

10/7/85

INTRODUCED BY Bill Reams

PROPOSED NO. 85-376

ORDINANCE NO. 7372

AN ORDINANCE authorizing the transfer of a sewer system from King County to Water District No. 81, and authorizing its name change to Rose Hill Water and Sewer District.

PREAMBLE:

The Council of King County finds that the transfer of the Trend sewer system owned and operated by King County to Water District No. 81 pursuant to the attached agreement is in the public interest and is conducive to the public health, safety, welfare, and convenience.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. The proposed transfer of ownership and operation of the Trend sanitary sewer system from King County to Water District No. 81 is hereby approved.

SECTION 2. The county executive is hereby authorized to execute the proposed agreement transferring said sanitary sewer system to Water District No. 81.

SECTION 3. The council chairman is hereby authorized to petition the Superior Court for a decree approving and directing that said sanitary sewer system be transferred according to the terms and conditions of the proposed agreement.

SECTION 4. The council approves the change in name of the district from Water District No. 81, King County, Washington to "Rose Hill Water and Sewer District."

Provided that:

The divestment and transfer authorized by this ordinance is approved by Superior Court.

INTRDUCED AND READ for the first time this 29th day of \_\_\_\_\_

July, 1985.

PASSED this 7th day of October, 1985.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

Gary Grant  
Chairman

ATTEST:

Dorothy M. Owens  
Clerk of the Council

APPROVED this 14th day of October, 1985.

Randy Reams  
King County Executive



AGREEMENT TRANSFERRING  
SANITARY SEWER SYSTEM

THIS AGREEMENT is made and entered into by and between King County, hereinafter called the "County" and King County Water District No. 81, hereinafter called the "District". The purpose of this agreement is to transfer a sanitary sewer system owned and operated by the County to the District for its ownership and operation. This agreement is based upon the following facts, recognized by both parties:

1. The County is a home-rule charter county under the laws of Washington. It is authorized to own and operate sanitary sewer systems, and to transfer such ownership and operation, under RCW 36.94.

2. The District is a water district organized pursuant to RCW Title 57 and authorized to accept transfer of and to own and operate a sanitary sewer system, under RCW 57.08.065.

3. The system which is the subject of this agreement is commonly known as the Trend system (hereinafter called the "System"). At the time of this agreement, the System serves approximately 510 customers directly and serves others by developer extension agreements. For purposes of this agreement the "area served" by the System shall mean those parcels of property within the boundaries described in Addendum A, which is attached hereto and incorporated herein by this reference.

4. As part of the System, the County owns a combination of sanitary sewer lines, manholes, side sewers, lift stations and necessary appurtenances which have been installed within the boundaries of the System.

5. In addition to the integral components of the System described in paragraph 4, the County owns certain maintenance and office equipment and supplies associated with the System, which are described in Addendum B, which is attached hereto and incorporated herein by this reference.

6. The County owns certain easements of record which permit it to construct and maintain the System's facilities on private property.

7. The County has responsibility for repayment of a certain bonded indebtedness incurred in connection with the System. The amount and terms of this indebtedness are described in Addendum C, which is attached hereto and incorporated herein by this reference.

8. The County currently has a fund balance of approximately \$152,000 associated with the System. This fund is derived from all revenues, permit fees and operation and maintenance charges generated by the System and is used to pay the expenses of the System such as debt service and operation and maintenance costs.

9. The County has certain contractual rights and obligations in connection with the system. These rights and obligations arise under the agreements which are attached as Addenda D, E and F, and incorporated herein by this reference. With respect to Addendum F (the Agreement between the County and Northeast Lake Washington Sewer and Water District) it is noted that the annexation described in Section 1 thereof has now been completed.

10. The District has submitted a proposal dated May 31, 1983 to accept the transfer of the System from the County. A copy of this proposal is attached hereto as Addendum G, and is incorporated herein by this reference.

11. The King County Council, by Ordinance No. \_\_\_\_\_ has found that the transfer of the System to the District under the terms herein would be in the public interest and conducive to the public health, safety, welfare, and convenience.

11. The District by \_\_\_\_\_ has also found that such a transfer would be in the public interest and conducive to the public health, safety, welfare and convenience.

NOW THEREFORE, the parties hereby agree as follows:

A. All sanitary sewer lines, manholes, side sewers, lift stations, and necessary appurtenances owned by the County in connection with the System shall hereby be transferred to and become the property of the District. For any such facilities which have been constructed on County road right-of-way, the District shall be permitted to continue to use that portion of right-of-way for the purpose of operating and maintaining the facilities.

B. All maintenance and office equipment and supplies described above shall hereby be transferred to and become the property of the District. The County shall also make available all records necessary for the operation of the System. The District shall be granted a general franchise to construct, maintain and repair additions and betterments to the System within its approved Sewer Comprehensive Plan.

C. All rights to easements owned by the County in connection with the System shall be and are hereby assigned and transferred to the District. At the District's request, the County shall execute an instrument in substantially the form attached as Addendum H, to complete or confirm this assignment for purposes of recording with the County Auditor.

D. The County shall retain the right to collect assessments in connection with the bonded indebtedness described above and shall retain the duty to pay the bonds as they become due.

E. The County will keep segregated and will transfer to the District any fund balance associated with the System at the time of the transfer, less an amount required to cover the County's costs of terminating its operation of the System. Such termination costs are estimated to be \$4,900.

The County will also transfer to the District all accounts receivable or other debts owed to the County in connection with the System, together with any security interests or liens securing repayment of such debts.

F. All the County's rights and obligations under the contracts described above are hereby assigned and delegated to the District.

G. The District shall assume responsibility for providing the sanitary sewer services for the System, including the maintenance, operation, and all other administrative and financial duties associated with the System.

H. The District agrees to accept the System "as is", with no warranty from the County as to the physical condition, efficiency, capacities, freedom from defect, or fitness of any element of the System or of the System as a whole. Any necessary

repairs, modifications, or improvements to the System will be the responsibility of the District.

I. The District shall not compel sewer connection or impose sewer charges without connection for any improved and occupied property within the area served by the System but not now connected to the System. This paragraph shall not limit the District's authority to make assessments in connection with the formation of a Utilities Local Improvement District, or to compel sewer connection for new construction, nor shall it limit the authority of the King County Health Department to compel sewer connection under conditions specified by its regulations.

J. The District shall abide by the terms of the proposal submitted as described above, except where it conflicts with the terms of this agreement, in which case this agreement shall control. In addition to the rate structure described in its proposal, the District shall ensure that for at least two years, senior citizens shall be charged rates no higher than those they are currently charged by the County, except to the extent of Metro rate increases.

K. The transfer provided for by this Agreement shall take effect \_\_\_\_\_, 19\_\_ . The District recognizes, however, that the transfer of the System is part of an effort by the County to simultaneously transfer to other agencies all sewer facilities currently operated by the County. If any or all such other

transfers are delayed, prevented or cancelled for any reason, the transfer provided for herein shall not be effective unless or until all such transfers occur.

KING COUNTY

DISTRICT

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

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

its: \_\_\_\_\_  
Title

\_\_\_\_\_   
Title

Approved as to form:

\_\_\_\_\_  
Deputy Prosecuting Attorney



TREND

All those portions of Section 33, Township 26 North, Range 5 East, W.M. King County, Washington described as follows:

Beginning at the NE corner of the NW 1/4 of said Section 33, said point being also on the city limits of Kirkland as annexed by city ordinance 2252;

Thence west along said city limits 680 feet more or less to the east margin of P.S.H. No. 1-SR 405;

Thence southerly along said east margin to its intersection of with the north margin of NE 112th Street;

Thence east along said north margin to its intersection with the west margin of Slater Road;

Thence southerly along said west margin to its intersect with the north line of Lot 1 of King County Short Plat No. 1175023 as recorded in AF 7801230620, said point being also on the north line of Lot 51 of Kirkland Juanita Acre Tracts as recorded in Volume 16 of plats, page 63, records of said County;

Thence east along the north line of said Lot 51 and continuing East along the north line of Lot 56 of said plat to the west line of the east 300 feet of Lot 56;

Thence south along said west line to the north line of Lot 55 of said plat;

Thence east along said north line to the west line of the east 134 feet of Lot 55;

Thence south along said west line to the north line of Lot 2 of King County Short Plat No. 382076 as recorded in AF 8211100689;

Thence west to the NW corner of said Lot 2;

Thence south to the SW corner of Lot 2, being also on the south line of said Lot 55 of Kirkland Juanita Acre Tracts;

Thence west along the south line of Lot 55 to its intersection with the east margin of Slater Road;

Thence south along said east margin to the NW corner of Lot 1 of Orchard Park as recorded in Volume 66 of plats, page 86;

Thence east along the north line of said Lot 1 to the west line of Lot 14 of said plat;

Thence south to the most southerly corner of said Lot 14;

Thence east along the north lines of Lots 12 and 10 of said plat to the west margin of 124th Avenue NE;

Thence north along said west margin to its intersection with the westerly extension of the north line of the south 33 feet of Lot 3, Block 1, H. C. Pettit's Alder Grove Addition to Kirkland as recorded in Volume 21 of plats, page 83;

ADDENDUM #

Thence east along said extension and north line to the west line of Lot 16 of said Block 1;

Thence north to the NW corner of said Lot 16;

Thence east to the NE corner of said Lot 16, being also on the west margin of 126th Avenue NE;

Thence north to the NE corner of Lot 17 of said Block 1;

Thence east across 126th Avenue NE to the NW corner of King County Short Plat 678002 - AF 7810160868;

Thence continuing east to the NE corner of said short plat;

Thence south to the SW corner of Lot 15, Block 4, of said H. C. Pettit's Alder Grove Addition to Kirkland;

Thence east to the SE corner of said Lot 15;

Thence north along the east line of said Lot 15 to its intersection with the westerly extension of the south line of Lot 1 of The North Firs as recorded in Volume 98 of plats, page 64;

Thence east along said extension and the south lines of Lots 1, 4, and 5 to the west line of Lot 6;

Thence south to the SW corner of said Lot 6;

Thence east along the south lines of Lots 6, 7, 8, 9 and 10 to the SE corner of Lot 10;

Thence north along the east boundary of said plat of The North Firs and the east boundary of the Plat of Orchard Park Lane (Vol. 98, page 96) to the north line of the SE 1/4 of said Section 33;

Thence continuing north along the east boundary of the plat of Dunvegan (Vol. 101, page 47) to the NE corner of Tract B of said plat.

Thence continuing north along the west boundary of the plat of Cameo Park (Vol. 89, page 24) to the north boundary thereof;

Thence east along said north plat boundary of Cameo Park and its easterly extension to the east line of the NE 1/4 of said Section 33;

Thence north along said east line to the SE corner of the N 1/2 of the NE 1/4 of the NE 1/4 of said Section 33;

Thence west to the SW corner of said N 1/2 of the NE 1/4 of the NE 1/4 of Section 33;

Thence north to the NW corner of said N 1/2 of the NE 1/4 of the NE 1/4 of Section 33;

Thence west to the NW corner of the NE 1/4 of Section 33 said point being the point of beginning.

INVENTORY -- TREND

<u>K.C.</u> <u>TAG NO.</u>	<u>ITEM</u>	<u>COST</u>	<u>YEAR</u> <u>PURCHASED</u>	<u>APPROX.</u> <u>VALUE</u>
81670	Metal Detector	\$445.75	1981	\$300.00
101305	D.C. Blower Set	460.00	1980	200.00
97477	Sharp Calculator	165.00	1979	
105983	4-drawer File Cab. Legal	130.57	1980	
105984	4-drawer File Cab. Legal	130.57	1980	

Lineal Feet of Sewer Mains	Approximately	26,000
Manholes	Approximately	125
Pump Stations		1

ADDENDUM B

KING COUNTY  
SEWER REVENUE BONDS, 1979

Selling:  
At 10:00 A.M., P.S.T.  
March 5, 1979

Dated: March 1, 1979

Due: September 1, 2000

**Description**

All of the Bonds will be in denominations of \$5,000 each and will be payable as to both principal and interest at the office of the Comptroller of King County in Seattle, Washington, or at the option of the holder, at either of the fiscal agencies of the State of Washington in Seattle, Washington, or New York, New York, and will be in coupon form with interest payable semiannually on September 1, and March 1, of each year commencing September 1, 1979.

**Legal Opinion**

Bonds will be issued with the unqualified approving opinion of Roberts, Shefelman, Lawrence, Gay & Moch, Bond Attorneys of Seattle, Washington.

**Tax Exemption**

In the opinion of Bond Counsel, interest on the 1979 Bonds described herein is exempt from Federal Income Taxes under present statutes, court decisions and regulations.

**Optional Redemption**

Bonds numbered 1 to 15, inclusive, shall be issued with the right of the County to redeem the same on the date the same are delivered to the original purchaser thereof at their original purchase price plus accrued interest to the date of such redemption, and the County hereby exercises that right with respect to all of such bonds.

The County reserves the right to redeem the balance of the Bonds per the following schedule:

<u>Bond Numbers (Inclusive)</u>	<u>Optional Redemption Dates</u>	<u>Bond Numbers (Inclusive)</u>	<u>Optional Redemption Dates</u>
16 to 23	On March 1, 1980, or thereafter	50 to 54	On March 1, 1985, or thereafter
24 to 31	On March 1, 1981, or thereafter	55 to 58	On March 1, 1986, or thereafter
32 to 38	On March 1, 1982, or thereafter	59 to 62	On March 1, 1987, or thereafter
39 to 44	On March 1, 1983, or thereafter	63 to 65	On March 1, 1988, or thereafter
45 to 49	On March 1, 1984, or thereafter	66 to 70	On March 1, 1989, or thereafter

**Authorization**

By Ordinance No. 2707, passed May 3, 1976, the County Council, pursuant to Chapter 36.94 of the Revised Code of Washington, adopted its Sewerage General Plan Trend Sewer Service Area of the County.

The County Council, by Ordinance No. 3394, passed September 6, 1977, duly created Utility Local Improvement District No. 1 of the County and ordered the acquisition and construction of that part of the Sewerage General Plan Trend Sewer Service Area of the County applicable to that Utility Local Improvement District.

The County Council, by Ordinance No. 3617, passed February 27, 1978, duly approved and confirmed the assessment roll in Utility Local Improvement District No. 1, which roll is in the amount of \$253,997.97.

**Purpose**

Proceeds of this bond issue will be used to pay the cost of carrying out that part of the Sewerage General Plan Trend Sewer Service Area of the County as adopted by Ordinance No. 2707 applicable to Utility Local Improvement District No. 1. Construction costs associated with Utility Local Improvement District No. 1 consist mainly of construction of sewer mains, side sewers and a lift station. *Proceeds will also fund a portion of the reserve requirement.*

**Security**

As established in Ordinance Number <sup>4065</sup>~~79-34~~, the County covenants to set aside and pay into the Bond Fund all money heretofore received as ULID No. 1 assessment payments, all ULID assessments hereafter received, and out of the Net Sewer Revenue of the County, a fixed amount without regard to any fixed proportion into the accounts therein sufficient to pay principal and interest on the Bonds and any Parity

Bonds as the same shall come due and to create and fund a Reserve Account, as required, for the Bonds and any Parity Bonds.

Net Revenues are defined as all of the earnings and revenue received by the sewer utility from any source whatsoever, including, without limitation, earnings in the Bond Fund, but not ULID Assessments and other assessments and installments thereof and interest and any penalties thereon levied or collected in any ULID of the County, nor general taxes, utility taxes nor federal or state grants, less the Operation and Maintenance expenses.

The amounts so pledged to be paid into the Bond Fund by Ordinance ~~70-34~~<sup>1065</sup> are hereby declared to be a lien and charge upon such revenue and assessments prior and superior to all other charges of any kind or nature, subject only to Operation and Maintenance expenses.

#### Litigation

There is no litigation or other proceeding pending restraining or enjoining the issuance, sale or delivery of these Bonds, or, in any way questioning or affecting the validity of any provision of the Bonds or Bond Ordinance.

#### No Default

There is no record of default in the payment of nor interest on any general obligation bonds, revenue bonds, revenue warrants or notes of King County, Washington.

#### CUSIP

CUSIP identification numbers may be printed upon the Bonds, but neither failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. Expenses related to the printing of CUSIP numbers on the Bonds shall be paid for by the issuer, except that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

#### Delivery of the Bonds

Delivery of the Bonds to the successful bidder is anticipated to be made on or before forty days from the acceptance of the successful bid.

#### Creation of Funds

Ordinance ~~70-34~~<sup>1065</sup> created Fund No. 890, Assessment Revenue Bond Fund. The Bond Fund is divided into two accounts, the Principal and Interest Account and the Reserve Account, into which the County covenants to set aside and pay into the Bond Fund all ULID Assessments and amounts as required out of the Net Revenue of the system sufficient to meet principal and interest payments when due.

The Reserve Account will be funded to a balance of \$50,000 for the Bonds, at the settlement of the Bond issue, which shall be maintained at that level until there is sufficient money in the Principal and Interest Account and Reserve Account to pay the principal of and interest on all outstanding Bonds and Parity Bonds, at which time the money in the Reserve Account equal to the Reserve Requirement of the Bonds, may be used to pay the principal of and interest on the Bonds and Parity Bonds.

There has also been created by Ordinance 1822, Fund No. 447, Waste Water Sewer Operation and Maintenance Fund, to provide for the payment of Operations and Maintenance Expenses. All Gross Sewer Revenues (except earnings on investments in other funds), shall be deposited into the Operation and Maintenance Fund.

Ordinance ~~70-34~~<sup>1065</sup> also created the Trend Sewer Construction Fund, into which the principal proceeds of the Bonds shall be deposited. If, after making payments as described in Ordinance ~~70-34~~<sup>1065</sup> out of the Construction Fund, there is a balance in that Fund, all money remaining in the Construction Fund shall be transferred to the Principal and Interest Account in the Bond Fund.

#### Flow of Funds

The ordinance provides that all Gross Sewer Revenue of the County (except earnings on investments in other funds), all connection charges, permit fees and all other charges made by the County relating to the use of or connection to any facilities of the Sewer Utility shall be deposited into the Operation and Maintenance Fund.

Gross Sewer Revenue of the County are to be used only for the following purposes and in the following order:

- First - To pay costs of Operation and Maintenance of the system.
- Second - To make all payments, as required to be made, into the Bond Fund for the outstanding Bonds and any Parity Bonds in amounts which, together with ULID Assessments, will be sufficient

- to pay principal or and interest on the Bonds and Parity Bonds when due.
- Third - To make payments required to be made into the Reserve Account of the Bonds.
  - Fourth - To make all required payments into any revenue bond redemption fund and or reserve account or account therein which may be later created for the purpose of paying and securing the payment of the principal of and interest on any junior lien sewer revenue bonds hereafter issued by the County.
  - Fifth - To make necessary additions, betterments and improvements and repairs to or extensions and replacements of the Sewer Utility, or to expend such revenue for any other proper purposes connected with the operation of the Sewer Utility for which such money may be lawfully used, including the payment of debt service on, or otherwise redeem, any general obligation bonds issued by the County to pay the cost of any County Sewer Utility facilities and to retire by redemption or purchase outstanding sewer revenue bonds of the County as authorized in the various bond ordinances of the County.

#### Parity Bonds

The County reserves the right for the purpose of acquiring, constructing and installing additions and improvements to and extensions and betterments of, acquiring necessary equipment for or making necessary replacements of equipment or capital improvements to the Sewer Utility, or the purpose of exchanging or purchasing and retiring prior to or at their maturity any outstanding sewer revenue bonds of the County, to issue additional and/or refunding sewer revenue bonds therefore to be known as Parity Bonds, providing, however, that:

- a) all payments required to have been made into the Bond Fund shall have been made.
- b) all ULID Assessments be paid directly into the Bond Fund.
- c) an ordinance for the issuance of such Parity Bonds shall provide for the payment of principal and interest thereon out of the Bond Fund and shall further provide for the funding of the Reserve Requirement in the Reserve Account for the Bonds, then outstanding Bonds and the Parity Bonds.
- d) there shall be on file a certificate of a professional engineer experienced in municipal utilities, to the effect that the Gross Sewer Revenue of the County for any twelve consecutive calendar months out of the immediately preceding 24 consecutive calendar months, plus additional revenue anticipated to be received from the proposed improvement, together with additional ULID Assessments, together with adjustments to include a full year's revenue for customers connected to or paying charges to the Sewer Utility for less than one year, together with the increase in revenues reasonably anticipated to result from any change in rates, after the payment of maintenance and operating expenses of the Sewer Utility to equal at least 1.25 times Average Annual Debt Services on all bonds payable out of the Bond Fund. *Such certificate shall not be required for a refunding issue which does not increase debt service nor extend beyond the maturities of the refunded issue or issues.*

#### Defeasance

In the event the County shall issue advance refunding bonds pursuant to the laws of the State of Washington, or have money available from any other lawful source, to pay the principal of and interest on the Bonds, or a portion thereof, and shall have irrevocably set aside for and pledged to such payment and refunding, money and/or direct obligations of the United States of America or other legal investments sufficient in amount, together with known earned income from the investments thereof to make such payments, all right and interest of the owners or holders of the Bonds to be so retired or refunded shall thereafter cease, except such owners and holders shall have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account set up to make the payments on the defeased Bonds.

#### Coverage Requirements

The County covenants that it will establish, maintain and collect rates and charges for sanitary sewage collection and disposal service, which, together with the collection of ULID Assessments, together with earnings on investments of money in the Bond Fund, will make available for the payment of the principal and interest as the same shall become due on the Bonds and on any Parity Bonds an amount which shall, after deducting Operation and Maintenance Expenses, be equal to at least 1.25 times the Average Annual Debt Service of the then outstanding Bonds and Parity Bonds excluding term bonds.

#### Future Capital Plans

The King County Utilities section of the Department of Public Works currently has three other ULID projects and an interceptor project planned for construction within the next five years.

*ULID No. 2 - Duwamish.* The estimated cost of the project is \$600,000, to be funded approximately 60% from EDA grant funds and 40% from assessments. The plans and specifications are complete and the project will be advertised after County Council approval of the County Sewer General Plan.

*ULID No. 3 — Langston.* The estimated cost of the project is \$1,000,000, approximately 12% to be funded from HUD Block Grant Funds and the balance by assessments. The comprehensive plan is completed and grant funds are expected in mid 1979.

*ULID No. 4 — Langston.* The estimated cost of the project is \$1,000,000 to be funded 12% by HUD Block Grant Funds and the balance by assessments. Grant funds are expected in mid 1980.

*Slater Avenue Interceptor.* The estimated cost of the project is \$400,000. The project has been prioritized by the Department of Ecology. Construction of this project will permit the formation of two or three ULIDs immediately south of ULID No. 1. Based on the December 1978 priorities list issued by the D.O.E., this project will not receive Federal Grant Funding prior to 1983.

### King County

#### Utility Local Improvement District No. 1

Utility Local Improvement District No. 1 is managed by the King County Department of Public Works Sewer Utility Section. The Sewer Utility Section was established by County Ordinance No. 2927 in September, 1976, in accordance with State RCW 36.94 (The County Service Act). In addition to the Trend Sewer District, the County operates two other Sewerage and Drainage Districts and a sub-district with a total of 1,862 accounts. *but at this time these districts are not part of the County Sewer Utility.*

The Sewer Utility Section maintains and operates the sewer districts in accordance with County ordinances and Department of Public Works rules and regulations as authorized by RCW 36.94, the County Executive and Council ordinances. The Sewer Utility Section is also responsible for the billing and collection of the Trend Sewer service charge and the management of the funds received from the service charges and special assessments. The authority for collecting service charges and special assessments for bond redemption and operations and maintenance costs derives from RCW 36.94.

The Sewer Utilities Section is within the Engineering Services area of the County Road Engineer's Office, an office of the County Department of Public Works.

#### Utility Local Improvement District No. 1

##### Connections

	1977	1978	1979*	1980*
Year End Customer Equivalents	330	350	450	470

\* Projections

##### Rate Schedule

As established by County Ordinance No. 2980, the following represents the rate schedule for Utility Local Improvement District No. 1.

<u>Basic Treatment and Disposal Charge*</u>	<u>Maintenance Charge</u>	<u>Total Minimum Monthly</u>
3.55	4.25	7.80

\* An additional service charge of \$.47/100 cubic feet of water used will be charged to each residence consuming in excess of 900 cubic feet per month.

Billings are made on bi-monthly basis.

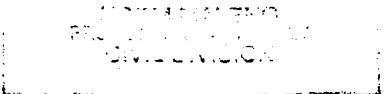
Penalties of 10% of the amount due will be assessed for late payments.

##### **Lien for Delinquent Charges**

King County Ordinance 2980 states that the County shall have a lien for delinquent service charges together with interest at eight percent per annum from the date due until paid. The lien shall be for all charges, interest and penalties and shall attach to the premises to which the services were furnished. The

MAY 2 1984

AGREEMENT



THIS AGREEMENT is entered into between Building Investments No. 5 and Totem Lake Properties, hereinafter referred to jointly and severally as the "Developer"; the City of Kirkland, a municipal corporation, hereinafter referred to as the "City"; and King County Trend Utility Location Improvement District No. 1, hereinafter referred to as the "District".

W I T N E S S E T H

WHEREAS, the Developer plans to develop the property described on Exhibit 1 attached hereto through construction of a motel/restaurant office building and other structures consistent with the zoning approved for said property and the City's land use policy plan, which said development shall hereinafter be referred to as "the project"; and

WHEREAS, the Developer has submitted plans for an extension of the King County Utility Local Improvement District No. 1 sewer collection system to serve the real properties described as Parcels A through D and Parcel "Motel Parcel Phase I," all included within Exhibit 1 attached; and

WHEREAS, said property lies within the King County sewer service area, and

WHEREAS, the City operates a sewer interceptor located within the right-of-way of NE 116th Street

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

1. The District will issue a permit for construction of a sewer extension to serve the properties described in Exhibit 1.
2. The City will allow connection of said extension to the City's sewer interceptor within NE 116th Street under the same terms and conditions as are contained in that certain agreement between the City and the District dated March 15, 1976 and known as the "Trend Sewer Service Area Agreement."

ADDENDUM D



The design of said connection to be submitted to the City of Kirkland for review and approval prior to the commencement of any work thereon. Excavations in all portions of the NE 116th Street right-of-way to be subject to the City of Kirkland's street cut permit ordinance and to the applicable regulations of King County.

3. The District will not oppose any future annexation proposal for said property described in Exhibit 1 by the City at any time after completion of the project.
4. The Developer will submit a petition for annexation of the properties described in Exhibit 1 to the City upon completion of the project, occupancy of the buildings or two (2) years from the date of this agreement, whichever shall occur first. The obligation to petition for annexation in accordance with the provisions of this paragraph, shall be binding upon the heirs, successors and assigns of the developer and shall run with the land.

IN WITNESS WHEREOF, the undersigned have executed this AGREEMENT.

Dated at Seattle, Washington, this 31<sup>st</sup> day of October, 1983.

DEVELOPER:  
BUILDING INVESTMENTS NO. 5  
by Arnold Hartogson

CITY OF KIRKLAND  
STATE OF WASHINGTON  
by William B. Fisher  
City Manager

TOTEM LAKE PROPERTIES  
by Arnold Hartogson

KING COUNTY  
STATE OF WASHINGTON  
by Arnold J. LaBelle  
Director  
Department of Public Works

APPROVED AS TO FORM:  
by Michael E. Thurston  
Deputy Prosecuting Attorney

Dated Oct. 27 1983

AGREEMENT

BETWEEN THE CITY OF KIRKLAND AND THE COUNTY OF KING:

Trend Sewer Service Area:

This Agreement made and entered into this day by and between the County of King, a Municipal Corporation and subdivision of the State of Washington, hereinafter referred to as "County" and the City of Kirkland, a Municipal Corporation, hereinafter referred to as "City",

WITNESSETH:

WHEREAS, King County, through the formation of a County Utility Local Improvement Service District, has constructed and installed within the area hereinafter described commonly known as "Trend" a sanitary sewer collection system, and

WHEREAS, in order to convey the sanitary sewage collected within said system from the Trend area to the nearest receiving Metro interceptor line, it is necessary and convenient to convey said sewage through a trunk sewer line belonging to and a part of the City of Kirkland sewer system, and

WHEREAS, King County has agreed to reimburse the City for a proportionate share of the cost of construction of said line, and

WHEREAS, the Trend Sanitary Sewer Collection System is the first King County U.L.I.D. under the County Area Services Act and is located in E.L.W.-9 (East of I-405) and N.L.S.-37 as designated in the comprehensive sewer plan as adopted by Metro and King County;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is agreed as follows:

1. The City agrees to allow County to tap into its sewer trunk line located in N.E. 116th Street and to connect County's Trend Collection Sewage System at the point of tap-in. City further agrees to accept all sewage coming into its trunk line through said connection and to convey same through said line to its connection with the Metro Eastside interceptor line. City further agrees to maintain its trunk line in sufficient condition and capacity to at all times during the life of this agreement accept and convey such sewage as shall come into said line from the County Trend collector system. All costs of repair and maintenance and improvements, when and if necessary to maintain sufficient capacity as to said City trunk line, shall be born by City.

2. The County shall, within thirty days after sale of the Trend U.L.I.D. revenue bonds, pay to the City the sum of \$2,734.73. Said sum is a portion of the area charge assessed against the property within the U.L.I.D. Such payment is calculated on the basis of \$.0015 per square foot of property served within the U.L.I.D.

The County further agrees to collect an area charge on all property served by the Trend system, but situated outside the U.L.I.D. and to reimburse the City on the same basis, that is to say, at the rate of \$.0015 per square foot of property served. Such reimbursement shall be made on a quarterly basis.

3. In addition to the area connection charge, the County shall further pay to City, a monthly trunkage charge in the amount of \$.40 cents per month per residential customer or residential equivalent served by the Trend sewer system. All residential customers and residential equivalents to whom a monthly or other periodic service charge may be billed by the County and within the Trend sewer system service area, (whether actually connected to said sewer system or not) shall, for the purposes of this paragraph, be considered to be served by said system.

4. City agrees that the payments to be made by County pursuant to this agreement are primarily for partial reimbursement to City of the cost of construction, amortization and maintenance of the City trunk line proportionate to the use to be made of said line by County, and that any other sewerage agency connecting to or tapping into said trunk line, will be required to make similar proportionate reimbursement.

5. Neither party shall, by virtue of this agreement, acquire any proprietary or governmental interest in the sewerage system or sewer lines of the other party. Each party shall be solely responsible for the operation and maintenance of its own system of sewerage collection and shall save the other party harmless from any claim for damages, real or imaginary made by a third party and alleging negligence or misfeasance in the operation or maintenance of the other party's system, or acts or omissions of its officers or employees.

6. Each party shall seek and maintain with responsible insurers, all such insurance as is customarily maintained with respect to sewerage systems of like character against loss of or damage to the respective sewer facilities of each and against public and other liability to the extent that such insurance can be secured and maintained at reasonable cost. Each party shall supply to the other party upon request, a certificate showing such insurance to be in force.

7. In addition to the remedies provided by law, this agreement shall be specifically enforceable by either party.

8. Definitions and descriptions:

A. Trend or Trend area: Trend shall mean that area of unincorporated King County specifically lying within the boundaries of King County Public Service Sewer Utility District created or to be created by King County Ordinance No. 3394 and as described therein. Said district lies generally within the area bounded by N.E. 104th Street on the south, 132nd Avenue N.E. on the east, N.E. 116th Street on the north and Slater Avenue N.E. on the west.

B. City trunk line: Shall mean that certain city sewer trunk pipeline constructed and installed within N.E. 116th Street extending westerly from 124th Avenue N.E. under crossing I-405 to 120th Avenue N.E., and thence to its connection with the Metro eastlake interceptor.

9. No waiver by either party of any term or condition of this agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or a different provision of this agreement.

10. This agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire contract between the parties concerning said subject matter.

11. Termination: This agreement shall terminate:

A. At such time as the City shall have received from County full reimbursement for County's proportionate share of the total costs, expenditures and disbursements allocable to the construction of said trunk line. In the event this agreement is terminated pursuant to this subparagraph, County shall continue to pay to City, its proportionate share of the annual maintenance and operation costs of said trunk line in an amount to be then agreed upon.

B. At such time as the County sewer facilities within the Trend service area may be taken over through annexation or otherwise by either Northeast Lake Washington Sewer District or the City of Kirkland in accordance with the requirements pertaining thereto under State law.

C. Upon twelve months written notice given by either party to the other party. In the event of termination under this subparagraph, all costs of disconnection of the County system from the City trunk line shall be born by County.

IN WITNESS WHEREOF the parties hereto have signed this agreement on the 15th day of March, 1976.

KING COUNTY, A MUNICIPAL CORPORATION  
AND SUBDIVISION OF THE STATE OF WASH

  
by \_\_\_\_\_

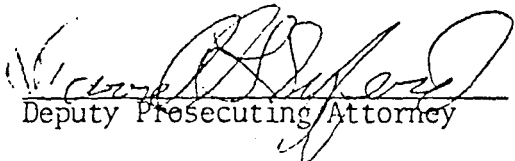
  
by \_\_\_\_\_

CITY OF KIRKLAND, A MUNICIPAL CORPORA

  
by \_\_\_\_\_ Mayor

  
by \_\_\_\_\_

APPROVED AS TO FORM & LEGALITY

  
Deputy Prosecuting Attorney

by either

EXHIBIT "A"

CAPITAL COSTS AND INTEREST

N.E. 116th Sanitary Sewer Trunk Line

The City of Kirkland did install an 18 inch trunk line along N.E. 116th Street from the METRO line on 120th Ave. N.E. to 124th Ave. N.E.

1. Contract Sewer Costs	\$40,074.50
2. Sales tax on \$40,074.50 @ .05	2,003.03
3. Design Engineering	801.67
4. State Permit	10.00
5. State Inspector	369.24
6. Preliminary Engineering	525.00
7. Construction inspection 6% of \$40,074.50	2,404.44
	<u>\$46,187.88</u>

Project completed say December 31, 1969

Annual interest costs (5.75%) posted annually started

December 31, 1970 .....\$2,655.80



A G R E E M E N T

THIS AGREEMENT is made and entered into as of this 21st day of June, 1981, between King County, a legal subdivision of the State of Washington (hereinafter referred to as "the County"), and the Northeast Lake Washington Sewer & Water District, a municipal corporation (hereinafter referred to as "the District").

WITNESSETH:

Whereas, the District operates a sewer system in north King County.

Whereas, the County operates a sewer system referred to as the Trend Sewer ULID No. 1.

Whereas, the District has extended sewer service to areas within the County sewer system service area.

Whereas, the District now proposes to annex the areas to which it now provides service.

Whereas, the County and the District intend to define the common boundary between the two entities for the purpose of providing sewer service.

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

Section 1

The King County Department of Public Works and Transportation agrees not to oppose the annexation proposal by the District to extend the District's service area to the south line of the SE 1/4 of Section 28, Township 26, Range 5E, less the County right-of-way along N.E. 116th Street; except that the County shall retain the right to provide service to that property bounded to the east by the east right-of-way of the City of Seattle Skagit Transmission line, to the west by 124th Avenue N.E., and north by N.E. 116th Place.

Section 2

The District agrees not to extend sewer service to property located in the NE 1/4 of Section 33, Township 26, Range 5E.

ADDENDUM F

Section 3

The District further agrees that it will not authorize or extend service from its sewer system into the County Trend service area without first receiving written approval from the King County Department of Public Works and Transportation.

IN WITNESS WHEREOF, the undersigned have executed this AGREEMENT as of the date first above written.

COUNTY OF KING:

NORTHEAST LAKE WASHINGTON  
SEWER DISTRICT

By Bruce P. Caswell

By [Signature]

Title \_\_\_\_\_

Title PRESIDENT

Approved as to form this

19 day of May 1981.

[Signature]  
Deputy Prosecuting Attorney