

July 18, 1985

INTRODUCED BY: RUBY CHOW

PROPOSED NO. 85-375

ORDINANCE NO. 7871

AN ORDINANCE authorizing the transfer of a sewer system from King County to Val Vue Sewer District.

PREAMBLE:

The Council of King County finds that the transfer of the Duwamish sewer system owned and operated by King County to the Val Vue Sewer District 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 Duwamish sanitary sewer system from King County to the Val Vue Sewer District is hereby approved.

SECTION 2. The county executive is hereby authorized to execute the proposed agreement transferring said sanitary sewer system to the Val Vue Sewer District.

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.

INTRODUCED 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:

Jessie M. Owens
Clerk of the Council

APPROVED this 14th day of October, 1985.

Randy Reuter
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 Val Vue Sewer District, hereinafter called the "District". The purpose of this agreement is to transfer a sanitary sewer system 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 sewer district organized pursuant to RCW Title 56 and authorized to accept transfer and to own and operate a sanitary sewer system.

3. The system which is the subject of this agreement is commonly known as the Duwamish system (hereinafter called the "System"). At the time of this agreement, the System serves approximately 29 customers directly and serves others by developer extension agreements. For purposes of this agreement the "area served" by the System shall mean these 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 currently has a fund balance of approximately \$30,000 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 only to pay the expenses of the System such as debt service and operation and maintenance costs.

8. The County has responsibility for repayment of 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.

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 and E, and incorporated herein by this reference.

10. The District has submitted a proposal dated May 5, 1983, to accept the transfer of the System from the County. A copy of this proposal is attached hereto as Addendum F, and 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.

12. 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, and shall make available to the District, for a period of two months, County personnel needed to assist in identifying, organizing and checking said records.

C. All rights to easements owned by the County in connection with the System shall be and are hereby conveyed, assigned, and transferred to the District.

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. The District agrees to collect and pay to the County a surcharge of

\$2.60 per month per customer for six years in order to meet the projected shortfall between bond payments and assessments.

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 \$230. 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 payment 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.

G. 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. The County does agree however to relocate the System's lift station located near the East Marginal Way approach to the Interurban Bridge. Design and actual relocation of this lift station will be done only in the event of and in connection with the County's project to replace the Bridge and widen its approach, and will be done at no expense to the District.

I. The District shall not compel sewer connection or impose sewer charges without connection for any parcels 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, 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.

L. The area served by the System shall be deemed annexed to and a part of the District as of the above-stated effective date.

KING COUNTY

DISTRICT

By: _____
its _____
Title

By: _____
its _____
Title

Approved as to form:

JACK G. JOHNSON
Deputy Prosecuting Attorney

ROBERTS & SHEFELMAN
 (ROBERTS, SHEFELMAN, LAWRENCE, GAY & MOCH)

COUNSEL
 HAROLD H. SHEFELMAN

4100 SEAFIRST FIFTH AVENUE PLAZA
 800 FIFTH AVENUE
 SEATTLE, WASHINGTON 98104

(206) 622-1818

November 12, 1981

OF COUNSEL
 WILLIAM N. APPEL
 ROGER W. DUNROCK*

JAMES P. WATSON (1877-1959)
 F. M. ROBERTS (1880-1973)

ANCHORAGE OFFICE
 SUITE 1500
 8350 DENALI STREET
 ANCHORAGE, ALASKA 99503
 (907) 278-1358

TELECOPIERS
 SEATTLE (206) 624-2661
 ANCHORAGE (907) 272-8331

JAMES GAY
 ROBERT G. MOCH
 GEORGE M. MACK
 BRIAN L. COMSTOCK
 TIMOTHY R. CLIFFORD
 LEE R. VOORHEES, JR.
 DAVID B. SWEENEY
 WILLIAM G. TONKIN
 DAVID A. BENNETT
 ROBERT H. CAMPBELL
 ROBERT G. MULLENDORE**
 GARY N. ACKERMAN
 ROGER A. MYKLEBUST

DIANE D. KENNY
 JON W. MACLEOD
 PAUL L. AHEHN, JR.
 TERESA V. HIGGLOW
 ROGER L. HUDSON*
 DAVID H. BUKEY
 BLAIR B. BURROUGHS
 LINDA R. RADOFF
 PAUL W. KOVAL*
 KAREN S. WATTS
 JUDITH A. SHULMAN
 WALTER T. FEATHERLY III*
 MICHAEL H. RORICK
 AMY H. GALLAGHER

* ALASKA BAR ** ALASKA AND WASHINGTON BARS
 ALL OTHERS WASHINGTON BAR ONLY

King County, Washington
 and

Seattle-Northwest Securities
 Corporation
 500 Union Street
 Seattle, Washington

Re: King County, Washington, \$600,000
 "Sewer Revenue Bonds, 1981"

We have examined a certified transcript of proceedings had by the County Council of King County, Washington (the "County"), relating to its issuance of the above-referenced bonds (the "Bonds"), and have also examined executed Bond No. 1 with coupons attached.

The Bonds are in the denomination of \$5,000 each; are numbered from 1 to 120, inclusive; are dated October 1, 1981; and bear interest at the rates set forth below, payable semiannually on April 1 and October 1 of each year. The Bonds bear interest and mature on October 1 of each year in accordance with the following schedule:

<u>Bond Numbers</u> <u>(Inclusive)</u>	<u>Amounts</u>	<u>Interest</u> <u>Rates</u>	<u>Maturity</u> <u>Years</u>
1 to 13	\$65,000	13.25%	1982
14 to 18	25,000	13.25	1983
19 to 23	25,000	13.25	1984
24 to 28	25,000	13.25	1985
29 to 33	25,000	13.25	1986
34 to 38	25,000	13.25	1987
39 to 43	25,000	13.25	1988
44 to 48	25,000	13.25	1989
49 to 53	25,000	13.25	1990
54 to 58	25,000	13.25	1991
**	**	**	**
59 to 104	230,000	14.00	2001
**	**	**	**
105 to 120	80,000	14.375	2011

Bonds numbered 1 to 58, inclusive, have been issued without the right or option of the County to redeem the same prior to their respective maturity dates. The County has reserved the right to redeem any or all of Bonds numbered 59 to 120, inclusive, in

ADDENDUM C

King County, Washington
Seattle-Northwest Securities
Corporation
November 12, 1981
Page 2

numerical order prior to their stated maturity dates on any semi-annual interest payment date at par plus accrued interest to date of redemption at the times and in the manner set forth in the Bonds.

The Bonds are issued under and pursuant to the Constitution and laws of the State of Washington and Ordinance No. 5683 of the County (the "Bond Ordinance") for the purpose of providing the funds with which to pay the cost of carrying out that part of the Sewerage General Plan Duwamish County Sewer Service Area of the County as adopted by Ordinance No. 4435 applicable to Utility Local Improvement District No. 2 and to fund the required reserve for the Bonds.

The Bonds are payable at the office of the King County Comptroller in Seattle, Washington, or, at the option of the holder, at either fiscal agency of the State of Washington in Seattle, Washington, or New York, New York, solely out of the special fund of the County known as "Fund No. 890, Assessment and Revenue Bond Fund" (the "Bond Fund"), created by Ordinance No. 4065 of the County, into which fund the County has irrevocably bound itself to pay certain fixed amounts, without regard to any fixed proportion, out of the Gross Sewer Revenue of the County Sewer Utility, as those terms are defined in the Bond Ordinance, namely, amounts sufficient to pay the principal of and interest on the outstanding "Sewer Revenue Bonds, 1979" (the "1979 Bonds"), of the County and the Bonds as they respectively become due, all at the times and in the manner set forth in Ordinance No. 4065 and in the Bond Ordinance, upon which shall be credited in the manner set forth in the Bond Ordinance any payments actually received from the collection of assessments in Utility Local Improvement Districts Nos. 1 and 2 heretofore created and any other utility local improvement district the assessments in which are pledged to be paid into the Bond Fund. The amounts so pledged to be paid out of such Gross Sewer Revenue and utility local improvement district assessments have been declared to be a lien and charge upon such Gross Sewer Revenue and assessments prior and superior to all charges of any kind or nature, subject only to operation and maintenance expenses, except that the County may issue additional bonds which will have a lien or charge upon such Gross Sewer Revenue and assessments on a parity with the 1979 Bonds and the Bonds in accordance with the provisions of Section 9 of Ordinance No. 4065 and Section 10 of the Bond Ordinance. The Bonds are not a general obligation of the County.

We have not reviewed and thus express no opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material relating to the issuance of the Bonds or otherwise used in connection with the Bonds.

It is our opinion that, as of the date of the initial delivery of the Bonds to the purchaser thereof and full payment therefor, (1) the Bonds have been lawfully issued and constitute a valid obligation of the County payable solely out of the Gross Sewer Revenue of the County Sewer Utility and utility local improvement district assessments to be paid into the Bond Fund, except only to the extent that enforcement of payment may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and (2) under existing federal law and rulings, the interest on the Bonds is exempt from federal income taxes.

Respectfully submitted,

Roberts & Sheffman

CROSS RECEIPT FOR BONDS AND PAYMENT

SEATTLE-NORTHWEST SECURITIES CORPORATION, Seattle, Washington, acknowledges receipt in Seattle, Washington, this 12th day of November, 1981, of \$600,000 par value "Sewer Revenue Sewer Bonds, 1981," of King County, Washington, dated October 1, 1981 (the "Bonds"). The Bonds are numbered from 1 to 120, inclusive, are in the denomination of \$5,000 each, and bear interest at the rates set forth below, payable semiannually on April 1 and October 1 of each year. The Bonds bear interest and mature on October 1 of each year in accordance with the following schedule:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Interest Rates</u>	<u>Maturity Years</u>
1 to 13	\$65,000	13.25%	1982
14 to 18	25,000	13.25	1983
19 to 23	25,000	13.25	1984
24 to 28	25,000	13.25	1985
29 to 33	25,000	13.25	1986
34 to 38	25,000	13.25	1987
39 to 43	25,000	13.25	1988
44 to 48	25,000	13.25	1989
49 to 53	25,000	13.25	1990
54 to 58	25,000	13.25	1991
**	**	**	**
59 to 104	230,000	14.00	2001
**	**	**	**
105 to 120	80,000	14.375	2011

KING COUNTY, WASHINGTON, acknowledges receipt in Seattle, Washington, this 12th day of November, 1981, of \$564,353.13 in full payment for the Bonds, which settlement amount was computed as follows:

Par value of Bonds	\$600,000.00
Less: Discount of 2.5%	(15,000.00)
Plus: Accrued interest from 10/0/81 to 11/12/81	9,353.13
Less: Good Faith Deposit	<u>(30,000.00)</u>
TOTAL SETTLEMENT AMOUNT:	<u>\$564,353.13</u>

DATED this 12th day of November, 1981.

SEATTLE-NORTHWEST SECURITIES
CORPORATION

By Nancy Rusin

KING COUNTY, WASHINGTON

By Lawrence J. Russell

A G R E E M E N T

THIS AGREEMENT is made and entered into as of this 19th day of October, 1981, between King County, a legal subdivision of the State of Washington (hereinafter referred to as "the County"), and the City of Seattle, a municipal corporation (hereinafter referred to as the "City").

W I T N E S S E T H

WHEREAS, the Municipality of Metropolitan Seattle (hereinafter referred to as "Metro"), operates a sanitary sewer interceptor (hereinafter referred to as the "Elliott Bay Interceptor") extending from the southern boundary of the City, south along East Marginal Way South to South 112th Street.

WHEREAS, the City did construct a portion of the Elliott Bay Interceptor extending south to South Norfolk Street.

WHEREAS, the City did transfer ownership of the Elliott Bay Interceptor to Metro.

WHEREAS, Metro has signed joint use agreements with the County and the City referring to the Elliott Bay Interceptor.

WHEREAS, RCW 36.94.170 indicates City sewer services outside the corporate limits may not, under conditions here present, conflict with the County plan or any County sewer facilities installed or being installed.

WHEREAS, the County and the City intend to define the responsibilities of each entity for the purpose of authorizing and operating sewer connections to that portion of the Elliott Bay Interceptor located between the south boundary of the City and South Norfolk Street.

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

ADDENDUM D

Section 1. It is agreed by both parties that all connections to the Elliott Bay Interceptor outside the City boundaries, made after September 1, 1980, shall be approved and operated by the County.

Section 2. The County agrees to collect any area charge, determined by the City, from property not previously served which connects to that portion of the Elliott Bay Interceptor constructed by the City extending from the boundary south to South Norfolk Street. All new connections shall be made to the City constructed interceptor unless conditions prohibit such connection. Prior to issuing a side sewer permit, the County will provide the City with a copy of the connection request and plans which the City will use to calculate the area charge. This area charge collected by the County when the permit is issued will then be paid to the City.

Section 3. No charge will be paid to the City for connections made to those portions of the Elliott Bay Interceptor constructed by Metro extending from the municipal boundary south to South 112th Street. Charges for connection to the Metro-constructed portion of the Interceptor will be in accordance with the County-Metro joint use agreement.

Section 4. If the City annexes the area encompassing all or a portion of the Elliott Bay Interceptor, the City will become sole provider of sewer service to the property within the annexed area.

Section 5. It is agreed by both parties that, upon resolution of the City's attempt to annex the area including portions of the Elliott Bay Interceptor, but not longer than eighteen months after the agreement is signed, the County and City will determine which agency will be sole provider of sanitary sewer service to property connecting to the Elliott Bay Interceptor between the City boundary and South Norfolk Street.

IN WITNESS WHEREOF, the City and the County have executed this Agreement as of the date first above written.

COUNTY OF KING:

CITY OF SEATTLE:

By David Caswell By Charles Roper
Title _____ Title _____

APPROVED as to form this

19th day of May, 1981.

[Signature]
Deputy Prosecuting Attorney

MUNICIPALITY OF METROPOLITAN SEATTLE

AGREEMENT FOR JOINT USE OF
ELLIOTT BAY INTERCEPTOR SECTION 1

THIS AGREEMENT made and executed as of this 16th day of October, 1975, between KING COUNTY, a legal subdivision of the State of Washington (hereinafter referred to as "the County"), and the MUNICIPALITY OF METROPOLITAN SEATTLE, a municipal corporation of the State of Washington (hereinafter referred to as "Metro"),

W I T N E S S E T H:

WHEREAS, the parties have heretofore entered into a long term agreement for Sewage Disposal dated July 17, 1975 (hereinafter referred to as the "Basic Agreement"); and

WHEREAS, the County desires to use portions of the Elliott Bay Interceptor, Section 1 (hereinafter called the "Interceptor"), as a Local Sewerage Facility;

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

Section 1. Definitions. The defined terms used in this agreement shall have the meanings set forth in the Basic Agreement and in addition, where manhole numbers are referred to, reference is made to Metro Contract Document No. 62-4, Schedule 1, Elliott Bay Interceptor, Section 1, copies of which are on file with Metro and the County.

Section 2. Joint Use of Elliott Bay Interceptor, Section 1. The County and Metro agree that the portion of the Interceptor south of manhole W10-35 shall serve as both a Metropolitan and a Local Sewerage Facility for such participants as have authority to provide local service. The County shall have the

ADDENDUM E

right to make direct local connections to said sewer, for which the County shall pay to Metro, before making the said connection, the sum of \$11.30 per front foot of property served on each side of the Interceptor alignment; that is, a total of \$22.60 per front foot of property served if local service is given on both sides of the Interceptor. Said amount represents the estimated cost of constructing an eight-inch (8") local sewer on the same alignment as the Interceptor throughout that portion where local connections are allowed. Upon payment of said amount, the County shall own an eight-inch (8") equivalent share of the Interceptor where local service is given on both sides of the Interceptor, and one-half thereof where service is given on only one side. Local connection to the Interceptor may be made by the County in such a manner as shall be approved by Metro. The County shall hold Metro harmless from any loss, cost, charge, liability or expense resulting from or arising out of damage to the Interceptor or to the persons or property of others caused by the making of such connections or the County's failure to observe any covenant of this Agreement.

Section 3. Construction and Maintenance of Local Sewerage Facilities. The County shall either construct, operate and maintain at its expense or cause others to construct, operate and maintain at their expense in a proper fashion, any side sewers or Local Sewerage Facilities connected to said Interceptor up to and including the tee connection. Metro shall have no responsibility for construction, operation or maintenance of such side sewers or Local Sewerage Facilities.

Section 4. Maintenance and Operation of Interceptor. Metro shall continue to operate, maintain and own all portions of the Interceptor excepting as otherwise expressly provided herein. The County shall have no responsibility for operation or maintenance of the Interceptor.

Section 5. Basic Agreement Unchanged. The County shall comply with all provisions of the Basic Agreement without

qualification or condition by reason of any provision or interpretation of this Agreement, it being the intention of the parties that the Basic Agreement shall not be affected or modified hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

KING COUNTY

By *Robert W. Spellman*
John Spellman
County Executive

ATTEST:

By *Dorothy M. Owens*
Dorothy M. Owens
Clerk of the County Council

Approved as to form:

Christopher T. Bayley
Prosecuting Attorney

By *James H. Bayley*
Deputy Prosecuting Attorney

MUNICIPALITY OF METROPOLITAN SEATTLE

By *C. Carey Donworth*
C. Carey Donworth
Chairman of the Council

ATTEST:

By *B. J. Carol*
B. J. Carol
Clerk of the Council

LEGAL DESCRIPTION

(Duwamish Sewer District)

Those portions of Sections 3, 4, 9, and 10, Township 23 North, Range 4 East, W.M., King County, Washington, described as follows:

Beginning at the NW corner of the SW 1/4 of said Section 3;

Thence East along the North line of said SW 1/4 935 feet more or less to its intersection with a line 450 feet (measured at a right angle) Westerly of and parallel with the centerline of C & P.S. (N.P. R/W) Rail Road, said line being further described as the West line of tax lot 171;

Thence Southeasterly along said line lying 450 feet (measured at a right angle) Westerly of said Rail Road centerline to its intersection with the North line of the NW 1/4 of Section 10;

Thence West along the North line of said NW 1/4 to its intersection with the West line of C. D. Hillmans Meadow Gardens Addition No. 3 as recorded in Vol. 12 of Plats page 86 records of said county;

Thence South along said West line to a point lying 100 feet North of the North margin of S. 115th Street;

Thence N 86°15' W 100 feet;

Thence South along a line parallel with the West line of said C. D. Hillmans Meadow Gardens Addition No. 3 to the thread of the Duwamish River;

Thence Westerly and Northerly along the thread of the Duwamish River to the North line of the SE 1/4 of said Section 4;

Thence East along said North line to the NE corner of said SE 1/4 being also the point of beginning.

ADDENDUM A

INVENTORY -- DUWAMISH

<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>
081665	Portable Heater	\$200.00	1980	
081666	Portable Heater	200.00	1980	
081667	Portable Heater	200.00	1980	
081668	Portable Heater	200.00	1980	

Lineal Feet of Sewer Mains	Approximately	7,500
Manholes	Approximately	22
Pump Stations		4

ADDENDUM B



7371

VAL VUE SEWER DISTRICT
OPERATIONAL PROPOSAL
DUWAMISH AREA SEWER SYSTEM

COMMISSIONERS:

B. W. BUTTERS
ANDY SIMKUS
BETTY LUNZ



MANAGER:

T. J. MATELICH

14816 MILITARY ROAD SOUTH P.O. BOX 68063 SEATTLE, WASHINGTON 98188
TELEPHONE: 242-3236

May 5, 1983

King County Executive
Randy Revelle
400 King County Courthouse
516 Third Avenue
Seattle, Washington 98104

ATTENTION: Paul Tanaka, Staff Assistant

RE: Duwamish Sewer Service Area
Operations Proposal

Dear Mr. Tanaka:

Enclosed is the Val VUE Sewer District operations proposal on the Duwamish Sewer Service Area as requested in your March 29th letter.

The proposal clearly demonstrates the District's ability to operate and maintain the Duwamish Collection System in a professional and efficient manner at a substantially lower cost to the rate payers of the area.

Should you require additional information, please contact this office.

Sincerely,

VAL VUE SEWER DISTRICT

T. J. MATELICH
Manager

TJM/gbs

Enclosures

RESPONSE TO KING COUNTY'S REQUEST

1. RATES

A. The rate to King County customers

	<u>1984 and 1985</u>		
	<u>Residential</u>	<u>Apartment</u>	<u>Commercial</u>
Val Vue Sewer Rate	\$ 3.74/Res.	\$2.65/Unit	\$3.75 first 750 C.F.
(Metro charge not included)			\$0.63/100 C.F.

B. Most all capital costs are distributed throughout the entire district.

Only the initial sewer system installations are handled through U.L.I.D.

2. A DESCRIPTION OF THE PROPOSED LEVEL OF SERVICE

After the transfer, the system will be operated as follows:

A. Pump Station

All the stations will be thoroughly gone over and cleaned. Thereafter the station will be checked everyday except Saturday and Sunday. After 2 to 3 weeks of operation and when the pattern of operation is established the station will be put on the regular District maintenance schedule of 3 times per week which is Monday, Wednesday and Friday.

B. Sewer Line

The lines will be flushed from end to end and critically observed for any sign of problems. Three months later the process will be repeated to see the pattern of flows, deposits, etc. Once the pattern is established, the system will be maintained in the pattern where future problems will be eliminated.

3. A COPY OF THE AGENCY MAINTENANCE STANDARD AND FREQUENCIES

Section from our Maintenance and Operation Manual "Maintenance Record and Schedule" (pages 8-12) and "Hazard, Safety Precaution and Policy" (pages 13-16) are enclosed for your review.

4. SUMMARY OF AGENCY'S QUALIFICATION TO CONDUCT SEWER SERVICE

See enclosed resume of the personnel.

5. A COPY OF THE AGENCY COMPREHENSIVE PLAN

See enclosed map.

6. A STATEMENT OF AGENCY'S CURRENT BONDING CAPACITY AND COPIES OF 1982 OPERATING BUDGET

See enclosed documents.

7. OBLIGATION OR CONDITIONS WHICH MAY BE PLACED UPON CURRENT COUNTY USERS AFTER THE TRANSFER

None at this time except to pay the appropriate monthly service charge.

8. DATE THE AGENCY WOULD ACCEPT OPERATION OF THE SYSTEM

January 1, 1984 or sooner depending on negotiations.

9. OTHER PERTINENT INFORMATION REGARDING VAL VUE SEWER DISTRICT OR DUWAMISH AREA SEWER SYSTEM

A. Val Vue Sewer District is a municipal agency with sole purpose to provide sewer service to the people in the area.

B. Val Vue Sewer District sewer system is located south of Duwamish River along East Marginal River. Therefore, maintenance personnel travel time will not be affected at all.

C. Val Vue Sewer District had a franchise for 10 years to serve the area until King County decided to provide the service themselves.

D. Val Vue Sewer District office and maintenance facilities are only 2.5 miles to the Duwamish Area therefore, response time during emergencies would be very short.

E. Val Vue Sewer District has ongoing preventive maintenance, as a result the District has had no sewer back-ups for many years.

F. Val Vue Sewer District will be evaluating the possibility of improving the system with such things as automatic dialing in case of emergency, wet well in all of the pump stations, and

any other items that might seem appropriate.

- G. Presently Val Vue Sewer District is providing sewer service within the neighboring municipal agencies such as Rainier Vista Sewer District and the City of Tukwila. Any further annexation of the area by other agencies will not present any problem.

OPERATION AND MAINTENANCE

General Policy

A sewer system, although buried, cannot be forgotten, as it will not care for itself. In order to perform at maximum efficiency, it is important that a sewage system be operated and maintained correctly. A basic understanding of how the interceptor operates is invaluable for its proper maintenance. The following section includes the necessary information for this proper operation and maintenance of the McMicken Heights Interceptor.

I) Pump Stations

Pumps are started and stopped by pressure changes on mercury switches as a result of changing the liquid depth in the wet well. Two (2) bubbler compressors are furnished in each station with an automatic alternating switch to equalize wear.

The pumps are controlled to operate individually and automatically alternate each time they turn on. A running time meter is provided for each pump.

THE RUNNING TIME FOR EACH PUMP SHOULD BE RECORDED THREE TIMES WEEKLY.

In the event of failure of a pump to start or a high liquid level in the wet well, the independent telephone alarm system will activate automatically.

For operation and maintenance of the motors, pumps, sump pump, blower and dehumidifier see MANUFACTURER'S (Smith & Loveless) "STATION OPERATION INSTRUCTIONS" included in Appendix IV.

II) Wet Well

A light is located on the ceiling of the wet well. The switch for the wet well light is located in the wet well access tube near the top of the ladder.

The wet well should be inspected weekly or as experience dictates to prevent the buildup of sludge, debris or grease and to see that the bubbler tube is operating properly.

OPERATION AND MAINTENANCE (Con't)

General Policy (Con't)

III) Standby Generator

A trailer mounted diesel engine driven generator is provided and stored in a steel shed adjacent to the pump station. The generator is intended to provide emergency power to the pump station and is rated at 75 kilowatts and 460 volts.

The standby generator is activated either manually or automatically. The Automatic Load Transfer Control senses loss of normal power and starts the standby generator. When the generator reaches 90% of its rated speed and voltage, the Automatic Load Transfer Control disconnects the normal source of power and connects the standby generator.

If the standby generator fails to start the Automatic Load Transfer Control will allow for restart.

When normal power is restored the Automatic Load Transfer Control will disconnect and turn off the standby generator and connect the normal power source back to the pump station.

For operation and maintenance of engine, generator, Automatic Load Transfer Control and trailer see MANUFACTURER'S (Onan) "OPERATOR'S MANUAL" included in Appendix V.

IV) Dosing Station

A. General

A hose bib for cleaning the dosing station is located along the fence just east of the dosing station. The hose can be found in the entry chamber.

A manhole hook is required to open the locking manhole covers at the dosing station.

Bypass gate valves are located at the south (influent) end of the dosing station. (See Dosing Station Flow Diagram in Appendix VII.)

OPERATION AND MAINTENANCE (Con't)

General Policy (Con't)

IV) Dosing Station (Con't)

B. Entry Chamber

A light is located on the ceiling of the entry chamber. The switch for the light is located on the ceiling just inside the hatchway into the entry chamber.

THE DEBRIS CATCHER AND SETTLING POOL SHOULD BE INSPECTED THREE TIMES WEEKLY OR AS DICTATED BY EXPERIENCE AND CLEANED AS REQUIRED.

C. Wet Well

Lights are located on the ceilings of both levels of the wet well. The switches for the lights are located on the wall just inside the hatchway into the wet well.

BE SURE BLOWER IS OPERATING WHEN WORKING IN WET WELL.

The blower vents the top section of the wet well and is run continuously. The lower portion is vented by liquid displacement.

THE HATCHWAY BETWEEN THE UPPER AND LOWER LEVELS OF THE WET WELL IS AIRTIGHT AND SHOULD BE KEPT BOLTED WHEN NOT BEING USED.

There are three recommended ways to manually operate the discharge valve at the bottom of the wet well.

1. Manual Float Switch Operation

- a. open lower hatchway
- b. hold upper float switch upside down
- c. to deactivate lower float switch - turn off water valve near lower hatchway
- d. reverse operation to place automatic system back in service

OPERATION AND MAINTENANCE (Con't)

General Policy (Con't)

IV) Dosing Station (Con't)

C. Wet Well (Con't)

2. Manual Solenoid Operation

- a. pull out on manual operator knob
- b. turn 30° either direction
- c. release gently
- d. to deactivate lower float switch - turn off water valve near lower hatchway
- e. reverse operation to place automatic system back in service

3. Loss of Water Supply Method

- a. pull out on manual operator knob
- b. turn 30° either direction
- c. release gently
- d. turn large operating nut at top of valve to open position
- e. reverse operation to place automatic system back into service

THE WET WELL SHOULD BE INSPECTED AND CLEANED OF GREASE, SLUDGE AND DEBRIS WEEKLY AS AS EXPERIENCE DICTATES.

(See Appendix VI for additional information pertaining to dosing station equipment.)

V) Gravity Lines, Force Main and Siphons

Manholes should be inspected on a regular schedule to check for the entrance of foreign material, infiltration in the pipe and manholes, and the general condition of the sewer. This should be accomplished once each six months or more often where conditions warrant.

OPERATION AND MAINTENANCE (Con't)

General Policy (Con't)

VI) Flushing

A. Pipe Lines

Normal flushing equipment has access to all pipe lines which make up the interceptor.

THE BLOCKAGE OF ANY SEWER LINE SHOULD BE DEALT WITH IMMEDIATELY.

(See the Emergency Telephone List in Appendix I.)

B. Siphons

Both siphons should be flushed quarterly in the following manner:

1. Plug influent line at manhole I-2, 100 yards south of the dosing station on S. 178th Street.
2. Run water from adjacent fire hydrant into manhole I-2.
3. Allow dosing station to activate until clear water is produced at the north ends of both siphons (manholes I-3 and I-4).
4. Turn off fire hydrant.
5. Drain dosing station wet well.
6. Open gate valves at low points of both siphons.
7. Close gate valves at low points of both siphons.
8. If necessary go back to Step 2 and flush again.
9. Remove plug from manhole I-2.

A record should be kept of foreign material removed through the gate valves at the low points of the siphons.

MAINTENANCE RECORDS & SCHEDULES

General Policy

A simple, effective procedure of recording data pertinent to maintenance and operation of a sewer system is essential in keeping it properly maintained. Good records can serve a two fold purpose. They record the work performed and aid in planning work loads and expected costs of maintaining a system. For these reasons a detailed summary of the daily work and schedules required to maintain the interceptor and its appurtenances is included.

I) Pump Stations

A. GENERAL:

1. Any time the alarm is energized, the time and cause or probable cause should be noted.
2. Any parts replaced or repaired should be noted along with any general comments.

B. THREE TIMES WEEKLY:

1. Record reading of running time for each pump.
2. As pumps start and stop, observe the two discharge check valves to see that they are opening and closing properly. This can be seen by observing their spring loaded handle.
3. Manually operate Pump No. 1 and check for any unusual noise or vibration.
4. Turn Pump No. 1 off and manually operate Pump No. 2. Again check for any unusual noise or vibration.
5. Filter bowls should be checked and kept clean of particle buildup.
6. Check bubbler compressor air line to see that air is flowing freely. Plugging of this line is sometimes a problem.
7. Operate sump pump by momentarily raising float, and remove any debris accumulated in bottom of sump.

MAINTENANCE RECORDS & SCHEDULES (Con't)

General Policy (Con't)

I) Pump Stations (Con't)

B. THREE TIMES WEEKLY: (Con't)

8. Check the station lights, blower and dehumidifier to be sure they are operating correctly.
9. Record force main pressures while each pump is running.
10. Record AMPS while each pump is running.

C. Weekly:

1. Clean station, empty waste basket.
2. Clean filter bowls. (Refer to manufacturer's recommended procedure included in Appendix IV.)
3. Clean wye strainers (for pump failure controls).

D. Monthly:

1. Drain bubbler line and check ON/OFF and Warning elevation settings.
2. Test the independent alarm system located in the standby generator building. Press test button to activate.

E. BI-MONTHLY:

1. Completely clean and wash down the station.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR TYPICAL RECORD SHEETS.

II) Standby Generator

A. GENERAL:

1. Clean and inspect the standby generator set each time it is used for extended periods of time or whenever its condition warrants cleaning and inspection.
2. Perform regular maintenance as per MANUFACTURER'S OPERATOR'S MANUAL included in Appendix V.

MAINTENANCE RECORDS & SCHEDULES (Con't)

General Policy (Con't)

II) Standby Generator (Con't)

B. WEEKLY:

1. Read and record operating time.
2. Check fuel level.
3. Check oil level.
4. Check water level.
5. Check battery and charger.
6. Check block heater.
7. Check lights.

C. BI-MONTHLY:

1. Test run and record results.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR
TYPICAL RECORDS SHEETS.

III) Wet Well

A. WEEKLY:

1. Inspect for sludge and grease build up.
2. Check to see that Bubbler tube and wet well blower are operating properly.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR
TYPICAL RECORDS SHEETS.

IV) Dosing Station

A. GENERAL:

1. Inspect blower each time wet well is entered.
2. Replace lights as necessary.

MAINTENANCE RECORDS & SCHEDULES (Con't)

General Policy (Con't)

IV) Dosing Station (Con't)

B. THREE TIMES WEEKLY:

1. Inspect and clean debris catcher and settling pool in entry chamber.
2. Hose down entry chamber.

C. WEEKLY:

1. Inspect and clean wet well of grease, sludge and debris.
2. Activate automatic gate valve (see pages 5 & 6 for methods).
3. Check water supply.
4. Clean station.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR TYPICAL RECORD SHEETS.

V) Gate Valve Manholes

A. QUARTERLY:

1. Flush both siphons and inspect the siphons at the gate valve manholes located at the low point of each siphon. (For recommended procedure see the "Operation and Maintenance" Section VI of this manual.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR TYPICAL RECORD SHEETS.

VI) Manholes

A. BI-YEARLY

1. As a preventive maintenance procedure inspect all manholes.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR TYPICAL RECORD SHEETS.

MAINTENANCE RECORDS & SCHEDULES (Con't)

General Policy (Con't)

VII) Monthly Summary

A monthly summary showing the following items should be prepared by maintenance personnel.

- A) Running time for each pump
- B) Running time for the standby generator
- C) Amount of debris collected in the bottom of each siphon
- D) Any plugged lines and the cause or probable cause
- E) Any maintenance, repair or replacement of parts other than routine.

SEE SCHEDULES INCLUDED IN APPENDIX III FOR TYPICAL RECORD SHEETS.

HAZARDS, SAFETY PRECAUTIONS & POLICY

General Policy

Possibility of personal injury or property damage in connection with sewer operation and maintenance exists in all systems. For this reason, it is imperative that the operation and maintenance personnel for the interceptor practice safety in "getting the job done". A thorough understanding of the following discussion, along with "safety consciousness", should prevent most accidents from occurring. Standard procedures should include mandatory safety instructions for new employees along with regular review sessions. Complete and accurate safety records and reports should be kept, and all accidents, regardless how small, reported and treated as required.

The three basic types of hazards confronting maintenance and operational personnel are:

I) Physical Injuries

Driving new or unfamiliar vehicles is an occupational hazard that is associated with the job of maintenance personnel. It is the driver's responsibility for maintaining good driving habits and familiarizing himself with the operation of new and different types of equipment.

POOR DRIVING HABITS NOT ONLY RESULT IN ACCIDENTS,
BUT ALSO RESULT IN POOR PUBLIC RELATIONS.

Breaks in normal daily traffic patterns, such as quick stopping or abrupt lane changing as a result of poorly marked maintenance operations, can create dangerous situations. Prior to any work on the interceptor, the site should be protected with barricades, flags and warning signals in accordance with "1970 Manual on Uniform Traffic Control Devices" and as required to warn vehicles and pedestrians of the dangers at hand.

NO MANHOLE COVER SHOULD BE REMOVED WITHOUT FIRST
SETTING WARNING BARRICADES.

Another hazard is the lack of having proper tools and knowing how to use the tools properly. Workmen should have proper tools when repairing the interceptor and

HAZARDS, SAFETY PRECAUTIONS & POLICY (Con't)

General Policy (Con't)

I) Physical Injuries (Con't)

manufacturers' recommended procedures in using these tools should be followed carefully. Instructions on use of equipment requiring special knowledge should be included in the regular safety review sessions, and the respective manufacturers' recommended procedures should be posted at a centrally located place. Protective clothing, hard hats and rubber gloves should be worn at all times. Ladders and walks should be kept clean and boots with slip resistant soles worn. Ladder rungs for manholes, wet wells and holding tanks should be checked periodically to see that they remain in good repair. Laziness is no excuse for accidents occurring.

REMOVE MANHOLE COVERS WITH A MANHOLE HOOK,
NOT FINGERS OR HANDS.

Protective covers and devices are included in the pump station as standard equipment. However, when maintenance requires these covers to be removed, extreme care must be used. Only trained and qualified personnel should be allowed to repair pumps, motors, heaters, blowers, dehumidifiers, electrical equipment and diesel engines. Repair of equipment by unauthorized or unqualified personnel may even void its warranty. (See Appendix for list of personnel responsible for operating and maintaining the interceptor and qualified repairmen.) Adequate warning should be posted on all hazardous equipment.

KILL ELECTRICAL CIRCUITS BEFORE SERVICING AND STAND AS FAR AWAY AND TO THE SIDE AS POSSIBLE WHEN THROWING FUSED DISCONNECTS.

Keep the standby generator building clean and free from clutter and congestion. Remove all oil deposits; keep floor clean and dry. Make sure that all fasteners on the generating set are secure. Tighten supports and clamps; keep guards in position over fans, drive belts, etc.

Do not wear loose clothing in the vicinity of moving parts or jewelry while working on electrical equipment. Loose clothing and jewelry can become caught in moving

HAZARDS, SAFETY PRECAUTIONS & POLICY (Con't)

General Policy (Con't)

I) Physical Injuries (Con't)

parts. Jewelry can short out electrical contacts, and cause shock or burning.

If it is necessary to make adjustments while machinery is running, use extreme caution when close to hot exhaust, moving parts, etc.

Do not stand on wet floor while working on electrical equipment. Use rubber, insulated mats placed on dry wood platforms.

Fire extinguishers have been provided in appropriate locations.

DO NOT USE FOAM OR CARBON TETRACHLORIDE ON ELECTRICAL FIRES. USE EXTINGUISHER RATED ABC by NFPA.

Before working with the fuel, exhaust, coolant or electrical systems of the standby generator read the specific safety precautions of the system you are about to work on. (See "ONAN OPERATOR'S MANUAL" pages 4 and 5, located in Appendix II.)

A minimum of two men must be present when opening a siphon gate valve. One man shall remain a safe distance behind the gate valve while the other opens the gate valve.

DO NOT STAND ON DISCHARGE SIDE OF SIPHON GATE VALVES WHEN OPERATING.

DO NOT OPEN SIPHON GATE VALVES WHEN SIPHON IS RUNNING.

II) Body Infections

Health hazards due to infectious germs demand prompt care of cuts and bruises. A first aid certificate should be a requirement for the job and adequate first aid kits shall be maintained in all maintenance vehicles and pump stations. Personal cleanliness and continual vigilance - wearing coveralls, rubber gloves, using disinfectants, frequently washing and immunization for tetanus, typhoid, and polio - should also be standard procedure for maintenance personnel. In taking tests on sewage contents

HAZARDS, SAFETY PRECAUTIONS & POLICY (Con't)

General Policy (Con't)

II) Body Infections (Con't)

use water tight sealable containers. (Plastic bags are not adequate.)

AVOID DIRECT CONTACT WITH SEWAGE.

III) Explosive or Noxious Vapors and Oxygen Deficiency

Care should be taken to avoid exposure to the presence of dangerous gases which are found in enclosed spaces. Gases which are found in sewers are not only harmful physiologically, but they are also extremely explosive when introduced with a spark from electrical equipment, tools, shoes, matches, and other flames. Depletion of oxygen from the air as a result of organic processes in closed or poorly ventilated chambers can also cause a dangerous situation.

Precautions should be taken to prevent these situations by some means displacing the gases with breathable air, such as, positive ventilation of the enclosed space by inducing a draft or filling and emptying the space with water or sewage. Dangers are greatly reduced by using air packs when in or around enclosed spaces such as manholes, wet wells or holding tanks. Gas masks, however, have a tendency of not being used when needed. For this reason, it is mandatory that manholes, wet wells and holding tanks be ventilated by blowers a minimum of five minutes before entering.

BLOWERS SHALL REMAIN ON AT ALL TIMES WHEN MEN ARE WORKING IN MANHOLES, WET WELLS AND HOLDING TANKS.

A minimum of two men must be present if any deep manhole or wet well is to be entered. One man at all times shall remain outside. Should an accident occur, the man outside shall first notify help - supervisor, police, fire department or passerby - of the accident before entering to attempt a rescue.

Portable gas-testing devices are available that register the presence of any or all of the common hazardous gases, or oxygen deficiency. This type of device can be justified as a worthwhile investment and is suggested to be used prior to entering a deep manhole, wet well or holding tank.

VAL VUE SEWER DISTRICT
MAINLINE MAINTENANCE REPORT

GRID MAP SECTION
WEATHER
HOURS

DATE:
TECHNICIANS INITIALS:
CREW SIZE:

Run MH to MH	Line Length	Flow Depth	Slope	Maint. Code	OK X	RR X	Amount Grit	Comments

TOTAL	TOTAL
-------	-------

MAINTENANCE CODE

VC-High Velocity Cleaning

I-Line Insp.

HI-Manhole Insp.

V-Television Insp.

VAL VUE SEWER DISTRICT MCMICKEN HEIGHTS STANDBY GENERATOR MAINTENANCE RECORD

DATE	TIME OF DAY	WEEKLY CHECK LIST								MONTH _____ YEAR _____	GENERAL COMMENTS	INITIALS
		FUEL	OIL	WATER	BATTERY	BATTERY CHARGER	BLOCK HEATER	LIGHTS	CLEAN			
TOTAL												
31												
30												
29												
28												
27												
26												
25												
24												
23												
22												
21												
20												
19												
18												
17												
16												
15												
14												
13												
12												
11												
10												
9												
8												
7												
6												
5												
4												
3												
2												

11
10
9
8
7
6
5
4
3
2
1
/ SR /

NAME: Terry J. Matelich AGE: 40

TITLE: Manager - Val Vue Sewer District

EDUCATION

Mt. Rainier High School 1958 - 1961

Central Washington University 1961 - 1962

Tacoma Vocation Tech. Wastewater
Treatment Plant Operators Training 1966

D.O.E. Certified Group 2 1967

Numerous Technical seminars,
workshop on annual basis covering
all phases of wastewater collection,
treatment and management 1967 - 1983

EXPERIENCE

1974 to Present

Val Vue Sewer District Manager. In charge of office,
maintenance and operation.

1969 to 1974

Des Moines Sewer District - Inspector, easement acquisition.

1965 to 1969

Southwest Suburban Sewer District - Plan Operator, side
sewer inspector.

1962 to 1965

Construction industry covering utilities, residential
and commercial.

NAME: Steven D. Fletcher AGE: 31

TITLE: Side Sewer Inspector

EDUCATION

Federal Way High School (Drafting and Auto Mechanics)	1969
Renton Vocational Technical Institute (Civil Engineering)	1969 - 1971
Washington Wastewater Collection Personnel Association Certified as Wastewater Collection Specialist	1981
Washington Environmental Training Resource Center - Green River Community College - 3 day pump school	1982

EXPERIENCE

1978 to Present

Val Vue Sewer District. Pump Station maintenance and repair.

1974 to 1978

Smith - Williston, Inc. - Machinist and assembly.

1969

Gray Top Cab Company - Auto Mechanic.

NAME: Mark Parsons AGE: 26

TITLE: Sewer Line and Equipment Maintenance Technician

EDUCATION

Glacier High School	1974
U.S. Navy - Class A Engine Man	1974 - 1976
Apprentice Training: Cement Mason Journeyman Finisher (Cement)	1977
CPR Training	1978
Wastewater Training Certified	1981
Flagging Class	1982

EXPERIENCE

1979 to Present

Val Vue Sewer District - Maintenance on sewer line and equipment.

1979

Hope Cement Finishing.

1976 to 1979

Cement Mason in Hanford Area.

1975 to 1976

E.A. Wicklund Construction - Carpentry work.

Moody's Investors Service

99 Church Street, New York, N.Y. 10007
212-553-0300

June 2, 1982

Mr. T. J. Matelich
Manager
Val Vue Sewer District
P.O. Box 68063
Seattle, Washington 98188

Dear Mr. Matelich:

We wish to inform you that our Rating Committee has assigned the rating of A to the \$485,000 Val Vue Sewer District, Washington, Sewer Revenue Bonds which sold through negotiation on June 1, 1982.

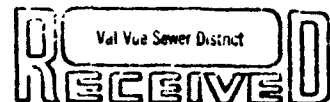
In order that we may maintain the currency of this rating over the period of the loan, we will require current financial and other updating information. We will appreciate your continued cooperation in the future.

Sincerely yours,

Freda Stern Ackerman
Freda Stern Ackerman
Executive Vice President

BB/mg

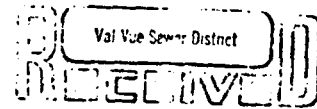
cc: Ms. Terry Bleck
Assistant Vice President
Seattle Northwest
Seafirst Fifth Avenue Plaza
Suite 3700
Seattle, Washington 98104



JUN 8 1982



SEAFIRST FIFTH AVENUE PLAZA
SUITE 3700
SEATTLE, WASHINGTON 98104
(206) 628-2882



APR 25 1983

April 22, 1983

Mr. Terry Matelich
Manager
Val Vue Sewer District
14816 Military Road
P. O. Box 68063
Seattle, Washington 98168

Dear Terry:

Enclosed is the information you requested on your present ability to issue revenue bonds.

Please call if I can do anything else.

Sincerely,


Terry Bleck
Assistant Vice President

Enclosure

TB/lj

4/22/83

VAL VUE SEWER DISTRICT
1982 AVAILABLE FOR DEBT SERVICE

<u>Operating Revenues</u>	
Sewer Service Charges	
Residential	\$340,138
Commercial	347,589
Miscellaneous	<u>7,820</u>
Total	\$695,547
 <u>Operating Expenses</u>	
Sewage Collection & Treatment	\$398,308
Customer Accounts	22,981
Administrative & General	<u>136,515</u>
Total	\$557,804
 Net Operating Revenue	 \$137,743
 <u>Other Income (Expenses)</u>	
Investment Interest	\$194,948
Assessment Principal	274,081
Assessment Interest	92,692
Contract Interest	4,785
Miscellaneous Income	30,443
Miscellaneous Expense	<u>(2,958)</u>
Total	\$593,991
 Net Available for Debt Service	 \$731,734
 Debt Service	 \$320,472
 Coverage	 2.28

4/22/83

VAL VUE SEWER DISTRICT
REVENUE BOND CAPACITY

1982 Available for Debt Service	\$731,734
Maximum Annual Debt Service (Based on a minimum of 1.30 cover for marketing purposes)	562,872
Less: 1984 Debt Service	<u>378,943</u>
Available Annually to Support New Debt	\$183,929

Will support a bond issue of \$1,460,000 for 15 years at 9.25%.

Will support a bond issue of \$1,620,000 for 20 years at 9.50%.

ACCOUNTING OFFICES
OF
C. P. McAULIFFE, C.P.A.
CERTIFIED PUBLIC ACCOUNTANTS

1750 DEXTER AVENUE N
SEATTLE, WASHINGTON
(206) 281

February 28, 1983

Board of Commissioners
Val Vue Sewer District
14816 Military Road South
P.O. Box 6064
Seattle, Washington 98188

Gentlemen:

The accompanying Balance Sheet of Val Vue Sewer District as of December 31, 1982 and 1981, and Statement of Income and Unappropriated Retained Earnings and Statement of Changes in Financial Position for the six month and twelve month periods then ended have been compiled by us.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

Very truly yours,

C. P. McAuliffe, C.P.A.

C. P. McAuliffe, C.P.A.
Certified Public Accountants

TRMcA/smm
Enclosure

Val Vue Sewer District
Financial Statements
Table of Contents
December 31, 1982

	<u>Page</u>
Compilation Report	
Balance Sheet	1, 2
Statement of Income & Unappropriated Retained Earnings	3
Schedules of Expenses	4, 5
Statement of Changes in Financial Position	6
Notes to Financial Statements	7, 8
Supplementary Financial Information	
- Outstanding Bonds Carried on General Ledger	9
- Advance Refunded Bond Issues	10
- Investments Held by Refunding Trustee	11

Val Vue Sewer District
Balance Sheet (Compilation)
December 31, 1982 & 1981

	<u>ASSETS</u>	December 31, <u>1982</u>	<u>1981</u>
<u>Utility Plant</u>			
Utility Plant in Service.....		\$7,269,005	\$6,806,201
- Less Accumulated Depreciation.....		<u>1,225,570</u>	<u>1,066,255</u>
Net Plant in Service.....		\$6,043,435	\$5,739,946
Construction Work in Progress.....		\$ -	\$ 342,664
Total Utility Plant.....		<u>\$6,043,435</u>	<u>\$6,082,610</u>
<u>Sinking & Redemption Funds</u>			
Revenue Bond Funds - Cash.....		\$ 58,898	\$ 81,585
Revenue Bond Funds - Investments.....		544,175	449,146
Interest Receivable on Investments.....		<u>15,642</u>	<u>21,596</u>
Total Sinking & Redemption Funds.....		<u>\$ 618,715</u>	<u>\$ 552,327</u>
<u>Current & Accrued Assets</u>			
Cash & Bank Accounts.....		\$ 75,295	\$ 38,440
Cash - Maintenance Fund.....		466,976	155,160
Cash - Construction Fund.....		-	116,280
Investments - Maintenance Fund.....		560,000	700,000
Investments - Construction Fund.....		785,000	100,000
Accounts Receivable - Users.....		49,734	42,106
Contracts Receivable.....		64,177	59,797
Interest Receivable.....		28,180	6,460
Accrued Utility Revenues.....		<u>58,338</u>	<u>53,682</u>
Total Current Assets.....		<u>\$2,087,700</u>	<u>\$1,271,925</u>
<u>Deferred Debits</u>			
Prepaid Expenses.....		\$ 4,102	\$ 5,435
Unamortized Debt Discount.....		64,531	49,439
Deferred Compensation.....		37,481	26,464
Assessments Receivable.....		<u>1,300,820</u>	<u>1,116,944</u>
Total Deferred Debits.....		<u>\$1,406,934</u>	<u>\$1,198,282</u>
Total Assets.....		<u>\$10,156,784</u>	<u>\$9,105,144</u>

See accountant's compilation report.

The accompanying notes are an integral part of these financial statements.

Val Vue Sewer District
Balance Sheet (Compilation)
December 31, 1982 & 1981

	<u>LIABILITIES & OTHER CREDITS</u>	
	<u>December 31,</u> 1982	<u>1981</u>
<u>Proprietary Capital</u>		
Unappropriated Retained Earnings.....	\$ 534,562	\$ 384,892
<u>Long-Term Debt</u>		
Revenue Bonds Outstanding.....	\$2,505,000	\$2,245,000
<u>Current & Accrued Liabilities</u>		
Construction Fund - Cash Overdraft.....	\$ 390,767	\$ -
Warrants Payable - Maintenance Fund.....	-	35,438
Warrants Payable - Construction Fund.....	-	62,658
Accounts Payable.....	6,645	301,793
Bond Interest Payable.....	79,003	54,074
Taxes Payable.....	1,043	1,386
Total Current & Accrued Liabilities.....	\$ 477,458	\$ 455,349
<u>Deferred Credits</u>		
Contract Retentions.....	\$ -	\$ 19,970
Deferred Compensation.....	37,481	26,464
Total Deferred Credits.....	\$ 37,481	\$ 46,434
<u>Contributions in Aid of Construction.....</u>	<u>\$6,602,283</u>	<u>\$5,973,469</u>
Total Liabilities & Other Credits.....	<u>\$10,156,784</u>	<u>\$9,105,144</u>

See accountant's compilation report.
The accompanying notes are an integral part of these financial statements.

Val Vue Sewer District
Statement of Income & Unappropriated Retained Earnings (Compilation)
Years Ended December 31, 1982 & 1981

	Six Months Ended December 31,		Years Ended December 31,	
	1982	1981	1982	1981
Operating Revenues				
Sewer Service Charges				
- Residential.....	\$ 172,046	\$ 157,184	\$ 340,138	\$ 311,986
- Commercial.....	175,477	162,825	347,589	327,069
Total Sewer Service Charges.....	\$ 347,523	\$ 320,009	\$ 687,727	\$ 639,055
Miscellaneous Revenue.....	\$ 2,755	\$ 4,055	\$ 7,820	\$ 8,621
Total Operating Revenues.....	\$ 350,278	\$ 324,064	\$ 695,547	\$ 647,676
Operating Expenses				
Sewage Collection & Treatment Exp...\$	198,644	\$ 181,037	\$ 398,308	\$ 363,092
Customer Accounts Expenses.....	11,990	8,571	22,981	17,463
Administrative & General Expenses...	72,917	66,910	136,515	127,364
Depreciation.....	83,315	82,610	159,315	151,610
Total Operating Expenses.....	\$ 366,866	\$ 339,128	\$ 717,119	\$ 659,529
Utility Operating (Loss).....	\$(16,588)	\$(15,064)	\$(21,572)	\$(11,853)
Other Income				
Interest Income - Investments.....\$	112,238	\$ 110,945	\$ 194,948	\$ 212,629
Interest Income - Assessments.....	54,942	62,371	92,692	94,431
Interest Income - Contracts.....	1,872	2,221	4,785	4,222
Miscellaneous Income.....	28,220	2,042	30,443	4,384
Total Other Income.....	\$ 197,272	\$ 177,579	\$ 322,868	\$ 315,666
Total Operating Income & Other Income.....	\$ 180,684	\$ 162,515	\$ 301,296	\$ 303,813
Other Expenses				
Investment Service Fees.....\$	1,501	\$ 1,918	\$ 2,958	\$ 3,572
Revenue Bond Interest.....	76,240	69,586	144,776	142,785
Amortization of Debt Discount.....	2,506	1,388	3,893	2,775
Total Other Expenses.....	\$ 80,247	\$ 72,892	\$ 151,627	\$ 149,132
Net Income.....	\$ 100,437	\$ 89,623	\$ 149,669	\$ 154,681
Unappropriated Retained Earnings				
Beginning - January 1,.....	\$ 434,125	\$ 295,270	\$ 384,893	\$ 230,212
Unappropriated Retained Earnings				
December 31,.....	\$ 534,562	\$ 384,893	\$ 534,562	\$ 384,893

See accountant's compilation report.
The accompanying notes are an integral part of these financial statements.

Val Vue Sewer District
Sewage Collection & Treatment Expenses (Compilation)
Years Ended December 31, 1982 & 1981

	Six Months Ended December 31,		Years Ended December 31,	
	1982	1981	1982	1981
<u>Sewage Collection & Treatment Expenses</u>				
<u>Collection & Transmission Expenses</u>				
<u>Operation</u>				
Metro & Des Moines Sewer District...	\$ 175,184	\$ 158,785	\$ 352,625	\$ 316,355
Customer Installation				
- Permits.....	30	76	50	154
- Inspection.....	160	480	160	1,080
	\$ 175,374	\$ 159,341	\$ 352,835	\$ 317,589
<u>Maintenance</u>				
Maintenance of Collection & Transmission Lines.....	\$ 1,934	\$ 1,988	\$ 3,312	\$ 6,813
Maintenance Labor.....	19,486	17,871	38,358	34,640
	\$ 21,420	\$ 19,859	\$ 41,670	\$ 41,453
 Total Collection & Transmission Expenses.....	\$ 196,794	\$ 179,200	\$ 394,505	\$ 359,042
<u>Pumping Expenses</u>				
<u>Operation</u>				
Pumping Power Purchased.....	\$ 1,160	\$ 1,194	\$ 2,571	\$ 2,404
Miscellaneous.....	293	345	544	574
	\$ 1,453	\$ 1,539	\$ 3,115	\$ 2,978
<u>Maintenance</u>				
Maintenance of Structures & Improvements.....	\$ 16	\$ -	\$ 16	\$ 774
Maintenance of Pumping Equipment....	381	298	672	298
	\$ 397	\$ 298	\$ 688	\$ 1,072
 Total Pumping Expenses.....	\$ 1,850	\$ 1,837	\$ 3,803	\$ 4,050
 Total Sewage Collection & Treatment Expenses.....	\$ 198,644	\$ 181,037	\$ 398,308	\$ 363,092

See accountant's compilation report.
The accompanying notes are an integral part of these financial statements.

Val Vue Sewer District
Schedules of Expenses (Compilation)
Years Ended December 31, 1982 & 1981

	Six Months Ended December 31,		Years Ended December 31,	
	1982	1981	1982	1981
<u>Customer Accounts Expenses</u>				
Office Salaries.....	\$ 8,805	\$ 8,310	\$ 17,610	\$ 16,620
Office Supplies.....	2,985	31	5,009	590
Collecting - Water Consumption Lists	200	230	362	253
 Total Customer Accounts Expenses.	<u>\$ 11,990</u>	<u>\$ 8,571</u>	<u>\$ 22,981</u>	<u>\$ 17,463</u>
<u>Administrative & General Expenses</u>				
Office Salaries.....	\$ 8,805	\$ 8,310	\$ 17,610	\$ 16,620
Manager's Salary.....	15,871	15,813	28,868	28,261
Office Supplies.....	145	200	1,592	767
Postage & Mailing.....	1,628	1,695	3,324	2,880
Utilities & Telephone.....	2,481	1,894	4,601	3,773
Legal.....	1,643	387	1,951	3,201
Accounting.....	1,472	2,207	3,394	3,860
Engineering.....	6,098	2,364	11,238	7,321
Insurance.....	4,559	4,390	8,156	7,396
Employee Retirement.....	3,747	3,496	7,386	7,337
Employee Medical.....	3,941	4,134	8,535	7,942
State Auditor.....	2,108	2,318	2,108	2,318
Commissioners' Fees.....	3,400	3,440	5,440	5,720
Dues.....	1,231	1,068	2,431	2,072
Miscellaneous General Expenses.....	702	889	3,182	1,201
Truck Expense.....	1,507	2,582	3,804	4,271
Travel & Per Diem.....	4,877	4,573	5,247	5,528
Maintenance of General Plant.....	1,930	1,273	2,552	3,968
Payroll Taxes.....	4,960	4,285	11,708	9,856
State Excise Tax.....	1,812	1,592	3,388	3,072
 Total Administrative & General Expenses.....	<u>\$ 72,917</u>	<u>\$ 66,910</u>	<u>\$ 136,515</u>	<u>\$ 127,364</u>

See accountant's compilation report.
The accompanying notes are an integral part of these financial statements.

Val Vue Sewer District
Statement of Changes in Financial Position (Compilation)
Years Ended December 31, 1982 & 1981

	Years Ended December 31,	
	1982	1981
Financial Resources Were Provided By:		
Net Income.....	\$ 149,669	\$ 154,681
Add Back Deductions Not Requiring Cash		
- Depreciation.....	159,315	151,610
- Amortization.....	<u>3,893</u>	<u>2,775</u>
Total Provided By Operations.....	\$ 312,877	\$ 309,066
U.L.I.D. Assessments Collected.....	\$ 274,081	\$ 156,810
Contributions to Construction (Including Grants).....	170,858	38,464
Sale of Bonds.....	485,000	-
Increased Contract Retentions.....	-	19,970
Decreased Prepaid Expenses.....	<u>1,333</u>	<u>-</u>
Total Provided.....	<u>\$1,244,149</u>	<u>\$ 524,310</u>
Financial Resources Were Used For:		
Acquisition of Utility Plant.....	\$ 120,140	\$ 471,970
Redemption of Bonds.....	225,000	150,000
Increase in Prepaid Expenses.....	-	843
Decreased Contract Retentions.....	19,970	-
Discount on Bonds Issued.....	<u>18,985</u>	<u>-</u>
Total Used.....	<u>\$ 384,095</u>	<u>\$ 622,813</u>
Increase (Decrease) in Working Capital.....	<u>\$ 860,054</u>	<u>\$ (98,503)</u>

See accountant's compilation report.
The accompanying notes are an integral part of these financial statements.

Val Vue Sewer District
Notes to Financial Statements (Compilation)
December 31, 1982

1. Significant Accounting Policies

The district maintains its records according to the uniform system of accounts for sewer utilities as prescribed by the State of Washington. The accrual method of accounting is used, with the exception that interest income on assessments is recorded as received.

Depreciation is recorded over the estimated useful lives of the assets using the straight line method.

Utility plant in service is recorded at cost. Donations by developers are recorded at the contract price.

Investments are recorded at cost, which generally approximates market value. The investments are expected to be held to maturity. Material amounts of premium or discount on investments are amortized to the maturity of the investment.

Discount on each bond issue is amortized over the life of the issue using principally the straight line method.

2. Commitments & Contingent Liabilities

The district is not a party to any leases.

The district is not involved in any lawsuits, nor is it the object of any outstanding claims in so far as management is aware.

3. Funded Debt

The district has outstanding sewer revenue bonds as shown in the schedule included in supplemental financial information. Principal and interest on these bonds are payable from and secured by a pledge of net operating revenues and collection of Utility Local Improvement District assessments, including interest thereon. Interest income on investment of bond funds is also to be used for payment of bond principal and interest.

4. Correction of Accounting Error

On all financial statements prior to 1982 the district followed the practice of charging directly to expense all labor costs. As of 1982, in accordance with generally accepted accounting principles, the portion of labor costs associated with capital projects has been capitalized. The change has the effect of raising net income for the year ended December 31, 1982 by \$ 5,593 over what it would have been under the former practice. The effect of correcting the financial statements for December 31, 1981 cannot be determined as the necessary records were not being maintained.

See accountant's compilation report.

Val Vue Sewer District
Notes to Financial Statements (Compilation)
December 31, 1982

5. Pension Costs

The district's employees are covered by the Washington State Retirement System pension plan. The Washington State Retirement System requires the district to make contributions equal to an actuarially determined percentage of covered payrolls. The current percentage is 6.5%. This percentage is subject to periodic review and is intended to provide for current service cost and for amortization of unfunded prior service costs over a 40 year period.

The contributions totaled \$ 7,486 and \$ 7,337 for the years ended December 31, 1982 and 1981 respectively. The portion attributable to Val Vue Sewer District, if any, of the excess of the actuarially computed value of vested benefits over the Retirement System's assets is not determinable.

See accountant's compilation report.

Val Vue Sewer District
 Outstanding Bonds Carried on General Ledger (Compilation)
 December 31, 1982

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Redeemed to Date</u>	<u>Bonds Outstanding</u>	<u>Interest Rates</u>	<u>Maturity</u>
6/01/77.....	\$1,765,000	\$ 560,000	\$1,205,000	5.25%-6.30%	1983-1996
4/01/78.....	\$ 385,000	\$ 245,000	\$ 140,000	5.00%-6.00%	1983-1996
10/01/79.....	\$ 800,000	\$ 125,000	\$ 675,000	7.70%	1983-1996
7/01/82.....	\$ 485,000	\$ -	\$ 485,000	9.00%-13.00%	1983-1997
	<u>\$3,435,000</u>	<u>\$ 930,000</u>	<u>\$2,505,000</u>		

See accountant's compilation report.

Val Vue Sewer District
 Advance Refunded Bond Issues (Compilation)
 December 31, 1982

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Redeemed by Val Sue</u>	<u>Refunding Date</u>	<u>Bonds Refunded</u>	<u>Redeemed by Trustee</u>	<u>Outstanding 12/31/82</u>	<u>Interest Rates</u>	<u>Maturity</u>
Sept. 1, 1968..	\$ 300,000	\$ -	6/30/77	\$ 300,000	\$ 50,000	\$ 250,000	5.25%-5.50%	1983-1996
May 1, 1974....	\$1,550,000	\$ 475,000	6/04/76	\$1,075,000	\$ 325,000	\$ 750,000	6.75%	1983-1999
Oct. 1, 1974...	\$ 425,000	\$ 45,000	6/04/76	\$ 380,000	\$ 120,000	\$ 260,000	8.25%	1983-2000
Sept. 1, 1975..	\$ 255,000	\$ -	6/04/76	\$ 255,000	\$ 135,000	\$ 120,000	7.5%-8.0%	1983-1990
June 1, 1976...	\$1,725,000	\$ 70,000	6/30/78	\$1,655,000	\$ 585,000	\$1,070,000	6.5%-6.75%	1983-1996
Feb. 1, 1977...	<u>\$ 235,000</u>	<u>\$ 95,000</u>	6/30/77	<u>\$ 140,000</u>	<u>\$ 50,000</u>	<u>\$ 90,000</u>	5.5%-6.5%	1983-1991
	<u>\$4,490,000</u>	<u>\$ 685,000</u>		<u>\$3,805,000</u>	<u>\$1,265,000</u>	<u>\$2,540,000</u>		

These bonds represent contingent liabilities of the district. They are to be redeemed by investments presently held by the trustee, Rainier National Bank. These bonds are not reflected in the district's financial statements in any way. See page 11 for related investments. Information taken from King County Comptroller's reports to Val Vue Sewer District as of December 31, 1982.

See accountant's compilation report.

Val Vue Sewer District
Investments Held By Refunding Trustee (Rainier National Bank)
(Compilation)
December 31, 1982

<u>Purchase Date</u>		<u>Cost</u>	<u>Par Value</u>	<u>Yield</u>	<u>Maturity</u>
6/04/76	U.S. Book Entry.....	\$ 90,000	\$ 90,000	7.7%-7.8%	11/84-11.87
6/04/76	F.N.M.A. Mortgage Bonds.....	\$ 135,420	\$ 130,000	6.6%-8.1%	6/82-12/84
6/04/76	Federal Intermediate Credit Banks.....	\$ 46,876	\$ 45,000	7.6%	4/86
6/04/76	Federal Land Banks.....	\$ 869,811	\$ 835,000	7.6%-8.5%	1/83- 1/88
6/30/77	U.S. Treasury Notes.....	\$ 10,720	\$ 10,000	7.5%	8/86
6/30/77	U.S. Book Entry.....	\$ 944,000	\$ 944,000	6.86%-7.40%	1/83- 3/91
6/30/77	F.H.D.A. Insured Notes.....	\$ 402,017	\$ 375,000	8.4%	4/89
		<u>\$2,498,844</u>	<u>\$2,429,000</u>		

These investments are being held by the trustee for the payment of principal and interest on advance refunded bonds listed on page 10. These investments are not reflected in the district's financial statements in any way. Information taken from King County Comptroller's reports to Val Vue Sewer District.

See accountant's compilation report.