

RESOLUTION R-3213

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING AND DIRECTING THE CITY MANAGER TO SIGN ON BEHALF OF THE CITY, AN AMENDED INTERLOCAL COOPERATIVE AGREEMENT FOR THE EASTSIDE REGIONAL WATER SUPPLY VENTURE.

Whereas, participation of 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, in an interlocal cooperative agreement known as the Eastside Regional Water Supply Venture was heretofore approved by the Kirkland City Council by Resolution 3177 adopted May 6, 1985; and

Whereas, certain amendments have been proposed to said interlocal cooperative agreement to more specifically outline the relationship between the Eastside Regional Water Supply Venture and the City of Bellevue and its proposed water supply and hydroelectric project on the north fork of the Snoqualmie River; and

Whereas, the City of Kirkland continues to believe that it is in its own best interest to participate in the study by the Eastside Regional Water Supply Venture 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. The City Manager of the City of Kirkland is hereby authorized and directed to sign on behalf of the City of Kirkland, the amended interlocal cooperative agreement for Eastside Regional Water Supply Venture as said amended agreement is set forth in Exhibit A attached hereto, and by this reference incorporated herein.

Passed by majority vote of the Kirkland City Council in regular, open meeting this 19th day of August, 1985.

Signed in authentication thereof this 19th day of August, 1985.


MAYOR

ATTEST:


Director of Administration & Finance
(ex officio City Clerk)

1846m

INTERLOCAL COOPERATIVE AGREEMENT
FOR
EASTSIDE REGIONAL 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 the King County area.

The parties are also interested in developing a regional water supply system in which each of them has an ownership interest and/or management control proportional to its water consumption. To this end the parties desire to bring together those interested water purveyors serving the King County area generally lying east of Lake Washington, north of Renton and west of the Fall City area to explore the overall integration of water systems to provide a reliable supply of water with sufficient quality and quantity to meet federal and state standards and the needs of the area. The parties desire to analyze the current and long term (50-year) needs of their members and develop plans for satisfying those needs which are consistent with land use and environmental laws and water quality standards. While attempting to plan for regional needs, there is no intention by the parties that this undertaking should usurp the designated service boundaries of the

individual members. Rather, this cooperative undertaking shall investigate a regional water supply which would be distributed by the individual member purveyors.

The parties are also interested in exploring through this cooperative undertaking the resolution of other problems affecting water utilities in the region such as establishment of fire flow standards, promotion of conservation, duplication of facilities and overlapping service areas.

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 present and future demands of the Eastside Region. 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 possibility 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.

While the parties intend to explore the viability of the Project, the parties also wish to explore other alternatives for a common source of water supply for the region and also to develop strategies for

dealing on a regional basis not only with the source of supplies, but also with other governmental bodies in matters affecting water utilities in the Region.

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

(a) Study the feasibility of the Project, including projections for further 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) Study and recommend 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) Investigate and study other alternatives for regional water supply.

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

(f) Provide access by the parties to all information concerning the studies and planning related to the Project including but not limited to all data, source information, documents, records, reports, estimates, calculations and all other information used to arrive at conclusions and develop all studies and planning related to the Project for use in each party's comprehensive water system plan.

3. Effectiveness and Term. The term of this Agreement shall commence upon adoption of this Agreement by the City of Bellevue and one other signator and filing as required by law. Its term 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 Regional 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. On all financial matters affecting assessments and expenditure of Eastside Regional Water Supply funds, the City of Bellevue shall have no vote and each other 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. On non financial matters, each party shall have one vote. Votes must be cast in person by the representative or the alternate and may not be made by proxy. Should any party fail to pay any assessment levied under Paragraph 6(b) within sixty (60) days of its due date, then such party shall have no vote on the Board until the assessment together with accrued interest at twelve percent (12%) per annum has been paid in full.

(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 operating procedures. 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 forty percent (40%) of the 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, except the City of Bellevue, 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, exclusive of the water sales of the City of Bellevue. 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 tasks as directed by the Board. Should the City of Bellevue resign as the Administrator or should the Board elect to remove the City of Bellevue as the Administrator, then the Board may appoint one of the other parties as the Administrator and such party shall serve under the same terms and conditions.

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 of 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 Regional 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. All information concerning the studies and planning related to the Project including but not limited to all data, source information, documents, records, reports, estimates, calculations and all other information used to arrive at conclusions and develop all studies and planning related to the Project 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 Regional 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 Regional 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 Regional 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 information concerning the studies and planning related to the Project including but not limited to all data, source information, documents, records, reports, estimates, calculations and all other information used to arrive at conclusions and develop all studies and planning of the Project with the parties hereto, the City of Bellevue shall not be required to contribute to the Eastside Regional 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 Regional 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 Regional Water Supply Venture Fund. Contributions shall be paid on or before September 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 nor required to pay any such 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 Regional Water Supply Venture and shall authorize expenditures from the Eastside Regional 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 other than the City of Bellevue 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 Regional 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, including the City of Bellevue, 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 Regional 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 into solely for the purposes set forth in Paragraph 2, and by this Agreement no party has committed itself to participate in any future public works projects with respect to a future water supply. Nor is any 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 Eastside Regional Water Supply Venture or any party hereto unless approved by the Board.

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, City of Kirkland and King County Water and Sewer Districts No. 82 under prior agreements 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: _____, 1985

Approved as to form:

CITY OF BELLEVUE

Richard L. Hudson
Bellevue City Attorney

By Robert S. [Signature]

Attest _____

KING COUNTY WATER DISTRICT NO. 81

By _____

Attest _____

KING COUNTY WATER AND SEWER DISTRICT
NO. 82

By _____

Attest _____

CITY OF KIRKLAND

By _____

Attest _____

NE SAMMAMISH S/W DISTRICT

By _____

Attest _____