

RESOLUTION R 3177

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION OF THE CITY IN AN INTERLOCAL COOPERATIVE AGREEMENT FOR EASTSIDE WATER SUPPLY VENTURE AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO SIGN ON BEHALF OF THE CITY SAID AGREEMENT.

Whereas, the City of Kirkland along with other cities and special districts operating water utilities within the area of King County lying east of Lake Washington are concerned about the development of new sources for water supply to meet the demand for water created by future population growth in King County; and

Whereas, the City of Bellevue has commenced the study and planning of a water supply and hydroelectric project on the north fork of the Snoqualmie River; and

Whereas, said project is of sufficient scope to provide water supply to meet the demands of the City of Bellevue as well as those of the neighboring eastside cities and water districts into the next century; and

Whereas, the City of Bellevue has proposed that the development ownership and operation of the project should be undertaken on a "regionalized" basis through a form of organization involving water utility participation by interested cities and water districts on the east side; and

Whereas, the City of Kirkland believes that it is in its own best interest to participate in a study of the feasibility of the proposed Bellevue project, including projections for future demand and alternative means of providing future water supply;

Now, therefore, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. Participation by the City of Kirkland in the proposed interlocal cooperative agreement for Eastside Water Supply Venture is approved. Copy of said agreement is attached to the original of this resolution as Exhibit A, and by this reference is incorporated herein.

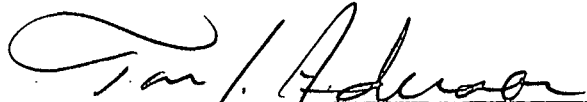
Section 2. The City Manager of the City of Kirkland is hereby authorized and directed to sign on behalf of the City of Kirkland, said agreement as set forth in Exhibit A hereto.

Passed by majority vote of the Kirkland City Council in regular, open meeting this 6th day of May, 1985.

Signed in authentication thereof this 6th day of May, 1985.

  
\_\_\_\_\_  
MAYOR

ATTEST:

  
\_\_\_\_\_  
Director of Administration & Finance  
(ex officio City Clerk)

INTERLOCAL COOPERATIVE AGREEMENT

FOR

EASTSIDE WATER SUPPLY VENTURE

Pursuant to Chapter 39.34 of the Revised Code of Washington, the undersigned signators, all being municipal corporations in the State of Washington, do hereby agree to the cooperative undertaking set forth below:

1. Recitals. All of the parties hereto operate water utilities and are concerned about the development of new sources of water supply to meet the demand for water created by future population growth in King County. The City of Bellevue has commenced the study and planning of a water supply and hydroelectric project on the North Fork of the Snoqualmie River approximately six miles east of the City of North Bend in King County, Washington, which would include a dam, reservoir, electric generating facility, transmission lines and appurtenances thereto, (hereinafter referred to as the "Project"). The Project is of sufficient scope to provide water supply to meet the demands of the City of Bellevue and the other parties to this Agreement, as well as those of neighboring Eastside cities and water districts, into the next century. The City of Bellevue has proposed that the development, ownership and operation of the Project should be undertaken on a "regionalized basis" through a form of organization involving direct participation by interested cities and water districts on the Eastside. The parties hereto are interested in exploring the feasibility of the Project and the possibilities for cooperative action to construct a common source of water supply and, to the extent allowed by law, to produce hydroelectric power for wholesale to offset the costs of building and operating the dam and reservoir necessary for the new water supply.

2. Purpose. The purpose of this Agreement is to:

(a) Study the feasibility of the Project, including projections for future demand for water in the region, alternative means of providing future water supply, the costs

of construction and operation of the Project, the alternative means of constructing the Project and the benefits and risks of the Project.

(b) Develop an organizational structure, which may build and operate the Project and in which the interested parties hereto may have direct participation in the control and operation of the Project and its benefits, including the income from generation of electrical power to offset capital and operational expenses for the new water supply.

(c) Study the service area, service elevations and present and future water supply needs of the parties hereto.

(d) Retain engineers, attorneys and other consultants to assist in carrying out the foregoing purposes.

(e) Make available to all parties the work product of the studies and planning related to the Project for use in each party's comprehensive water system plan.

3. Duration. The term of this Agreement shall commence upon adoption of this Agreement by the City of Bellevue and one other signator and shall continue until December 31, 1990, or such earlier termination date as allowed herein.

4. Organization.

(a) Entity. A separate entity is not created by this Agreement.

(b) Name. This cooperative undertaking shall be operated under the name "The Eastside Water Supply Venture."

(c) Governing Board. All actions of this cooperative undertaking shall be authorized or directed by a governing board (hereinafter called the "Board") comprised of representatives of the parties. Unless otherwise established by this Agreement or the bylaws adopted by the Board, all actions authorized in the name of this cooperative undertaking shall require the majority vote of representatives of the parties present at any regular or special meeting of the Board.

(1) Representation. Each party to this Agreement shall designate and shall be entitled to one representative who shall serve as a member of the Board and to

one alternate representative, who shall serve as a member of the Board during the absence of the designated representative.

(2) Voting. Each party shall be entitled to a vote equal to its percentage of participation as established under subparagraph (d) below, and each representative (or alternate in the event of his or her absence) shall cast a weighted vote based upon that percentage. Votes must be cast in person by the representative or the alternate and may not be made by written proxy.

(3) Meetings. The Board shall hold regular meetings on the first and third Wednesdays of every month at 7:30 p.m. at the Kirkland City Hall in Kirkland, Washington, or at such other place as the Board may designate. Special meetings of the Board may be called by the chairman of the Board or by any two members of the Board upon ten days' prior written notice to all representatives and alternates.

(4) Bylaws. The Board shall establish such bylaws as it deems advisable to govern its operations. The bylaws shall be established by the affirmative vote of a majority of the representatives of the parties and may be amended by affirmative majority vote of the representatives of the parties.

(5) Quorum. The quorum at any meeting shall consist of the representatives of at least two parties, provided the notice requirements of the following subparagraph have been met.

(6) Notice. Notice of any special meeting shall be sent by regular mail or delivered in person not less than ten days prior to the meeting date. Notice of the agenda of any meeting, containing as a matter to be acted upon the passage of an assessment of the parties or the budget or amendments to the budget, shall be sent by certified mail, return receipt requested, or delivered in person not less than seven days, nor more than twenty-one days before the meeting at which the action is to be taken. Notice shall be sent to the address for each representative and alternate as the representative or alternate may designate. Where a representative or alternate has failed to provide a mailing address, notice may be sent to the office of the party he or she represents. Notice shall be deemed given at the time it is deposited in the United States mail, postage prepaid, or is

delivered in person to the representative or alternate. All notices shall be in writing. No notice of a regular meeting is required, where there is no action to be taken affecting the budget or assessment of the parties.

(d) Percentage Participation. For purposes of voting and determining financial contributions under Paragraph 6 below, each party shall be assigned a percentage of participation which is equal to the percentage of metered water sales of the party in relation to the total metered water sales of all parties to this Agreement. The initial percentage of participation shall be based upon the total annual metered water sales of the parties for 1983. The percentages of participation assigned to the parties shall be adjusted upon the admission of a new party to the Agreement and shall also be adjusted annually based upon the water sales of the previous calendar year. Each party shall provide the Board with complete information on its annual water sales for the previous calendar year within 60 days of the close of that year.

(e) Administrator. The City of Bellevue shall act as the administrator to carry out all administrative functions of this cooperative undertaking. The City of Bellevue shall hire such consultants or staff as the Board may direct to carry out the work assigned by the Board. The City of Bellevue shall be reimbursed for its direct expenses in carrying out the clerical and administrative tasks as directed by the Board.

5. Coordination with Ongoing Planning by the City of Bellevue. The City of Bellevue shall continue its planning of the Project at its own expense, including the development of necessary environmental impact statements and the application to the Federal Energy Regulatory Commission (herein called "FERC") for final permit approval for the hydroelectric facility to be constructed as part of the Project. From the funds of the Eastside Water Supply Venture, the expenses for additional study and analysis of the Project and special planning required to integrate the Project with the water supply systems of the parties shall be paid pursuant to authorization of the Board. The work product of the planning efforts by the City of Bellevue and of the consultants and staff retained by this cooperative undertaking shall be shared among and between all of the parties hereto.

6. Finances.

(a) Maintenance of Funds. The City of Bellevue shall hold the funds contributed by the parties hereto in a separate fund designated as the Eastside Water Supply Venture Fund and shall disburse monies out of said fund to pay expenses approved by the Board and shall invest monies not needed for immediate expenses as it deems in the best interest of the Eastside Water Supply Venture. Annually or at such other interval as the Board may direct, it shall render an accounting of the monies it holds on behalf of the Eastside Water Supply Venture.

(b) Contributions. In consideration of the sizeable expenses incurred and to be incurred by the City of Bellevue in its planning of the Project and its agreement to share the product of its planning with the parties hereto, the City of Bellevue shall not be required to contribute to the Eastside Water Supply Venture Fund. The parties acknowledge that the City of Kirkland and King County Water District No. 81 have contributed the sum of \$50,000 to the Eastside Water Supply Venture Fund, which constitutes a contribution of \$.02255 per hundred cubic feet of water it sold in 1983. Every other party to this Agreement shall make a like contribution of \$.02255 per hundred cubic feet of water it sold in 1983 as an initial contribution to the Eastside Water Supply Venture Fund. Contributions shall be paid on or before May 1, 1985. The Board may assess the parties and each party agrees to pay such additional assessment for subsequent expenses of this joint undertaking upon a two-thirds vote of the representatives of the parties present at a meeting in which the proposed assessment is an agenda item, provided that the City of Bellevue shall not be entitled to vote upon subsequent assessments nor required to pay subsequent assessments, and provided further specific notice of the proposed assessment as an agenda item has been sent pursuant to Paragraph 4(c)(6).

(c) Budget. At least annually, the Board shall adopt an operating budget for the Eastside Water Supply Venture and shall authorize expenditures from the Eastside Water Supply Venture Fund. The operating budget and authorization of expenditures shall be adopted by a two-thirds vote of the representatives of the parties present at a meeting in which the budget or expenditures is an agenda item, provided notice of such approval of budget and/or expenditures as an agenda matter shall be sent pursuant to Paragraph 4(c)(6).

(d) Distributions Upon Termination. Upon the termination of this Agreement, all obligations of the Eastside Water Supply Venture shall be paid and the assets remaining shall be distributed to the parties pro rata based on the ratio of contributions made by each to the total contributions made under subparagraph (b) above.

7. Assignment of Rights in Project. In the event a municipality or organization comprised of municipalities, in which the parties hereto are participants, is formed to build and operate the Project, the City of Bellevue agrees to assign its rights to permits obtained, property acquired, and plans developed by the City of Bellevue for the Project, provided that such municipality or organization of municipalities shall reimburse Bellevue for its planning expenses and its costs of interests assigned and shall reimburse the parties hereto for their contributions to the Eastside Water Supply Venture Fund, and provided further that such assignments are necessary to the implementation of the Project. The parties acknowledge that assignment of the FERC permit rights may not be permissible under federal law, and that any assignment shall conform to federal energy law.

8. Limitations. This Agreement is entered solely for the purpose of studying possibilities for a future water supply, and by this Agreement neither party has committed itself to participate in any future public works projects with respect to a future water supply, nor is either party authorized by this Agreement to enter into any contracts, acquire real or personal property or take any other action in the name of this joint undertaking, or in the name of or on behalf of the other party.

9. Additional Parties. This Agreement may be amended to add additional cities or water districts as parties hereto upon the majority vote of the Board. Unless the Board shall designate otherwise, any new party added shall contribute a sum equal to 120% of all contributions the party would have made had it been an original party to this Agreement.

10. Prior Agreements. This Agreement shall supersede any and all prior agreements between any of the parties concerning the Project. Contributions made or to be made by King County Water District No. 81 and King County Water and Sewer Districts No. 82 shall be treated as contributions pursuant to Paragraph 6(b) above and shall be governed by this Agreement.



11. Amendment and Termination. This Agreement may be amended or terminated before its termination date only upon the written approval of all parties to the Agreement.

12. Signature. This Agreement may be signed in counterparts and, if so signed, shall be deemed one written agreement.

DATED: April 10, 1985

CITY OF BELLEVUE

By \_\_\_\_\_

Attest \_\_\_\_\_

KING COUNTY WATER DISTRICT NO. 81

By \_\_\_\_\_

Attest \_\_\_\_\_

KING COUNTY WATER AND SEWER  
DISTRICT NO. 82

By \_\_\_\_\_

Attest \_\_\_\_\_

CITY OF KIRKLAND

By \_\_\_\_\_

Attest \_\_\_\_\_