

**ANNAPOLIS WATER DISTRICT  
RESOLUTION NO. 1028**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF ANNAPOLIS WATER DISTRICT  
DETERMINING TO CONSOLIDATE WITH  
KARCHER CREEK SEWER DISTRICT INTO ONE COMBINED DISTRICT**

Washington law permits water districts and sewer districts to consolidate into a single district pursuant to the provisions of Chapter 57.32 RCW.

For several years now, ANNAPOLIS WATER DISTRICT (“Annapolis Water”) and KARCHER CREEK SEWER DISTRICT (“Karcher Creek”) have jointly owned and operated common administrative and maintenance facilities. The general manager of Annapolis Water, Lawrence Curles, is now also serving as the general manager for Karcher Creek and the same two commissioners serve on the boards of each district. To date, the joint undertakings of the two districts have worked well.

During approximately the past year, Annapolis Water and Karcher Creek have studied whether it would be to their mutual benefit, and in the best interests of the customers each serves, to consolidate into one district.

The Board of Commissioners (“Board”) for Annapolis Water have determined consolidation of the two districts shall be conducive to the public health, welfare, and convenience, and to be of special benefit to the lands of each district. This is for the reasons that: significant cost savings will be achieved by consolidation; duplication of common services provided by each district will be avoided and allow for greater specialization of the workforce of the consolidated district; the public will be better served from a combined workforce of the two districts with cross training of work duties where appropriate; more timely and efficient service to the customers of each district should result from the combined larger work force of the two districts; and a larger combined district should attract a high caliber of work talent.

Recently, each district held public hearings to receive input from the public on this issue. Based on: the past experience of the two districts in successfully engaging in joint undertakings; Chapter 57.32 RCW authorizing water and sewer districts to consolidate; the conclusions of Annapolis Water hereinbefore stated as a result of its study of the consolidation process; and input received from the public on this matter, it is hereby

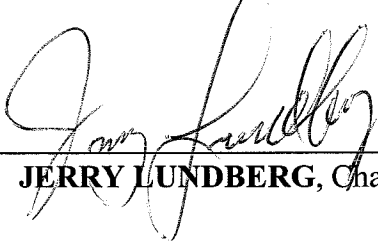
**RESOLVED** as follows:

1. The Board hereby formally determines consolidation of Annapolis Water with Karcher Creek into a single district shall be conducive to the public health, welfare, and convenience and be of special benefit to the lands of Annapolis Water and Karcher Creek; and

2. Hereafter, Annapolis Water shall take all legal steps necessary to consolidate its district and Karcher Creek into one district. The specific details of the consolidation shall be as set forth in the Consolidation Agreement to be entered into between the two districts.

**ADOPTED AT A REGULAR MEETING** of the Board of Commissioners of Annapolis Water District, by unanimous vote, on the 28<sup>th</sup> day of March, 2007.

**ANNAPOLIS WATER DISTRICT**

by:   
\_\_\_\_\_ **JERRY LUNDBERG, Chair**

by:   
\_\_\_\_\_ **JAMES J. HART, Commissioner**

by: \_\_\_\_\_  
**WILLIAM H. HUNTINGTON, Commissioner**