

**1991 CONTRACT BETWEEN THE CITY OF EVERETT
AND THE SILVER LAKE WATER DISTRICT CONCERNING
THE ANNEXATION OF A PORTION OF THE DISTRICT BY THE CITY**

THIS CONTRACT is made by and between the City of Everett, Washington, hereinafter called "City," and the Silver Lake Water District, hereinafter called the "District".

WHEREAS, the City and the District previously entered agreements concerning annexations of portions of the District by the City; and

WHEREAS, the City has thereafter annexed additional land which at the time of such annexation was and is now located within the District and which land is receiving water service from the District; and

WHEREAS, the City desires to assume full management and control of the local water facilities and service within the territories so annexed; and

WHEREAS, the District has caused to be issued its "Water Revenue Bonds, 1984" dated June 20, 1984, of which a principal amount of \$1,270,000 is now outstanding and its "Water Revenue Refunding Bonds, 1989", of which a principal amount of \$1,170,000 is now outstanding which constitute liens upon the gross revenue of the District's water system, including that portion of the system now within the City; and

WHEREAS, certain water facilities located within and adjacent to the boundaries of the City are such that those facilities are essential to the operation of the remaining facilities of the District and must be retained by the District in order to provide adequate water service for customers of the District; and

WHEREAS, it is the desire of the parties to define, by means of this contract, the rights and responsibilities of the parties with respect to ownership management and control of the water facilities within the territories annexed to the City and to set forth the manner in which the debts and obligations of the District as they relate to the annexed territories shall be disposed of, and to establish certain other points of agreement relating to the mutual interest of both the City and the District;

NOW, THEREFORE, pursuant to the authority contained in RCW 35.13A.250 and 56.08.060, it is hereby agreed as follows:

1. It is acknowledged that by prior agreements and understandings, the City provides water service to all areas west of I-5 and to all areas north of 100th Street S.E. and west of 35th Avenue S.E., except portions of the E 1/2 of the S.E. 1/4 of Section 17 and portions of the S.W. 1/4 of Section 19 and portions of the N.W. 1/4 of Section 30 T28N, R 5 EWM and portions of Section 24, T28N, R 4 EWM. The "Annexed Area" described in Exhibit A attached hereto and by this reference made a part hereof shows areas of the District in Section 24, T28N, R 4 EWM which have been annexed to the City.

As of June 1, 1991, all water facilities within the "Annexed Area" described in Exhibit A and hereinafter referred to as the "City of Everett Mains," plus water service lines appurtenant thereto servicing customers within said annexed area shall have been deemed to have been transferred to, and all ownership, management, operation, and maintenance thereof shall hereafter vest fully in and under, the control of the City, and shall be billed by the City for water service. The City assumes full responsibility for furnishing domestic water service to all present and future water customers in the annexed area, provided ownership and control of the SLWD mains detailed on Exhibit A shall be retained by the District. All water service lines or City of Everett Mains directly connecting properties within the City to SLWD Mains shall be transferred to the City, and all ownership, management, operation and maintenance thereof shall hereafter be fully in and under the control of the City, and all water customers of the District served by such service lines or City of Everett Mains shall become the water customers of the City and shall be billed by the City for water service.

II. It is acknowledged by the City and District that prior annexations have so altered the City and District service area boundaries as to make the current location of District master meters inappropriate to efficient administration of billings. To provide an easy transition in the event of subsequent City annexations of District areas in Sections 24, T28N, R 4 EWM and 30, T28N, R 5 EWM and to provide for an equitable cost sharing for master meter and appurtenances relocation, the City and District agree as follows:

- A. The City and District have met to establish mutually acceptable locations to which District master meters can be moved.
- B. All costs of master meter relocation, including relocation of the District's rate-of-flow controller on 7th Avenue S.E., will be borne by the City for not more than two master meter installations/relocations, including pressure reducing valve installation/relocation.
- C. As the District's share of the cost of master meter relocation the District agrees that the City may assume, at no cost to the City, any District customers annexed in Sections 24, T28N, R 4 EWM and 30, T28N R 5 EWM West of I-5 outside the "Annexed Area" shown in Exhibit A.
- D. The City agrees to pay the current outstanding bonded indebtedness of the District for customers in the "Annexed Area" shown in Exhibit A as provided in paragraph IV hereof.

III. The following subsections provide for general operational rules and procedures which have been observed by the City and the District in connection with providing water service to the annexed and immediately adjacent areas. It is the intent of both parties to set forth these general rules and procedures and be guided by them in the continued future operation of both the City's and the District's water system. It is not the intent of the parties hereto that the following outline should cover every eventuality but rather that such rules and procedures shall be adhered to when applicable and that instances not included below be administered in a manner generally in keeping with the policies of both parties and settled in a manner which is fair and reasonable.

A. Commencing with the effective date of this agreement, following annexation into the City of former District customers, all contacts and matters concerning water supply and service to such customers shall become the sole responsibility of the City. The balance of all District customers not annexed to the City shall remain the customers of the District and all contacts and matters concerning water supply and service to such customers shall remain the sole responsibility of the District.

B. The City will bill the District and the District will pay the City for water consumed by customers of the District which will be measured in the following manner:

1. The City will periodically read the District master meters at such locations as mutually agreed upon in the future to determine the total amount of water passing into the District.
2. The City will periodically read the individual customer meters of its customers within the master-metered area of the District. Such individual customer readings will be provided to the District by the City.
3. Based on the City's meter reading the total amount of water measured by such individual meter readings shall be deducted from the total amount of water measured by the master readings. Any readings for District customers outside the master-metered areas will be added to the master meter readings.
4. From the amount thus determined, there shall be deducted an amount equal to ten percent of the total amount of water measured by the individual meter readings within the annexed area of the District to reflect loss of water due to leakage, and a similar ten percent amount added for District customer readings outside the master-metered area.
5. City shall be obligated to enforce water liens of the District for unpaid District charges prior to March 1, 1991.

C. Responsibility for new water service installation shall be borne by the party to this agreement in whose area the customer desiring service is located. The City shall install a water meter for each new service connection inside the District's master-metered area. All customer relations and contacts, including the application for service, turn-ons, shut-offs, and subsequent billings for water service shall be done by the party in whose area the customer is located.

D. Fire hydrants located on SLWD Mains may be used for firefighting purposes only by both the City and the fire protection agency serving customers of the District without charge to either party for water so used. Water from fire hydrants used for any other purpose than that set forth above shall be measured through a meter with the express consent of the party in whose area said fire hydrant is located.

E. In the event certain operational or other problems of mutual concern concur which can not be remedied by reference to this agreement, then the parties hereto agree to resolve such problems in a matter which will be neither detrimental or harmful to either party from an operational or financial viewpoint.

IV. In satisfaction of the City's proportionate share of the indebtedness of the District, the City shall pay to the District on or before May 1, 1991 one lump sum payment of principal in the amount of \$16,112.26 and thereafter no further payments shall be required. All money paid by the City to the District pursuant to this paragraph shall be used by the District to retire or pay principal and interest on the District's "Water Revenue Bonds, 1984" and "Water Revenue Refunding Bonds, 1989", and shall be used for no other purpose.

V. This contract shall in no way affect or change the rights or powers of the City or District to make and enforce collection of reasonable charges for water supplied by each to the other.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seals this ____ day of _____, 1991, and each warrant that they have authorized the execution of this contract and the undersigned parties warrant their authority on behalf of the parties to this agreement to execute the same for and on behalf of the respective parties.

CITY OF EVERETT

SILVER LAKE WATER DISTRICT

Edward M. Morrow
~~PETE KING~~, Mayor *pro tem*

Roel Keppeler
PRESIDENT, Board of Water Commissioners

ATTEST:

Ann L. Reder
CITY CLERK

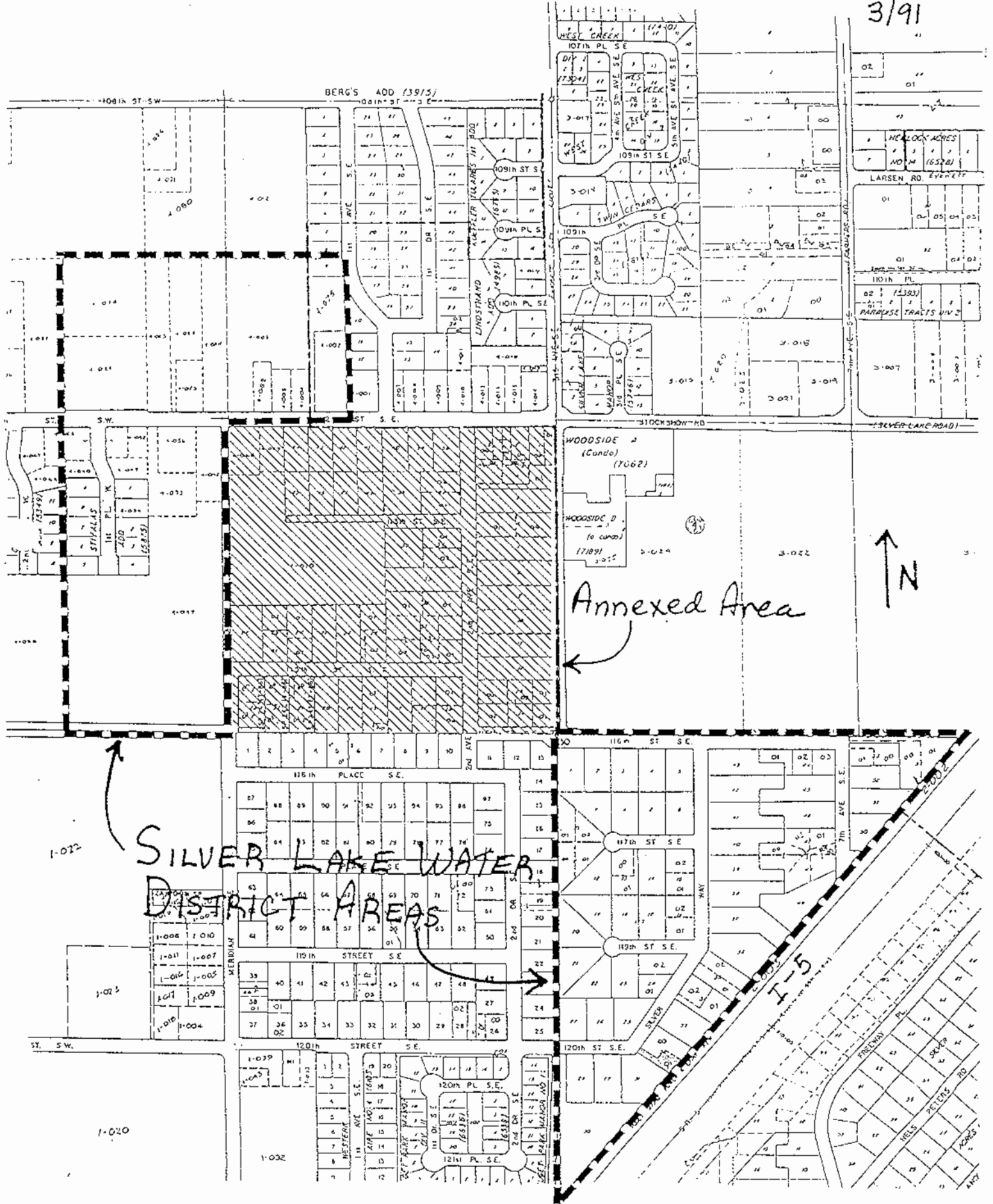
Willis A. Anderson
SECRETARY, Board of Water Commissioners

APPROVED AS TO FORM:

Bruce Jones
CITY ATTORNEY

EXHIBIT A

3/91



Annexed Area

SILVER LAKE WATER DISTRICT AREAS

