

ORIGINAL

RESOLUTION NO. 2 5 6 8

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3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN,
4 WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE
5 SOUTH KING COUNTY REGIONAL WATER ASSOCIATION JOINT OPERATING
6 AGREEMENT BETWEEN PARTICIPATING CITIES OF KENT, BLACK DIAMOND,
7 AUBURN, COVINGTON WATER DISTRICT AND KING COUNTY WATER
8 DISTRICT NO. 111.

9
10 WHEREAS, pursuant to RCW 39.34 entitled the "Interlocal
11 Cooperation Act", the City of Auburn is authorized to enter
12 into agreements with other public agencies to provide for the
13 most efficient services; and

14 WHEREAS, an adequate and safe water supply for South King
15 County Regional Water Association (SKRWA) is vital to both
16 existing citizens and the long-term comprehensive plans of
17 SKRWA; and

18 WHEREAS, the State and SKRWA have prepared a Coordinated
19 Water System Plan (CWSP) for South King County; and

20 WHEREAS, projects that provide for the joint use and
21 operation of supply, transmission, storage, treatment, and
22 pumping facilities to minimize cost, provide for improved
23 water quality, protect the environment, provide for emergency
24 needs and maximize the best use of the resource is in the best
25 interest of the citizens of the region.

26 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN,
WASHINGTON, IN A REGULAR MEETING, DULY ASSEMBLED, HEREWITH
RESOLVES AS FOLLOWS:

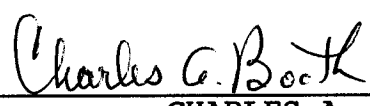
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Section 1. The Mayor and City Clerk of the City are hereby authorized to execute South King County Regional Water Association Joint Operating Agreement. A copy of said Agreement is attached hereto, denominated as Exhibit "A", and made a part hereof as though set forth in full herein.

Section 2. The Mayor is hereby authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

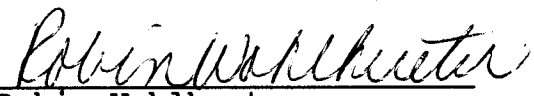
DATED and SIGNED this 5th day of June, 1995.

CITY OF AUBURN



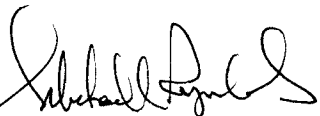
CHARLES A. BOOTH
Mayor

ATTEST:



Robin Wohlhueter,
City Clerk

APPROVED AS TO FORM:



Michael J. Reynolds,
City Attorney

ORIGINAL

**SOUTH KING COUNTY REGIONAL WATER ASSOCIATION
JOINT OPERATING AGREEMENT**

January 1995

WHEREAS, an adequate and safe water supply for South King County Regional Water Association (SKCRWA) is vital to both existing citizens and implementing the long-term comprehensive plans of SKCRWA; and

WHEREAS, the State and SKCRWA prepared a Coordinated Water System Plan (CWSP) for South King County; and

WHEREAS, projects that provide for the joint use and operation of supply, transmission, storage, treatment, and pumping facilities to minimize cost, provide for improved water quality, protect the environment, provide for emergency needs, and maximize the best use of the resource is in the best interest of the citizens of the region;

WHEREAS, the current and near-term water needs of the local governments and SKCRWA require steps to establish a cooperative subregional water supply system; and

WHEREAS, the SKCRWA is committed to cooperate toward regional solutions for long range water supply needs.

NOW THEREFORE, the SKCRWA members as the initial developers of this Joint Operating Agreement (JOA), agree as follows:

1. **GENERAL**

- A. The Members acknowledge the requirement to incorporate land use planning as defined by the Growth Management Act with water supply planning; and
- B. The Members recognize the benefits of developing a subregional water supply system that will allow the optimum use of surface and groundwater to better manage and protect the area's water resources; and
- C. The Members will hold a joint meeting at least annually about September 30th to review the status of this JOA and any Amendments as well as other problems of mutual concern. The specific date, time, and location of the meeting will be set by mutual agreement.

2. **INTENT**

- A. The general intent of the Members is to cooperatively provide the additional facilities needed to develop a South King County Subregional Water Supply System (Subregional System). The Members may choose by Interlocal Agreement to produce additional water and distribute it within the Subregional System, with or without change to their retail service area.
- B. The JOA provides a framework for joint development of specific projects that may include two or more of the Participants. Each facility project and/or intertie shall be developed under a separate Interlocal Agreement (IA) consistent with this JOA subject to approval by appropriate affected city council and/or water district boards. The specific intent of this JOA is to make provisions for a standardized method to create or expand the Subregional System to meet the public water supply needs for both emergency and long-term use, and to establish a basis for agreement between the Participants for financing, ownership, construction, and operation of projects required for the Subregional System. These projects may include common facilities with other Agencies outside the SKCRWA.

It is further the specific intent of this JOA to preserve existing water rights and protect the established or planned interest and needs of each Participant with respect to sources of water.

Exhibit A is a suggested content of what should be included in each Interlocal Agreement.

- C. It is the desire of the Members that this JOA be incorporated into the South King County CWSP at the next update.
- D. The term "Participant" as used in this JOA shall mean all the signatories of an IA consistent with and implemented subsequent to this JOA.
- E. The term "members" as used in this JOA shall mean all the members of the SKCRWA whether they have signed this JOA or not.

3. **SUBREGIONAL SUPPLY SYSTEM AND SERVICE AREA**

- A. "Subregional System" shall mean:
- (a) that portion of the Participants' sources, interties, transmission, and storage systems required to supply water to the service area of the Participants or new facilities as defined by a separate IA.

- (b) those designated capacities within a Participant system as specifically defined in the appropriate IA.
- B. "Service Area of the Subregional System" shall mean the Participants' Designated Water Service Areas identified in the CWSP as shown on Exhibit B or as approved by amendments to the CWSP or the Participants' Comprehensive Water Plan.
- C. "Facility Ownership". Ownership of the physical facilities that exist on the date of this JOA shall remain with the individual Participants. Unless otherwise agreed to within a specific IA, ownership and operational responsibilities of new facilities shall be based generally on location in designated service areas, with capacity rights defined by appropriate IA.

4. WATER SUPPLY - CAPACITY RIGHTS

- A. Capacity Rights - Each Participant may purchase capacity in planned improvements to the Subregional System. Any changes in these capacity rights shall be recognized by an IA, approved by the appropriate affected city councils and/or water district boards.
- B. Additional JOA Participants - Other agencies may purchase capacity rights in the Subregional System with consent of the SKCRWA. Such consent shall not be unreasonably withheld. If other agencies become a JOA Participant in future projects, past costs recognized by the JOA including, but not limited to cost associated with development of this JOA, Water Rights, negotiations, and any Feasibility Studies will be assessed to the new agency..
- C. Wholesaling Water - The Participants may wholesale water through lease or otherwise, delivered through the Subregional System to areas outside of Participant's respective Service Area, so long as the other Participants' capacity rights are not negatively impacted. Members of the SKCRWA shall have right of first refusal for excess capacity which would be sold to non-members.
- D. Conservation and Curtailment. All Participants will develop and implement a conservation plan that is consistent with State guidelines and will incorporate guidance to ensure that their program is compatible with the Conservation Plan implemented by the source of supply agency. In addition, if a source of supply agency develops and implements a curtailment plan all purchasers shall develop and implement a compatible curtailment plan.
- E. Quality - An objective of the Members is to maintain the quality of the water in the Subregional System at or above the quality required by the State drinking water standards. The purchasing Participant will be responsible for ensuring water quality blending analyses and other water quality issues are resolved to their own

satisfaction. The Participants will meet periodically to ensure that water quality and operational issues are addressed, and that needed information is exchanged in a timely fashion. The written results of these meetings will be circulated in a timely manner to all members and participants and reviewed at the annual meeting.

- F. Additional Facilities - Projected needs will be identified by the Participants based on the Participant's designated service areas. As five or more years may be needed to bring major new source capacity capabilities on line, five-year and ten-year forecasts are required, and must be updated whenever a Participant becomes aware of any significant change in their forecast demand. These will be discussed jointly as they arise, and reviewed at the annual meeting.
- G. Financing - Each Project IA will include pertinent details of financing for that project. Financial participation in existing and additional facilities will be based on each Participant's projected need for each facility, as designated capacity rights.
- H. Cost of Service Charge - The Members and Participants will establish wholesale water sales charges for both emergency and long-term supply that include: (1) capital cost, (2) fixed operating cost, and (3) a variable operating cost based on quantity of water delivered based on actual costs of providing the service.

Fixed and variable operating and maintenance costs payments will be made monthly per meter and use rates. Projected annual rate adjustments and documentation shall be provided at the annual meeting. Any rate increase will be effective beginning January 1, of the following year.

- (1) The Rates and Charges for the capital, operation, and maintenance of the system shall be based on the following:
 - (a) Capital Cost - Those construction related costs incurred for Capacity Rights. Capital Costs for facilities contracted solely for a specific project (described in an IA) are allocated based on designated capacity to be purchased.

Capital costs shall include the debt service for each Participant. Such debt service shall be defined as the actual debt service on debt issued for the Participant's proportionate share of capacity rights, or if no debt is issued for the Participant's costs by the financing Participant, the amortized value at the interest rate of the most recent revenue bond issued by the financing Participant over 20 years. However, should all capital costs be paid in full by any Participant purchasing capacity rights prior to the time of the financing Participant incurring the costs, no interest charges shall be assigned to the Participant purchasing capacity rights.

Capital Costs associated with a supplying Participant's construction of their internal water system facilities may be included in the fixed and variable operating costs as appropriate, using cost of service principles, in the same manner as those costs are included in the supplying Participant's customer rate base.

- (b) Fixed Operating Cost - The cost of labor, supervision, supplies, utilities, services, taxes, insurance, and all other costs required to operate and maintain the system other than those items included under Variable Operating Cost. The operating cost will include an allocation for renewal and replacement.
- (c) Variable Operating Cost - Those costs directly proportionate to the volume of water produced, including chemicals, electric power, and other costs required to meet customer and system needs not included in (a) and (b) above.

(2) Accounting

Subregional System accounting shall be documented in accordance with generally accepted accounting practices acceptable to the Participants.

5. ADMINISTRATIVE, LEGAL AND OTHER PROVISIONS

- A. Each Participant shall designate in writing their representative responsible for coordination and implementation of the JOA and the subsequent IAs. The designated individuals will be the primary contact for all project approvals and communication and shall prepare and publish a schedule and plan to facilitate the planning, design and day-by-day operation of facilities associated with the JOA.

An Annual Meeting of the Members and Participants shall be held to review past activity and to propose efforts that may lead to further Amendments to this JOA.

- B. This JOA shall remain in full force unless terminated by mutual agreement. Any Member may request Amendment to this JOA at any time with approval subject to SKCRWA Bylaws.

IN WITNESS WHEREOF, the SKCRWA members hereto have caused this agreement to be executed by their proper Officers on the 26 day of July 1995.

By: Charles A. Booth
Title: Mayor Charles A. Booth
City of Auburn

Attest:

By: Robin Wohlhueter
Robin Wohlhueter, City Clerk

Approved As To Form:

By: Michael J. Reynolds
Michael J. Reynolds,
City Attorney

By: Sherrill A. [Signature]
Title: MAYOR
City of Black Diamond

Attest:

By: _____

Approved As To Form:

By: _____

By: Lep Hornsby
Title: Board President
Covington Water District

Attest:

By: _____

Approved As To Form:

By: _____

By: Jim White
Title: Mayor
City of Kent

Attest:

By: Brenda Jacober
City Clerk

Approved As To Form:

By: Heaven C. Bullock
ASS'T. CITY CLERK



Attest:

By: _____

Approved As To Form:

By: _____

By: Charles E. Linder
Title: President Board of Commissioners
King County Water District #111

By: _____
Title: _____
Date: _____

Attest:

By: _____

Approved As To Form:

By: _____

By: _____
Title: _____
Date: _____

Attest:

By: _____

Approved As To Form:

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Title: _____
Date: _____

Attest:

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Approved As To Form:

By: _____

EXHIBIT A

**SOUTH KING COUNTY REGIONAL WATER ASSOCIATION
JOINT OPERATING AGREEMENT
CHECKLIST FOR INTERLOCAL AGREEMENTS**

1. Project Title

2. General

- List of Utilities to be Parties to the Interlocal Agreement (IA) and approval of appropriate city councils and/or water district boards.
- Consistency with Joint Operating Agreement (JOA).
- Description of need for project.
- Listing of potential Wholesale customers for water per Section 4.C of the JOA.
- Recognition of assessment of costs associated with development of JOA per Section 4.B of the JOA.
- Recognition South King County Regional Water Association (SKCRWA) members have right of first refusal on excess capacity per Section 4.C of the JOA.
- Recognition that capacity and water rights are available to meet the needs of the IA.

3. Description of the Project

Inclusion of a drawing (or description) which identifies all the facilities to be considered within the IA. Included within the description should be all jointly and solely owned facilities that are to be operated or paid for by a Party to the IA.

The information within the description should include the following:

- Long-term ownership of the facility
- Party responsible for long-term maintenance of the facility
- Party responsible for payment for design and construction for the facility

4. Project Costs, Financing, and Capacity Rights

- Description of all project costs and the allocation to each Party.
- Definition of Capacity rights for all facilities.

- Definition of cost sharing for long-term maintenance for each facility.
- Definition of methods of reimbursement for monies expended (if required).
- Description of any applicable latecomer fees or hook-up charges.
- Description of requirements for record keeping and monitoring of costs.
- Description of manner to finance project and to pay for purchased water including initial costs and method to adjust costs over time.

5. Project Design and Construction Management

- Definition of overall project management responsibilities.
- Definition of design and construction management responsibilities for individual facilities.
- Description of basic periodic meeting schedule for project review.

6. Conditions of Service

- Limitations to source sharing or delivery of water (if any).
- Design Criteria for full project.
- Minimum and maximum flow rates and pressures.
- Items specifically excluded from the project.

7. Term of Duration of the Agreement

Discussion of the length of time the agreement is in effect as well as the method to terminate the agreement and succeeding agencies' obligations.

8. Amendments

Methods by which the agreement could be amended.

9. Hold harmless, liability language, etc.