

ORDINANCE NO. 1080

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE EXECUTION OF A CONTRACT BETWEEN THE CITY OF HOUGHTON AND THE CITY OF KIRKLAND, RELATING TO SANITARY SEWAGE FACILITIES WITHIN THE CITY OF HOUGHTON.

BE IT ORDAINED by the City Council of the City of Kirkland as follows;

Section 1. The Mayor of the City of Kirkland, on behalf of said city is authorized and directed to execute a contract with the City of Houghton wherein it is provided that the City of Houghton shall assume the complete responsibility for, and undertake the complete operation and maintenance, including repair and replacement as needed, of all sewer facilities within Houghton, which contract is attached hereto as Exhibit A, and be this reference made a part hereof.

Section 2. Said contract shall be effective as of its execution by both cities and shall have an administrative commencement date of April 1, 1967.

Section 3. This Ordinance shall be in force and take effect five (5) days from and after its passage by the Council, and publication as required by law.

PASSED by the City Council at regular meeting on the 20th day of MARCH, 1967.

SIGNED in authentication thereof on the 20th day of MARCH, 1967.

James G. Vaux
Mayor

Attest:

George E. Pedersen
Asst. To Director of Administration and Finance
(ex officio City Clerk)

Approved as to form:

Joseph J. Thomas
City Attorney

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EXHIBIT "A" of
ORDINANCE NO. 1080

HOUGHTON - KIRKLAND SEWER AGREEMENT

THIS AGREEMENT, made and executed this 20th day of
MARCH, 1967, between the City of Kirkland, a municipal
corporation of the State of Washington, hereinafter referred to as
"Kirkland", and the City of Houghton, a municipal corporation of
the State of Washington, hereinafter referred to as "Houghton",

WITNESSETH:

WHEREAS, certain sewer lines exist within the City limits
of the City of Houghton and are maintained and operated by Kirkland,
and

WHEREAS, Kirkland has outstanding certain revenue bonds
which in part rely upon income from the users of said sewer
facilities within Houghton, and

WHEREAS, the said facilities existing within Houghton are
necessary to the users of Houghton and of Kirkland, and

WHEREAS, certain sewer lines and facilities within Houghton
are in need of repair and replacement, and

WHEREAS, the cities of Kirkland and Houghton are mutually
desirous of arranging an agreement which will fix the status of the
sewer facilities within Houghton, permit replacements and improve-
ments to those lines, maintain the security of Kirkland's out-
standing revenue bonds and permit financing by Houghton of additional
facilities, now, therefore,

IN CONSIDERATION of the mutual covenants and benefits
enumerated herein, it is agreed as follows:

1. Commencing April 1, 1967, Houghton will bill and
collect for all sewer service within the City of Houghton, and
shall assume the complete responsibility for and undertake the
operation and maintenance, including repair and replacement as
needed, of all sewer facilities within Houghton.

2. Through the year 1982, an annual payment will be made by Houghton to Kirkland in the sum of \$4,400.00 representing Houghton's proportionate share of Kirkland's annual payment on outstanding water and sewer revenue bonds. Said payment to be made in bi-monthly installments. The first installment to be made on the first day of June, 1967. To secure the payments required by this Section 2, the City of Houghton covenants to the City of Kirkland and to the owners and holders of Kirkland's outstanding water-sewer revenue bonds as follows:

(a) Houghton obligates and binds itself to set aside and to pay out of the gross revenues of its sewer system, and all additions and improvements thereto certain fixed amounts as are necessary to pay the bi-monthly installments on the annual payments as hereinabove required as the same respectively become due and payable.

The amounts herein pledged and required to be paid are declared to be a prior lien and charge upon the gross revenue of the Houghton sewer system, and all additions and improvements thereto superior to all other charges of any kind and nature except the necessary cost of maintenance and operation of said system.

(b) Houghton will establish, maintain and collect rates and charges for sewage disposal service for as long as the payments required by this Section are outstanding that will make available for their payment as the bi-monthly installments shall become due, an amount equal to at least 1.4 times the annual amount required to be paid. The amount "available for their payment as the bi-monthly installments shall become due" is hereby defined as the gross revenue of the sewerage system and all additions and improvements thereto, less expenses of maintenance and operation, but before depreciation.

(c) Houghton will at all times keep and maintain said sewerage system and all additions and improvements thereto in good repair, working order and condition, and also will at all times

operate the same and the business in connection therewith in an efficient manner and at a reasonable cost.

(d) Houghton will not sell or otherwise dispose of the properties of such sewerage system unless provision is made for the immediate payment of a sum sufficient to pay the total amount herein required to be paid in annual payments through 1982, nor will it sell or otherwise dispose of any part of the properties of said system except those that are no longer used, useful or material to the operation thereof.

(e) Houghton will not create any special fund or funds for the payment of any other sewer revenue obligations including sewer revenue bonds which will have any priority over the payments herein required to be made out of the gross revenue of said system.

3. During the period desired by Houghton, Kirkland shall have the responsibility to receive and handle Houghton's sewage at the Kirkland 10th Avenue South pump station. Houghton shall limit sewage flow from the Houghton system to the Kirkland 10th Avenue South pump station to a total peak hour maximum of 800 gallons per minute. For this service Houghton shall pay to Kirkland the sum of \$200.00 per month. Payments shall commence as of MAY 1, 1967.

4. Houghton will pay directly to the Municipality of Metropolitan Seattle the "Metro" sewer charges for all sewer services in Houghton. Houghton will pay Kirkland the sum of \$0.20 per service per month for each Houghton sewer service the sewerage from which passes through Kirkland sewer system. Payments shall commence as of MAY 1, 1967.

5. Permanent books and records shall be kept by Houghton showing by month the number of Houghton sewer services discharging into the Kirkland Corporate Limit Sewer System. These records shall be available to Kirkland for examination at any reasonable time.

Kirkland may request checking of records and procedure and shall be as described in the Metro Standard Agreement.

6. It is intended that Houghton shall pay any and all state excise taxes as they become due on the facilities enumerated herein and on the revenues received therefrom, and it is not contemplated that Kirkland shall pay any additional or other excise tax due thereon.

7. Both Kirkland and Houghton shall secure and maintain with responsible insurers all such insurance as it is customarily maintained with respect to sewer systems of like character against loss or damage to the respective sewer facilities of each, and against public and other liability to the extent that such insurance can be secured and maintained at reasonable cost. Any liability incurred by Kirkland as a result of the operation of its system shall be the sole liability of Kirkland, and any liability incurred by Houghton as a result of the operation of the Houghton system shall be the sole liability of Houghton.

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

9. In event of dispute and failure of cities to agree, the matter upon thirty days written notice by either party shall be referred to arbitration with one arbitrator to be selected by each city and a third by the Presiding Judge of Superior Court. Both cities to be bound by findings and decision of majority of arbitrators.

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

IN WITNESS WHEREOF, the parties have hereunto executed
this agreement as of the day and year first above written:

CITY OF KIRKLAND

By James G. Vauy
Mayor

Attest:

Asst. To George E. Anderson
Director of Administration and Finance
(ex officio City Clerk)

CITY OF HOUGHTON

By _____
Mayor

Attest:

City Clerk