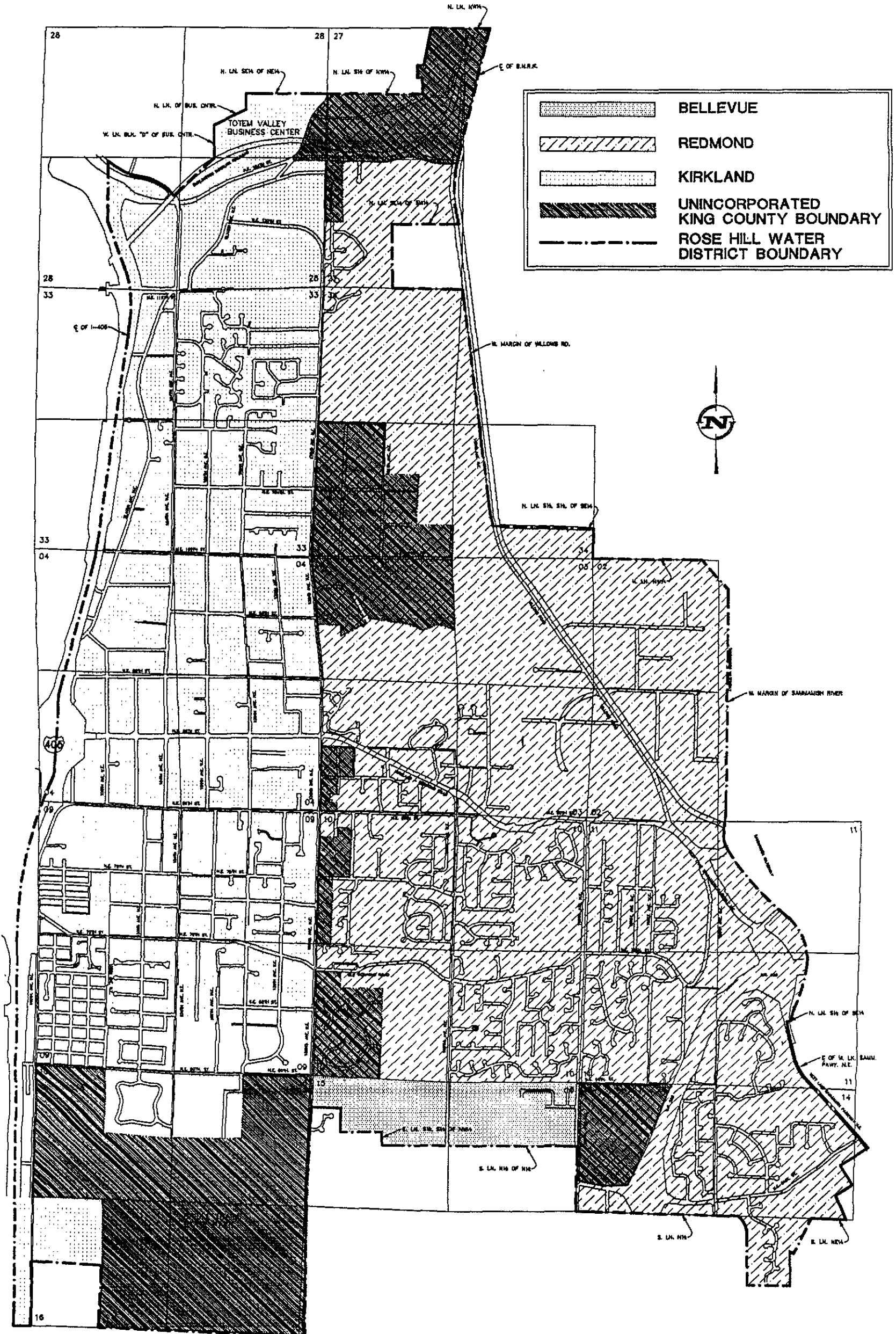
### Scope of Services.

- Project coordinator for Water Shortage Response plan. Act as City representative in working regionally in the preparation of the plan.
- Project coordinator for Conservation Plan Update. Act as City representative in updating and coordinating a City Conservation Plan with other regional water users.
- Project coordinator for Kirkland Water System Plan Update. Begin data accumulation and prepare scope of work for City Plan update (include Rose Hill Water District service area) for start-up in 1994.
- Coordinator for Rose Hill Water District Capital Improvement Plan. Advise City as to the Rose Hill Water District Capital Improvement Projects' schedules; coordinate inclusion of projects with Senior Project Engineer to include in the City's Capital Improvement Program.
- Prepare Emergency Response section of the Public Works manual. From the City's overall Emergency Response Plan, prepare a specific Public Works manual for emergency response.
- Administer the Seattle Water contract. Advise the City concerning the impacts and obligations of the contract to the City and monitor interpretations and modifications from the Seattle Water Department.
- Representative to the Seattle Purveyor Committee. Attend committee meetings and represent City position as required. Coordinate committee activities and City response with the Public Works Director.
- Provide project reports as requested.
- Complete other projects as requested.

### Compensation for Services.

The City shall pay Consultant for completed services rendered under this Agreement, the maximum amount of \$25.00 per hour, for a maximum of 1800 hours during the contract year.

# ROSE HILL WATER DISTRICT



**EXHIBIT "L"**

**CLAIMS AGAINST THE DISTRICT**

No list of claims against the District was provided by the District.

W3/92 Exhibit  
6/17/93