

SNOHOMISH COUNTY PUD
2021 Water System Plan
Volume 4 of 16 -
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December 2022



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RESOLUTION NO. 2011

A RESOLUTION establishing the method of procedure in all matters relating to local utility districts

WHEREAS, RCW 54.16.120 authorizes public utility districts by resolution to establish and define the boundaries of local assessment districts to be known as "local utility district No. _____" for various specified purposes; and

WHEREAS, RCW 54.16.130 requires the commissioners of public utility districts to establish by resolution the method of procedure in all matters relating to local utility districts; and

WHEREAS, RCW 54.16.130 further authorizes the Commissioners to "adopt and provide the manner, machinery and proceedings in any way relating to the making and collection of assessments;" and

WHEREAS, the Commissioners have by Resolution No. 1865 previously established certain methods of procedure in all matters concerning local utility districts; and

WHEREAS, the Commissioners are desirous of revising said Resolution No. 1865 to establish updated methods of procedure in all matters relating to local utility districts; and

WHEREAS, the Commissioners anticipate receiving a substantial number of petitions to form street lighting local utility districts for maintenance and operation expenses because of a 1974 legislative amendment to RCW 54.16.120; and

WHEREAS, the Commissioners are desirous of establishing simplified and expeditious methods of procedure for the establishment of local utility districts for which the district anticipates receiving a large volume of petitions such as street lighting districts for operation and maintenance purposes;

NOW, THEREFORE, THE COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY DO HEREBY RESOLVE AS FOLLOWS:

Section I. Street Lighting Local Utility District - Alternative Methods of Procedure. This section establishes an alternative method of procedure for the establishment of local utility districts established for purposes of operation and maintenance only (RCW 54.16.120). It is intended primarily for street lighting local utility district, but this section may, in the Commission's discretion, also be used for operation and maintenance of local utility districts or other purposes authorized by statute. In order to be eligible for the expedited methods of procedure of this section, a petition must be in compliance with the requisites of subparagraph I-B, Contents of Petition, below. The methods of procedure in this section may, in the Commissioners' discretion, also be utilized to process a resolution adopted by the Commission pursuant to Section IV below to initiate the establishment of a local utility district for operation and maintenance purposes.

- A. Operation and Maintenance. This Section is intended primarily for operation and maintenance expenses of street lighting local utility districts. Petitions for the local utility districts for the other purposes authorized by RCW 54.16.120 shall be governed by the methods of procedure set forth in Sections II and III below. The phrase, "operation and maintenance," may be broadly construed by the Commission and may include the following District expenses:
- (1) energy for street lighting;
 - (2) maintenance of street lighting standards and replacement of luminaires;
 - (3) the estimated costs and expenses of accounting, computer programming and other data processing, billing and collection, clerical labor, and materials including forms;

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RESOLUTION
September 16, 1975

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- (6) any fees or other costs charged the District by the County or any other governmental agency; and
- (7) any other costs or expenses reasonably related.

The Commission, by separate resolution, may establish a street lighting rate which may include some or all of the above costs. Said rate may be the basis for the assessments for properties specially benefited by the street lighting. Said rate, if established, may be subsequently modified by resolution of the Commission; provided, however, that the Commission shall not increase said rate without first giving notice to all property owners and scheduling a hearing in accordance with the procedures set forth in this resolution.

B. Petition Form; Contents. The District shall prepare a form petition for formation of street lighting local utility districts under this Section. Said petition form shall be provided to all persons interested in forming a street lighting local utility district for maintenance and operation purposes. Said petition form shall include spaces for the following information:

- (1) the boundaries and general description of the proposed street lighting local utility district;

- (2) the names and addresses of the owners of all lots, parcels or tracts of land or other property within the proposed street lighting local utility district as shown on the tax rolls of the County Treasurer.
- (3) the legal description of all lots, parcels or tracts of land or other property within the proposed street lighting local utility district;
- (4) the proposed annual assessment for each lot, parcel or tract of land or other property within the proposed street lighting local utility district including pro-rated proposed assessments for the year of formation;
- (5) that no person may withdraw his or her name after the petition has been filed with the Commission;
- (6) that the proposed annual assessments may be altered by the Commission;
- (7) that the annual assessments shall continue so long as the street lighting service is provided unless the street lighting local utility district is dissolved.
- (8) that the Commissioners may alter or modify the boundaries of the proposed local utility district.

C. Introductory Resolution. In the event the Commission determines to initiate the formation of a street lighting local utility district by resolution, said resolution shall include substantially the same information as the petition under subparagraph I-B, Contents of Petition, above. In addition, said resolution shall also include a date for hearing as set forth under subparagraph I-F, Schedule Hearing, below.

D. Initial Review of Completed Petition. The Commission hereby delegates to the Manager the authority of initial review of a completed petition upon its filing with the District including determining:

- (1) Sufficiency. Whether the petition complies with the requisites of paragraph B, Petition Form; Contents, above;
- (2) Ownership Percentage. The percentage of owners of land (not the percentage of land owned by such petition signers) within the boundaries of the proposed street lighting district who have signed the petition; and
- (3) Feasibility Costs. Whether there is a feasibility question requiring Commission action under paragraph E, Financial & Economic Feasibility Costs, below.

If the petition is determined insufficient, the Manager shall determine whether the petition is sufficient under either Section II or III below; if sufficient under either section, said petition shall be processed under the procedures set forth in the appropriate section below. If the Manager determines the petition is sufficient but the Commission should make a determination concerning the feasibility costs under paragraph E below, he shall refer the petition to the Commission for further action. Otherwise, upon determining a petition to be sufficient and signed by the appropriate percentage of property owners, the Manager shall instruct the Clerk of the Board to schedule a hearing and give appropriate Notice as provided herein.

E. Financial & Economic Feasibility Costs. The Commission, as a condition to making its determination as to the financial and economic feasibility of a requested street lighting local utility district, may require that

petitioners pay or guarantee payment of all or a portion of the engineering, legal and other costs incurred or to be incurred by the Commission in determining the financial and economic feasibility of the requested street lighting local utility district (RCW 54.16.150). If the petitioners fail or are unwilling to pay or guarantee payment of such costs under the rules adopted by the Commission, the Commission shall deny the petition.

F. Protest Petition. If the Manager elects under subparagraph I-D above to proceed under this Section with a petition signed by less than a majority of the landowners, or the Commission initiates the formation of a street lighting local utility district by resolution, the protest petition procedure of RCW 54.16.140 shall be applicable. If a protest petition signed by a majority of the landowners (not the owners of a majority of the land) within the proposed district, protesting against the formation of the proposed street lighting district, is filed with the secretary of the Commission prior to noon on the scheduled hearing date, the Commissioners shall deny the street lighting petition or Commission-initiating resolution without further proceedings. A person who signed the original street lighting petition may not sign a protest petition; if such a person nonetheless subsequently signs a protest, said person's signature on the protest petition shall be invalid and not considered by the Commission.

G. Schedule Hearing. Hearings shall be scheduled by the Clerk of the Board upon appropriate instructions from the Manager or the Board. Hearings on petitions or Commission-initiating resolutions under this Section, unless the Commission determines otherwise, shall be

for dual purposes; (1) establishing and forming the street lighting local utility district; and (2) confirming an assessment roll. Said consolidated hearing shall be scheduled not less than fifteen nor more than thirty days from the date of first publication of the Notice of Hearing (RCW 54.16.160) and after 12:00 noon on the hearing date (RCW 54.16.140). All hearings may be scheduled to commence at the same hour on a particular hearing date and will be conducted in order pursuant to a hearing calendar prepared by the Clerk of the Board based upon the respective filing dates of the completed petition or Commission-initiating resolution.

H. Notice of Hearing. The Notice of Hearing shall include the following information:

- (1) the date, time and place of hearing
(RCW 35.44.080);
- (2) definition or description of boundaries of proposed local utility district (RCW 54.16.140);
- (3) state that the proposed assessment roll is on file and open for inspection in the office of the Secretary of the Commission (RCW 54.16.160);
- (4) notification to all persons who may desire to object to the formation of the local utility district or to the proposed assessment roll as follows
(RCW 35.44.080):
 - (a) objections must be in writing and shall state clearly the grounds or basis for objection (RCW 35.44.110);
 - (b) Written objections must be filed with the Secretary of the Board of Commissioners at or prior to the time fixed for hearing
(RCW 54.16.160):

- (c) that at the time and place fixed for hearing and at times to which said hearing may be adjourned, the Commission will sit as a board of equalization for purposes of considering the proposed assessment roll; and
- (d) that at the hearing the Commission will consider the objections made and may correct, revise, raise, lower, or change or modify the roll or any part thereof or set aside the roll and order the assessment to be made de novo, and at the conclusion of the hearing the Commission may confirm an assessment roll by resolution.
- (5) designation of a specific location in the District's Electric Building, 2320 California Avenue, Everett, Washington, as the "Office of the Secretary" for purposes of the inspection of the assessment roll and the filing of written objections.

I. Notice of Hearing; Publication and Mailing. Upon scheduling the hearing, the Commission shall also provide written notice and publication of notice of hearing as follows:

- (1) Publication. The Notice of Hearing shall be published in the Everett Herald, and may also be published in another newspaper of general circulation once each week for two successive weeks not less than fifteen (15) nor more than thirty (30) days prior to the date fixed for hearing (RCW 54.16.140 - .160). Notice of Hearing for two or more local utility districts may be consolidated for publication purposes.

(2) Written Notice. The written notice shall include all of the information set forth in subparagraph I-H, Notice of Hearing, above, and the following additional information:

- (a) the name of the particular property owner;
- (b) legal description of the property owner's lot, tract, or parcel of land affected by the proposed assessment;
- (c) mailing address of particular property owner; and
- (d) proposed assessments for balance of current year and next succeeding calendar year.

Said written notice of the consolidated hearing shall be sent by first class mail at least fifteen (15) days before the date fixed for hearing to the owners of all lots, tracts or parcels of land or other property within the boundaries of the proposed local utility district. Said notice shall be mailed to the property owner at the address shown in the tax rolls of the appropriate County Treasurer (RCW 35.44.090).

J. Notice of Proposed Assessment Roll to County Treasurer.

(RCW 35.50.005). Upon scheduling the consolidated hearing upon the formation of the local utility district and the proposed assessment roll, the Commission shall also forthwith file the following information with the appropriate County Treasurer:

- (1) the title of the local utility district;
- (2) the nature of the improvement;
- (3) a copy of a diagram or print showing the boundaries of the proposed street lighting local utility district;

- (4) the proposed assessment roll or abstract of the same showing thereon the lots, parcels and tracts of land or other property that will be specially benefited by the street lighting and the estimated annual assessments for street lighting maintenance and operation to be borne by each lot, tract or parcel of land or other property.

K. Commission Action at Consolidated Hearing. At the consolidated hearing, the Commission shall:

- (1) Feasibility. First determine the financial and economic feasibility of the proposed street lighting local utility district (RCW 54.16.150); if the Commission finds it to be not feasible, the Commission shall deny the petition.
- (2) Formation. If the Commission finds the proposed street lighting local utility district to be financially and economically feasible, the Commission shall proceed with the hearing on the petition and shall consider all written objections and other evidence presented at the hearing. If the Commission determines to order the establishment of the street lighting local utility district, the Commission may also alter the boundaries of the proposed district and perform such other acts as authorized by RCW 54.16.150.
- (3) Assessment Roll. (RCW 35.44.100, 54.16.160). If the Commission determines to order the establishment of the street lighting local utility district, the Commission shall proceed to consider written objections to the confirmation of the proposed

assessment roll. In considering the proposed assessment roll, the Commissioners shall act as a board of equalization with authority to:

- (a) correct, revise, raise, lower, change or modify the proposed assessment roll or any part thereof;
- (b) set aside the proposed assessment roll and order the assessment to be made de novo.

(4) Amended Assessment Roll (RCW 35.44.120, RCW 54.16.160). If the Commission amends a proposed assessment roll in such a manner as to raise or increase the assessment of any property, or to include omitted property, the Commission shall schedule a hearing upon such amended assessment roll. The Commission shall fix a date, time and place for such hearing and provide notice of such hearing as in the case of an original hearing.

(5) Resolution. All acts of the Commission shall be accomplished through appropriate resolution by the Commission (RCW 54.16.140, .150, .160). The Commission may include in one appropriate resolution all actions concerning one or more street lighting local utility districts accomplished at one Commission hearing or any continuation or adjournment thereof.

L. File Assessment Roll with County Treasurer. Upon the confirmation and adoption by Commission resolution of an assessment roll, the Commission shall file said roll with the County Treasurer (RCW 54.16.150).

- M. Collection of Street Lighting Assessments. The District Treasurer shall be responsible for the billing and collection of street lighting assessments under the methods of procedure set forth in Section VI, Collection of Assessments, below.
- N. Enforcement of Local Assessment Liens. The methods of procedure set forth below in Section VII, Enforcement of Local Assessment Liens, shall be applicable to assessment liens of street lighting local utility districts.
- O. Other Matters. Any methods of procedure for street lighting local utility districts not provided in this section shall be governed by the following sections of this resolution or such other resolutions as the Commission shall hereafter adopt. In the event the Commission has not, by resolution, established an appropriate method of procedure for a particular matter, said matter shall be governed, as nearly as may be, by the laws relating to local improvements for cities of the first class (RCW 54.16.130).

Section II. Ten per cent (10%) Petition Procedure. Pursuant to RCW 54.16.140 which authorizes local utility district petitions "signed by ten per cent of the owners of land in the district to be therein described," this section establishes the method of procedure for such petitions, when such petitions are not eligible for the procedures of Section I.

- A. Requisite of Petition. All petitions must comply with the statutory requisites of RCW 54.16.140, to wit:

" . . . signed by ten per cent of the owners of land in the district to be therein described . . . asking that the plan or improvement therein

set forth be adopted and ordered, and defining the boundaries of a local improvement district to be assessed in whole or in part to pay the cost thereof . . ."

- B. Signatures. No person may withdraw his or her name from a petition after the petition has been filed with the Commission (RCW 54.16.150). Upon filing, the Commission shall first determine whether the petition has been signed by at least ten per cent (10%) of the owners of land (as distinguished from the owners of ten per cent (10%) of the land) within the proposed district (RCW 54.16.140). If the petition does not contain the requisite number of signatures, it shall be returned to the person submitting the petition and no further action shall be taken by the District unless the petition is resubmitted with additional signatures. If the Petition contains the requisite number of signatures, the procedures set forth hereafter shall be applicable.
- C. Schedule Hearing. Upon determining the sufficiency of the petition, the Commission shall fix a time, date and place for a hearing on the petition. The hearing shall not be scheduled to commence prior to 1:30 p.m. The Commission shall publish notice of the hearing at least two weeks prior to the hearing date (RCW 54.16.140) in the Everett Herald and may also be published in another newspaper of general circulation in the area in which the proposed local utility district is situated. More than one hearing may be scheduled to commence at the same hour on a particular hearing date; in the event more than one hearing is scheduled at the same hour, the hearings will be conducted upon the various petitions and resolutions in order pursuant to a hearing calendar prepared by the Clerk of the Board based upon the respective filing

D. Notice of Hearing; Publication and Mailing. The Notice of Hearing shall be published in the Everett Herald, and may also be published in another paper of general circulation, once each week at least two weeks prior to the hearing date. The Notice of Hearing for two or more local utility districts may be combined for publication purposes. The Notice of Hearing for each local utility district shall include the following information:

- (1) the date, time and place of hearing
(RCW 35.44.080);
- (2) definition or description of boundaries of
proposed local utility district (RCW 54.16.140);
- (3) a general description of the plan or improvement
for which the petition is submitted;
- (4) notification to all persons who may desire to
object to the formation of the local utility
districts as follows:
 - (a) objections must be in writing and
shall state clearly the basis or
grounds for objection (RCW 35.44.110);
and
 - (b) written objections must be filed with the
Clerk of the Board of Commissioners
at or prior to the time fixed for hearing
(RCW 54.16.160).

Unless the Commission by resolution deems written notice to individual property owners unnecessary, written notice shall also be given. The written notice shall include all of the information set forth above for the notice of hearing and, in addition, the following information:

- (5) the name of the particular property owner;

- (6) legal description of the property owner's lot, tract or parcel of land affected by the proposed local utility district; and
- (7) Mailing address of particular property owner as shown in the tax rolls of the appropriate County.

Said written notice shall be sent by first class mail post-marked at least fifteen (15) days before the date fixed for hearing addressed to the owners at the address shown in the tax rolls of the appropriate County Treasurer (RCW 35.44.090).

- E. Financial & Economic Feasibility Costs. The Commission as a condition to making its determination as to the financial and economic feasibility of the proposed local utility district, may require that petitioner pay or guarantee payment of all or a portion of the engineering, legal and other costs incurred or to be incurred by the Commission in determining the financial and economic feasibility of the proposed local utility district (RCW 54.16.150). If the petitioners fail or are unwilling to pay or guarantee payment of such costs under the rules adopted by the Commission, the Commission shall deny the petition.
- F. Protest Petition. In the event a petition signed by a majority of the land owners within the proposed district, protesting against the proposed improvement is filed with the Secretary of the Commission prior to twelve o' clock (12:00) noon on the scheduled hearing date, the Commissioners shall deny the ten per cent petition (RCW 54.16.140).
- G. Commission Action. At the hearing, the Commission may approve or deny a legally sufficient petition subject to subparagraphs E and F above. The Commission shall not order

the improvement, however, unless the Commission specifically finds the proposed local utility district to be financially and economically feasible (RCW 54.16.150). If the Commission approves the establishment of the proposed local utility district the Commission may:

- (1) alter the boundaries of the proposed local utility district;
- (2) prepare and adopt detailed plans of the local improvement;
- (3) declare the estimated cost thereof, what proportion of the cost shall be borne by the local utility district and what proportion of the cost, if any, should be borne by the entire Public Utility District No. 1 of Snohomish County;
- (4) provide the general funds necessary for its proportionate share, if any, of the local utility district costs;
- (5) acquire all lands and other properties necessary for the improvement;
- (6) pay damages, if any, caused by the improvement; and
- (7) commence, in the name of the Public Utility District No. 1 of Snohomish County, such eminent domain proceedings and supplemental assessment or reassessment proceedings to pay all eminent domain awards necessary to entitle the District to proceed with the work (RCW 54.16.150).

H. File Proposed Assessment Roll. Within fifteen (15) days after the Commission has ordered an improvement and created a local utility district, the Commission shall cause staff preparation and filing of the following information with the Snohomish County Treasurer:

- (1) the title of the local utility district;
- (2) the nature of the improvement;
- (3) a copy of a diagram or print showing the boundaries of the district; and
- (4) proposed assessment roll or abstract of same showing thereon the lots, tract and parcels of land that will be specially benefited by the improvement and the estimated cost and expense of such improvement to be borne by each lot, tract or parcel of land.

Upon receipt, the Snohomish County Treasurer shall immediately post the proposed assessment roll upon his index of local improvement assessments against the properties affected by the improvement (RCW 35.50.005).

I. Assessment Procedure. After the staff has prepared the proposed assessment roll and filed it with the County Treasurer, the Commission shall follow the assessment procedures set forth in Section V below.

Section III. Majority Petition Procedure. This section establishes a method of procedure applicable when the Commission receives a petition to form a local utility district which is signed by a majority of the land owners within the proposed local utility district (as distinguished from a petition signed by the owners of a majority of the land within the proposed local utility district), when such petition is not eligible for the procedures of Section I.

- A. Requisites of Petition. The petition must comply with the statutory requisites of RCW 54.16.150 including a description of the improvement, the purpose of the local utility district, and a description of the boundaries of the proposed local utility district. It shall also request that the Commission order the establishment of a local utility district as described.
- B. Signatures. No person may withdraw his or her name from the petition after the petition has been filed with the Commission. The Commission shall first determine whether the petition has been signed by a majority of the owners of the land within the proposed local utility district (RCW 54.16.150). If the petition is not signed by a majority of the land owners, but is signed by more than ten per cent (10%) of the owners of land within the proposed district, the petition shall be subject to the provision of Section II, Ten Per Cent (10%) Petition Procedure, above. If the petition is signed by a majority of the property owners, the following provisions of this section shall be applicable.
- C. Schedule Hearing. Upon a determination that a petition contains the information required under paragraph III A above and is signed by a majority of property owners, the Commission shall forthwith by resolution schedule a hearing upon the petition including the establishment of a time, date and place for hearing (RCW 54.16.150). The Commission shall cause the publication of notice of such hearing in the Everett Herald and, also, may publish notice of the hearing in another newspaper of general circulation in the area in which the proposed local utility district is situated. Said notice shall be published once each week commencing at least two weeks prior to the date scheduled for hearing.

D. Notice of Hearing; Publication and Mailing. The Notice of Hearing shall be published in the Everett Herald and may also be published in another paper of general circulation, once each week at least two weeks prior to the hearing date. The Notice of Hearing for two or more local utility districts may be combined for publication purposes. The Notice of Hearing for each local utility district shall include the following information:

- (1) The date, time and place of hearing (RCW 35.44.080);
- (2) Definition or description of boundaries of proposed local utility district (RCW 54.16.140);
- (3) A general description of the plan or improvement for which the petition is submitted;
- (4) Notification to all persons who may desire to object to the formation of the local utility districts as follows:
 - (a) Objections must be in writing and shall state clearly the basis or grounds for objection (RCW 35.44.110); and
 - (b) Written objections must be filed with the Clerk of the Board of Commissioners at or prior to the time fixed for hearing (RCW 54.16.160).

Unless the Commission by resolution deems written notice to individual property owners unnecessary, written notice shall also be given. The written notice shall include all of the information set forth above for the notice of hearing and, in addition, the following information:

- (5) The name of the particular property owner;
- (6) Legal description of the property owner's lot, tract or parcel of land affected by the proposed local utility district; and
- (7) Mailing address of particular property owner as shown in the tax rolls of the appropriate County.

Said written notice shall be sent by first class mail postmarked at least fifteen (15) days before the date fixed for hearing addressed to the owners at the address shown in the tax rolls of the appropriate County Treasurer (RCW 35.44.090).

E. Financial & Economic Feasibility Costs. The Commission, as a condition to making its determination as to the financial and economic feasibility of the proposed local utility district, may require that petitioners pay or guarantee payment of all or a portion of the engineering, legal and other costs incurred or to be incurred by the Commission in determining the financial and economic feasibility of the proposed local utility district (RCW 54.16.150). If the petitioners fail or are unwilling to pay or guarantee payment of such costs under the rules adopted by the Commission, the Commission shall deny the petition.

F. Commission Action. If the Commission finds that the proposed local utility district is financially and economically feasible, the Commission shall order the improvement, by appropriate resolution. In ordering the improvement, however, by resolution the Commission may also:

- (1) alter the boundaries of the proposed district;
- (2) prepare and adopt the improvement;
- (3) prepare and adopt detailed plans thereof;
- (4) declare the estimated costs thereof, what proportion of the costs shall be borne by the local utility district and what proportion, if any, shall be borne by the Public Utility District No. 1 of Snohomish County;
- (5) provide the general funds necessary for its proportionate share, if any, of the local utility district costs;

- (6) acquire all lands and other properties necessary for the improvement;
- (7) pay damages, if any, caused by the improvement; and
- (8) commence in the name of the Public Utility District No. 1 of Snohomish County such eminent domain proceedings and supplemental assessment or reassessment proceedings to pay all eminent domain awards necessary to entitle the District to proceed with the work (RCW 54.16.150).

G. File Proposed Assessment Roll. Within fifteen (15) days after the Commission has ordered an improvement and created a local utility district, the Commission shall cause staff preparation and filing of the following information with the Snohomish County Treasurer:

- (1) the title of the local utility district;
- (2) the nature of the improvement;
- (3) a copy of a diagram or print showing the boundaries of the district; and
- (4) proposed assessment roll or abstract of same showing thereon the lots, tracts and parcels of land that will be specially benefited by the improvement and the estimated cost and expense of such improvement to be borne by each lot, tract or parcel of land.

Upon receipt of the proposed assessment roll, the County Treasurer shall immediately post the proposed assessment roll upon his index of local improvement assessments against the properties affected by the local utility district (RCW 35.50.005).

H. Assessment Procedure. After the staff has prepared the proposed assessment roll and filed it with the County Treasurer, the Commission shall follow the assessment procedures set forth in Section V below.

Section IV. Resolution Procedure. The Commissioners may initiate the formation of a local utility district by appropriate resolution (RCW 54.16.120, .140). In such initiating resolution, the Commission may elect to follow the procedures set forth in Section I above or the Commission may elect to follow the methods of procedure set forth in this Section.

A. Initiation Resolution. The resolution initiating the formation of a local utility district shall state the Commissioners' intent to form a local utility district and shall:

- (1) describe the nature of the proposed improvement;
- (2) describe and define the boundaries of the proposed local utility district;
- (3) state the estimated cost of the improvement;
- (4) state the basis for the proposed assessment roll; and
- (5) set forth the date, time and place for a hearing.

B. Schedule Hearing. The time for the hearing shall be scheduled in the afternoon to commence no sooner than 1:30 p.m. The hearing may be scheduled to commence at the same hour as hearings on other local utility districts.

In the event one or more hearings are scheduled to commence at the same hour on a particular hearing date, the hearings will be conducted in order pursuant to a hearing calendar prepared by the Clerk of the Board based upon the respective filing dates of local utility district petitions and/or commission-initiating resolutions.

C. Notice of Hearing. The Commission shall also prepare a notice of hearing which shall include the following information:

- (1) the date, time and place of hearing (RCW 35.44.080);
- (2) definition or description of boundaries of proposed local utility district (RCW 54.16.140);
- (3) general description of the improvement and purposes of the local utility district; and

(4) notification to all persons who may desire to object to the formation of the local utility district as follows (RCW 35.44.080):

(a) objections must be in writing and shall state clearly the grounds or basis for objection (RCW 35.44.110);

(b) written objections must be filed with the Secretary of the Board of Commissioners at or prior to the time fixed for hearing (RCW 54.16.160).

D. Notice of Hearing; Publication and Mailing. Upon scheduling the hearing, the Commission shall also provide written notice and publication of notice of hearing as follows:

(1) Publication. The Notice of Hearing shall be published in the Everett Herald, and may also be published in another newspaper of general circulation, once each week for two successive weeks not less than fifteen (15) nor more than thirty (30) days prior to the date fixed for hearing (RCW 54.16.140 - .160). Notice of Hearing for two or more local utility districts may be consolidated for publication purposes.

(2) Written Notice. The written notice shall include all of the information set forth in subparagraph IV C, Notice of Hearing, above, and the following additional information:

(a) the name of the particular property owner;

(b) legal description of the property owner's lot, tract, or parcel of land affected by the proposed assessment;

(c) mailing address of particular property owner;

Said written notice shall be sent by first class mail at least fifteen (15) days before the date fixed for hearing to the owners of all lots, tracts or parcels of land or other property within the boundaries of the proposed local utility district. Said notice shall be mailed to the property owner at the address shown in the tax rolls of the appropriate County (RCW 35.44.090).

- E. Protest Petition. In the event a petition signed by a majority of the landowners within the proposed local utility district protesting the formation of the proposed local utility district is filed with the Secretary of the Commission on or before twelve o'clock (12:00) noon of the scheduled hearing date, the Commissioners shall not order the improvement (RCW 54.16.140).
- F. Commission Action. At the hearing on the proposed local utility district, the Commission shall determine the economic and financial feasibility of the proposed improvement. If the Commission specifically finds the improvement is not economically or financially feasible, it shall not order the improvement. If the Commission specifically finds the improvement to be economically and financially feasible, the Commission shall proceed to determine whether to order the improvement and establish the local utility district. If the Commission orders the improvement, the Commissioners shall adopt an appropriate resolution establishing the local utility district; said resolution may:
- (1) alter the boundaries of the proposed district;
 - (2) prepare and adopt the improvement;
 - (3) prepare and adopt detailed plans thereof;

- (4) declare the estimated costs thereof, what proportion of the costs shall be borne by the local utility district and what proportion, if any, shall be borne by the Public Utility District No. 1 of Snohomish County;
- (5) provide the general funds necessary for its proportionate share, if any, of the local utility district costs;
- (6) acquire all lands and other properties necessary for the improvement;
- (7) pay damages, if any, caused by the improvement; and
- (8) commence in the name of the Public Utility District No. 1 of Snohomish County such eminent domain proceedings and supplemental assessment or reassessment proceedings to pay all eminent domain awards necessary to entitle the District to proceed with the work (RCW 54.16.150).

G. File Proposed Assessment Roll. Within fifteen (15) days after the Commission has ordered an improvement and created a local utility district, the Commission shall cause staff preparation and filing of the following information with the Snohomish County Treasurer:

- (1) the title of the local utility district;
- (2) the nature of the improvement;
- (3) copy of a diagram or print showing the boundaries of the district; and
- (4) proposed assessment roll or abstract of same showing thereon the lots, tracts and parcels of land that will be specially benefited by the improvement and the estimated cost and expense of such improvement to be borne by each lot, tract or parcel of land.

Upon receipt, the Snohomish County Treasurer shall immediately post the proposed assessment roll upon his index.

- H. Assessment Procedure. After the staff has prepared the proposed assessment roll and filed it with the County Treasurer, the Commission shall follow the assessment procedures set forth in Section V below.

Section V. Assessment Procedure. This section establishes the general methods of procedure for assessments for all local utility districts whether formed pursuant to petition by property owners or resolution of the Commission. This Section, however, shall not alter or affect the methods of procedure concerning assessments set forth in Section I of this resolution which authorizes a consolidated hearing procedure for local utility districts formed for operation and maintenance purposes.

A. Costs Assessed. There may be included in the assessed cost and expense of a local utility district for purposes of assessment against the property specially benefited by the improvement one or more of the following:

- (1) Construction Costs. The cost of all of the construction or improvement authorized for the local utility district including, but not limited to, that portion of the improvement within the street intersections;
- (2) Engineering and Studies. The estimated cost and expense of all feasibility studies, environmental impact statements and studies, engineering and surveying necessary for the local utility district.
- (3) Ascertaining Ownership. The estimated cost and expense of ascertaining the ownership of the lots or parcels of land included in the assessment district;
- (4) Fees and Notice Costs. The estimated cost and expense of permit fees, newspaper advertising and publication, postage and mailing expenses.
- (5) General Administrative Costs. The estimated cost and expense for accounting, data processing, computer programming, billing and collection, clerical labor

and materials and supplies including petition forms, notices and billing forms, envelopes, and other record forms used by the District in connection with the local utility district.

- (6) Property Acquisition. All cost of the acquisition of rights of way, property, easements or other facilities or rights, whether by eminent domain, purchase, gift, or in any other manner; provided, that any of the costs enumerated in this section may be excluded from the cost and expense to be assessed against the property in such local improvement district if the Commission so designates at any time and may be paid from any other monies available therefore.
- (7) Legal, Financial and Appraisal. The cost for legal, financial and appraisal services and any other expenses incurred by the District for the local utility district or in the formation thereof, or by the District in connection with such construction or improvement and in the financing thereof, including the issuance of any bonds (RCW 35.44.020).
- (8) Operation and Maintenance. The estimated operation and maintenance expenses of the local utility district including some or all of the expenses set forth in subparagraph IA above.
- (9) Other. And any other District costs and expenses reasonably related to the local utility district.

B. Methods of Assessment. The Commissioners shall determine the methods of ascertaining the costs of the improvement to be assessed against each separate lot, tract, parcel of land or other property within the proposed local utility district. The

Commissioners may use any method or combination of methods to compute assessments which they deem to fairly reflect the special benefits of the improvement to the properties being assessed (RCW 35.44.047).

C. Proposed Assessment Roll. In accordance with subparagraph VA and B above, the District staff shall immediately prepare and submit to the Commissioners a proposed assessment roll for the local utility district. The total assessment thus ascertained against each separate lot, tract, parcel of land, or other property in the local utility district shall be entered upon the assessment roll as the amount to be levied and assessed against each separate lot, tract, parcel of land, or other property (RCW 35.44.050). The proposed assessment roll submitted to the Commissioners shall be merely the staff's preliminary determination of the method and relative estimated amounts of assessments to be levied upon the property specially benefited by the improvement and shall not be binding or conclusive in any way upon the Commissioners in their preparation of the assessment roll for the improvement in question or in any Commission hearing affecting the assessment roll (RCW 35.44.060). Said proposed assessment roll must be filed with the Snohomish County Treasurer within fifteen (15) days after the Commission has ordered the improvement and created the local utility district (RCW 35.50.005).

D. Hearing on Proposed Assessment Roll. Upon receipt of the staff-prepared proposed assessment roll, the Commission shall thereupon fix a date, time and place for hearing thereon and provide notice of such hearing as provided in subparagraphs E and F below. At the hearing, the Commission shall consider all objections filed and determine whether to adopt

or reject the proposed assessment roll (RCW 35.44.070).
Provided, however, that the hearing on the proposed assessment roll may be consolidated with the hearing to form the local utility district in accordance with the requirements and procedures set forth in Section I above. All objections to the confirmation of the proposed assessment roll shall state clearly the grounds for the objection; objections not made within the time and in the manner provided in this Section shall be conclusively presumed to have been waived (RCW 35.44.110). At the hearing, the Commission will sit as a board of equalization with the objection of equalizing the assessments for each lot, tract or parcel of land commensurate with the special benefits to such lot, tract or parcel of land resulting from the improvement. The Commission shall have authority to correct, revise, raise, lower, change and/or modify the proposed assessment roll or any part thereof including, but not limited to, the authority to set aside the proposed assessment roll and adopt a de novo assessment roll (RCW 35.44.080, .100). If the proposed assessment roll is amended by the Commission so as to raise the assessment for a particular lot, parcel or tract of land or to include an omitted property, the Commission shall schedule a new hearing as set forth in subparagraph VG below (RCW 35.44.120).

E. Notice of Hearing on Proposed Assessment Roll. The

Notice of Hearing shall:

- (1) specify the date, time and place of hearing; and
- (2) shall notify all persons who may desire to object

as follows:

- (a) to make their objections in writing and to file them with the Clerk of the Commissioners on or before the time fixed for hearing;

- (b) that at the hearing, the Commissioners will sit as a Board of Equalization (RCW 84.48.010) for purposes of considering the preliminary assessment roll.
- (c) that at the hearing, the Commission will consider the objections made and will correct, revise, raise, lower, change or modify the roll or any part thereof or set aside the roll and order the assessment to be made de novo.
- (d) that at the conclusion of the hearing, the assessment roll shall be confirmed by resolution of the Commission (RCW 35.44.080).
- (e) that the roll is on file with the Secretary of the Commission and open to inspection (RCW 54.16.160).

F. Notice of Hearing; Publication and Mailing.

- (1) Mailing. Said Notice of Hearing shall be mailed at least fifteen (15) days before the scheduled hearing date to all owners or reputed owners of property within the proposed local utility district. The tax rolls of the Snohomish County Treasurer shall be conclusive evidence of the property ownership and of the addresses of the owners for purposes of mailing. All notices shall be sent by first class postage (RCW 35.44.090). The mailing of any notice required in connection with local utility district shall be conclusively proved by the written Certificate of Mailing by the Clerk of the Commissioners (RCW 35.44.180).

(2) Publication. The Notice of Hearing shall also be published at least fifteen (15) days and no more than thirty (30) days prior to the scheduled hearing date as follows:

(a) at least once each week for two successive weeks in the Everett Herald, and, also may be published in another newspaper of general circulation in the vicinity of the local utility district (RCW 54.16.160).

G. Hearing on Amended Assessment Roll. If the Commission amends the preliminary assessment roll to raise the assessment for one or more lots, parcels and/or tracts of land or to include omitted property, the Commission shall schedule a hearing upon such amended assessment roll. Said hearing shall be scheduled and conducted as set forth above. The Commission shall also give written notice and published notice of such hearing as set forth in subparagraphs VE and VF above. At such hearing on the amended assessment roll, the Commission shall not consider any objections as to property upon which the original proposed assessment was not raised unless such objections were made in writing and received by the Commission on or before the time scheduled for the original hearing (RCW 35.44.120, RCW 54.16.160).

H. Conclusiveness of Assessment Roll. Upon its adoption by resolution of the Commissioners, an assessment roll shall be deemed conclusive against all parties. No person may contest or question in any manner the regularity, validity or correctness of the proceedings relating to any local utility district unless such person has filed timely and sufficient written objections to the assessment roll and,

further, unless such person prosecutes an appeal in the manner and within the time set forth in RCW Chapter 35.44. No proceeding of any kind may be commenced or prosecuted for the purpose of defeating or contesting any assessment or the sale of any property to pay an assessment or the sale of any property to pay an assessment or any certificate of delinquency issued therefor, or the foreclosure of any lien therefor, except injunction proceedings may be brought to prevent the sale of real estate upon either of the following grounds:

- (1) that the property about to be sold does not appear upon the assessment roll; or
- (2) that the assessment has been paid (RCW 35.44.190).

- I. Appeal Proceedings. The provisions of RCW Chapter 35.44.190 et seq shall govern any and all appeals and appeal procedures. A Notice of Appeal from any Commission determination must be in writing describing the appellant's property and the basis for the appeal, and must be filed with the Clerk of the Board of P. U. D. Commissioners within ten (10) days of the date the resolution confirming the assessment roll becomes effective (RCW 35.44.200, .210; RCW 54.16.160).
- J. File Roll with County Treasurer. The assessment roll as adopted by the Commission shall be filed forthwith with the Snohomish County Treasurer (RCW 54.16.150).
- K. Segregation of Assessments. Whenever any lot, parcel or tract of land against which the Commission has levied a special assessment shall be sold in part or subdivided, the Commissioners shall have the power and authority to order a segregation of such assessment (RCW 54.16.165).

- L. Segregation of Assessments--Procedures. Any person owning any part of land subject to a special assessment desiring to have such assessment segregated between or among the smaller portions of said land may apply in writing to the Commissioners requesting such segregation. The Commission, upon receipt of such written segregation request, shall determine whether to make the requested segregation. If a segregation is ordered said segregation should be as nearly as possible on the same basis as the original assessment and the total of the segregated parts of the assessment shall equal the assessment before segregation. The Board of Commissioners may require as a condition to the order of segregation that the person seeking it pay the public utility district the reasonable engineering and clerical costs incident to making the segregation (RCW 54.16.165).
- M. Segregation of Assessments--Notice. Upon determining that a segregation should be made, the Commission shall send notice thereof by first class mail to the several owners of the property affected by the segregation as identified by the tax rolls of the Snohomish County Treasurer. Said notice shall provide that the segregation will be approved by resolution if no written protest is received within twenty (20) days from the date of mailing (RCW 54.16.165).
- N. Segregation of Assessments--Hearing on Protest. If a written protest is filed with the Commission, the Commission shall schedule a hearing on the protest. The Commission shall send written notice by first class mail of the time, date, place and purpose of the hearing to all owners of the property affected by the segregation. At the hearing, the Commission shall consider the written protest and may approve

the segregation by appropriate resolution (RCW 54.16.165).

Said notice shall be mailed at least ten (10) days prior to the date scheduled for hearing on the proposed segregation.

O. Segregation of Assessments--Resolution. The resolution approving the segregation shall describe the original tract, the amount and date of the original assessment, the boundaries of the divided lot, parcel or tract of land, and the amount of the segregated assessment chargeable to each divided lot, parcel or tract of land. Said Resolution shall further order the County Treasurer to make segregation of the assessment roll in accordance with the resolution. A certified copy of the resolution shall be delivered to the County Treasurer who shall proceed to make the segregation ordered by the Commission (RCW 54.16.165).

P. Assessment Resolution--Time for Payment, Penalties and Interest. In addition to the information set forth above, the resolution adopting an assessment roll shall provide:

- (1) within what time the assessment or installments thereof shall be paid;
- (2) the rate of interest;
- (3) for the payment and collection of such installments and interest; and
- (4) for penalties of not less than five (5) per cent for delinquent assessments or installments thereof (RCW 35.49.030).

Section VI. Collection of Assessments. This section establishes the methods of procedure for the collection of local utility districts assessments (RCW 54.16.130).

- A. Applicability; Street Lighting. This section applies to only those local utility districts for which the Commission, by resolution, expressly determines that the District shall perform the billing, collection and related functions. By this procedural resolution, the Commission expressly determines that it will perform the billing, collection and related functions for operation and maintenance of street lighting local utility districts established pursuant to Section I of this Resolution in Snohomish County. The billing, collection and related functions for other local utility districts shall be performed by the appropriate County officials pursuant to applicable state laws; provided, however, that the Commission may, by resolution, determine that the District will perform such functions for other local utility districts, as well.
- B. Interlocal Cooperation Agreement. The District may enter into agreements with Snohomish County and the Snohomish County Treasurer concerning the collection of assessments and related functions for street lighting or other designated local utility districts under the Interlocal Cooperation Act, RCW Chapter 39.34. Such agreements, if any are made, shall not be deemed any concession or admission by the District as to the District's authority for collection of assessments pursuant to RCW 54.16.130.
- C. Collection by District Treasurer. The District Treasurer is hereby designated as the District officer responsible for the billing, collection and related functions of street lighting and other specified local utility districts. All assessments for street lighting operation and maintenance local utility

districts shall be paid into the District's general Electric Revenue Fund. Assessments for other local utility districts collected by the District Treasurer shall be deposited into appropriate accounts designated by the Commission in the resolution authorizing the District to perform the billing, collection and related functions for such other local utility districts (RCW 35.49.010).

- D. District Treasurer--Publication of Notice of Assessment Roll. Upon receiving an assessment roll for collection, the District Treasurer shall publish appropriate notice in the Everett Herald once a week for two consecutive weeks. Said notice shall provide that the roll is in his hands for collection and that all or any portion of the installment may be paid within thirty (30) days from the date of the first publication of the notice without penalty, interest or costs (RCW 35.49.010).
- E. District Treasurer--Written Notice of Assessment Roll to Property Owners. Within fifteen (15) days of the first newspaper publication, the District Treasurer shall provide written notice to each owner or reputed owner of property whose name appears on the assessment roll, at the address shown on the County tax rolls, for each item of property described on the list. Said notice shall provide: (1) the nature of the assessment; (2) a description of that portion of the owner's property subject to the assessment; (3) the total amount of the assessment due; and (4) the time period in which the assessment may be paid without penalty, interest or costs (RCW 35.49.010). See also subparagraph VP, Assessment Resolution - Time for Payment, Penalties and Interest. (RCW 35.49.030).

F. Payment of Assessments or Installments Without Interest or Penalty. The owner of any lot, tract or parcel of land or other property charged with a local utility district assessment may redeem it from all of said assessment or any portion thereof by payment to the District Treasurer of the appropriate amount without interest within thirty (30) days after the first publication by the District Treasurer under subparagraph VID, District Treasurer - Publication of Notice of Assessment Roll (RCW 35.49.040). After the expiration of thirty (30) days from said publication, an owner may redeem his property from all liability for the unpaid amount of the assessment at any time without penalty or further interest by paying the entire installments of the assessment remaining unpaid with interest thereon to the date of maturity of the installment next falling due (RCW 35.49.050).

G. County-Owned Property. Upon the confirmation of the assessment roll for a local utility district, the District Treasurer shall certify and forward to the Board of Commissioners of Snohomish County a statement of all the lots, tracts or parcel of land held or owned by Snohomish County assessed thereon. Said statement shall describe separately each lot, tract or parcel of land and the assessment charged against it (RCW 35.49.070).

For annual assessments for operation and maintenance purposes, said statement shall be considered to be a notification of a continuing annual assessment and one statement at the time of the first assessment shall be sufficient unless the amount of the assessment changes. In this event, a statement of the changed amounts shall be certified and forwarded to the Board of Commissioners of Snohomish County by the District Treasurer.

Section VII. Enforcement of Local Assessment Liens. This section establishes the methods of procedure for the enforcement of assessment liens for local utility districts (RCW 54.16.130).

- A. Assessment Lien - Attachment, Priority. The charge assessed upon the respective lots, tracts, or parcels of land and other property in the assessment roll confirmed by resolution of the Commission for the purpose of paying the cost and expense in whole or in part of any local improvement shall be a lien upon the property assessed from the time the assessment roll is placed in the hands of the District or County Treasurer for collection. Provided, however, that as between the grantor and grantee, or vendor and vendee/purchaser of any real property when there is no express agreement as to the payment of local improvement assessments against the real property, the lien of such assessment shall attach thirty (30) days after the filing of the proposed assessment roll under above subparagraphs II-H, III-G, and IV-F, File Proposed Assessment Roll. Interest and Penalties, if any, shall be included in and shall be a part of the assessment lien. The assessment lien shall be paramount and superior to any other lien or encumbrance theretofore or thereafter created except a lien for general taxes (RCW 35.50.010).
- B. Conditions Precedent to Foreclosure. The District may proceed with foreclosure of delinquent local utility district assessments or installments under the following circumstances:
- (1) if two installments of any local utility district assessment are delinquent on the first day of January of any year; or

assessment has been delinquent for more than one

(1) year; and

- (3) if the District Treasurer, at least thirty (30) days previously, has mailed by first class mail a notice of such delinquency as described in subparagraph VII-C below, Notice of Delinquency, a notice of such delinquency to the persons whose names appear on the assessment roll as owners of the property charged with the delinquent assessments or installments

(RCW 35.50.030).

- C. Notice of Delinquency. The notice of delinquency shall state the amount due upon each separate lot, tract or parcel of land and the date after which proceedings will be commenced by the District. The District Treasurer shall prepare an affidavit as to the mailing of the notice of delinquency and said affidavit shall be filed with the Snohomish County Superior Court Clerk at the time of the commencement of the foreclosure action. Said affidavit shall be conclusive proof of the mailing of the notice of delinquency (RCW 35.30.030).
- D. Commencement of Foreclosure Proceedings. The District shall proceed with the foreclosure of delinquent assessments or installments as defined in subparagraph VII-B, Conditions Precedent to Foreclosure, by proceedings commenced in the name of the Snohomish County Public Utility District No. 1 in Snohomish County Superior Court. Said foreclosure proceedings shall be commenced on or before March 1 of each year or on or before such date as may be fixed by resolution of the Commission (RCW 35.50.030).

E. Certificate of District Treasurer. The commencement of a foreclosure proceeding shall be initiated by the District Treasurer's filing with the Snohomish County Superior Court Clerk a certificate setting forth the following:

- (1) a description of each separate lot, tract, or parcel of land or other property upon which the assessment or installments thereof are delinquent;
- (2) the date of delinquency;
- (3) the amount of delinquency including interest and penalty for each item of property;
- (4) the name of the owner thereof as appears upon the assessment roll, or that the owner is unknown;
- (5) the number and date of enactment of the resolution authorizing the improvement and creating the local utility district;
- (6) the number, and date of enactment of the resolution confirming the assessment roll; and
- (7) the number of the local improvement district.

All delinquent lots, tracts or parcels of land or other property may be included in one certificate (RCW 35.50.060). The filing of said certificate shall be prima facie evidence of the regularity and legality of the foreclosure proceedings and the burden of proof shall be upon the property owners and other parties defendant (RCW 35.50.080).

F. Consolidation of Foreclosure Proceedings. The District may consolidate all delinquent local utility district assessments or installments thereof into one superior court proceeding. It shall not be necessary to bring a separate suit for each local utility district nor for each of the lots, tracts or parcels of land or other property within a particular local utility district. All or any part of property

upon which local utility district assessments are delinquent under any and all local utility district assessment rolls may be proceeded against in the same action. All or any of the owners or persons interested in any of the property being foreclosed upon may be joined as parties defendant in a single action to foreclose. All or any liens for such delinquent assessments or installments thereof may be foreclosed in such proceeding (RCW 35.50.070).

G. Summons - Publication & Service. In addition to filing the certificate described in paragraph VII B above, the District's Treasurer, with the assistance of the District's legal counsel, shall cause a summons to be served by publication in one general notice describing the property as it is described on the assessment rolls. Said summons shall require all persons owning or claiming to own the property, or who claim to have an interest in the property (RCW 35.50.080), to appear and answer within sixty (60) days of the date of its first publication. The summons shall be published once each week for four successive weeks in the Everett Herald and, also, may be published in another official newspaper of general circulation in the area in which the property is situated. The publication of the summons as herein provided shall be deemed sufficient notice thereof to all persons interested in the subject property (RCW 35.50.090).

H. Foreclosure Procedure - Trial and Judgment. The foreclosure action shall be tried before the Superior Court without a jury. If the property owner or other persons interested in any particular lot, tract or parcel of land, or other property included in the foreclosure action shall

be in default in the foreclosure action, the Superior Court may enter a default judgment of foreclosure and sale as to said parties; provided, however, that the foreclosure action shall proceed to trial with respect to the remaining defendants and property not resolved by default judgment. Any judgment shall specify separately the amount of the assessment or installments thereof, including interest, penalty, and costs, chargeable to the several lots, tracts, or parcels of land, or other property involved in the foreclosure proceeding. The judgment shall have the effect of a separate judgment as to each particular lot, tract, or parcel described in the judgment, and any appeal from the judgment shall not invalidate or delay the judgment, except as to the specific lot, tract, or parcel of property from which the appeal is taken. In entering judgment, the court shall decree that the lots, tracts, or parcels of land or other property be sold by the District's Treasurer to enforce the judgment. Judgment may also be entered as to any one or more separate lot, tract, or parcel involved in the proceeding and the court shall retain jurisdiction as to the balance (RCW 35.50.100).

- I. Foreclosure Sale. All foreclosure sales shall be held by the District Treasurer at the front door of the District's main office, 2320 California, Everett, Washington. All sales shall be made on Fridays between the hours of 9:00 in the morning and 4:00 in the afternoon. Said sales shall continue from day to day, excluding Saturday, Sunday and holidays, during the same hours until all lots, tracts or parcels of land or other property are sold (RCW 35.50.120).

J. Notice of Foreclosure Sale. Notice of a foreclosure sale shall be given by publication in the Everett Herald and, also, may be published in another official newspaper of general circulation in the area in which the property is situated, once each week for two successive weeks. Said notice shall contain a description of the property to be sold and shall include the time and place where the sale is to take place. The date fixed for the sale shall be not less than ninety (90) days after the date of first publication of the notice of foreclosure sale. The Notice shall be substantially in the following form:

LOCAL UTILITY DISTRICT ASSESSMENT SALE. Public notice is hereby given that pursuant to local utility district assessment judgment of the Superior Court of the County of _____ in the State of Washington, entered the _____ day of _____, 19____, in proceedings for foreclosure of local utility district assessment liens upon real property as provided by law, that the District Treasurer shall on the _____ day of _____, 19____, at the hour of _____, at the front door of the District's Main Office, 2320 California, Everett, Washington, in the County of Snohomish, sell the following described lots, tracts, or parcels of land or other property to satisfy the full amount of local utility district assessments, interest, penalty and costs adjudged to be due thereon together with interest accrued on such assessment to the date of sale and cost of sale as follows, to wit:

(description of property;
amount due)

IN WITNESS WHEREOF, I, the Treasurer of the Public Utility District No. 1 of Snohomish County, have hereunto set my hand this _____ day of _____, 19____.

Signature

(RCW 35.50.130)

K. Foreclosure Sale Procedure. At the foreclosure sale, pursuant to a local utility district assessment lien foreclosure, each lot, tract, or parcel of land or other property shall be sold to the person offering to pay therefor not less than the full amount of the assessment, interest, penalty and costs adjudged to be due thereon, and if no such offer is received, shall be sold to the District for such amount. If any bidder to whom any property is stricken off does not pay the amount of his bid before 10:00 in the morning on the next working day following the date of its sale, the property shall then be resold, or if the sale has been closed, said property shall be deemed to have been sold to the District. Any amount received upon the sale of any lot, tract, or parcel in excess of the amount of the assessment, penalty, interest, and costs adjudged to be due thereon shall be paid by the District to the Clerk of the Superior Court for the benefit of the original property owner (RCW 35.50.140). The District Treasurer shall file with the Clerk of the Superior Court, for deposit with other pleadings and documents in the foreclosure action, proof of publication of the notice of sale and a report of the sale. The report of sale shall contain the title and number of the action, a description of each lot, tract, or parcel sold, the amount for which it was sold, the date of the sale thereof, and the names of the purchaser (RCW 35.50.160)

L. Foreclosure Sale - Redemption Procedure. Any lot, tract, or parcel sold pursuant to the foreclosure of a local utility district assessment lien shall be subject to redemption within two (2) years from the date of sale. Redemption may be made by the person designated in and shall be governed by the

statutes applicable to redemptions and sales under decrees foreclosing mortgages on real property. The District Treasurer shall perform the duties imposed by such statutes upon the Sheriff. The terms "judgment debtor" or "successor in interest" as used in such statutes shall be held to include an owner or a vendee. (RCW 6.24.130; RCW 35.50.190).

M. Foreclosure Sale - Purchaser's Title. The purchaser of any lot, tract, or parcel shall take it subject to the lien of all unpaid general taxes and local improvement assessments or installments still outstanding against it (RCW 35.50.150).

(1) Certificate of Purchase. The District Treasurer shall execute and deliver to each purchaser a certificate of purchase. All lots, tracts or parcels sold to the District on the same day may be included in one certificate of purchase. The certificate signed by the District Treasurer shall be dated as of the date of sale, and shall contain the name of the owner as given on the assessment roll, a description of each lot, tract, or parcel, and the amount for which it was sold, a brief designation of the improvement for which the assessment was levied, the name of the purchaser, and a statement that the purchaser, his successor or assign will be entitled to a local utility district assessment deed at the expiration of the redemption period unless redemption is made (RCW 35.50.170).

(2) Assignment and Recording of Certificate of Purchase. A certificate of purchase may be assigned by a written assignment, provided such assignment is duly signed by the assignor and acknowledged in the same manner and before the same officers as provided for deeds and

other conveyances of real property. Certificates of purchase and assignments thereof may be recorded in the office of the County Auditor of the County wherein the land affect is situated. (RCW 35.50.100).

- (3) Local Utility District Assessment Deed. If the time for redemption from a sale made pursuant to the foreclosure of a local utility district assessment lien has expired without any redemption having been made, the District Treasurer shall deliver to the purchaser at the sale (or the purchaser's successor or assigns) a local utility district assessment deed. All property to be conveyed to the District as a result of the sale may be included in one deed. The deed shall be substantially in the following form:

LOCAL UTILITY DISTRICT ASSESSMENT DEED

State of Washington)
) SS.
County of Snohomish)

This indenture, made this _____ day of _____, 19____, between _____, as Treasurer of the Public Utility District No. 1 of Snohomish County, State of Washington ("party of the first part"), and _____ ("party of the second").

WITNESSETH:

That, Whereas, at a public sale of real property held on the _____ day of _____, 19____, pursuant to a real property local utility district assessment judgment entered in the Superior Court of the County of _____, on the _____ day of _____, 19____, in proceeding to foreclose local utility district assessment liens upon real property, the real property hereinafter described was duly sold and, whereas, the time for redemption has elapsed without any redemption having been made, and the said party of the second part being now entitled to a deed to said real property;

NOW, THEREFORE, KNOW YE, that the party of the first part, in consideration of the premises and by virtue of the statutes of the State of Washington, does hereby grant and convey unto the party of the second part, his heirs and assigns forever, the following described real property in the County of _____, State of Washington, to wit:

(legal description)

This Deed is subject to the lien of all unpaid general taxes and local improvement assessments, other than the particular installment or installments for the local utility district assessment for which the judgment aforesaid was entered.

GIVEN UNDER my hand this ____ day of _____, 19 ____.

Treasurer of Public Utility
District No. 1 of Snohomish
County.

(4) Validity or Cancellation of Local Utility District Assessment

Deed. A local utility district assessment deed shall be prima facie evidence that the property therein described was assessed according to law, that it was not redeemed as allowed by law, and the person executing the deed was the proper officer of the district. It shall be conclusive evidence of the regularity of all other proceedings from the assessment up to and including the execution of the deed and shall vest in the grantee, his heirs and assigns, fee simple title to the property therein described without further acknowledgment or evidence of the conveyance. The deed shall be recorded in the same manner as other conveyances of real property. Actions to cancel a local utility district assessment deed or for the recovery of property sold for delinquent local utility district assessments must be brought within three (3) years from the date of the issuance of the deed (RCW 35.50.210).

N. Alternative Foreclosure Procedure. In lieu of the foregoing procedure described in paragraph VII A-M above, the Commissioners by resolution may elect to employ an alternative foreclosure procedure similar to the procedures authorized by the statutes governing the foreclosure of mortgages on real property. Said Commission resolution shall authorize and direct the use of said alternative method of foreclosure proceeding including the filing of a complaint in the Superior Court of the County in which the subject property is located. (RCW 35.50.220).

(1) Commencement of Action. The action under the alternative foreclosure procedure shall be commenced by the filing of a summons and complaint in the Superior Court of the County in which the subject property is located. The complaint shall include the following allegations:

- (a) the passage of the ordinance establishing the local utility district;
- (b) the making of the improvement or the furnishing of service or the incurring of operation and maintenance expenses, whichever is appropriate;
- (c) the levying of the assessment;
- (d) the confirmation of the assessment roll;
- (e) the date of delinquency of the installment or installments of the assessment for the enforcement of which the action is commenced; and
- (f) that the assessment or installments thereof have not been paid prior to delinquency or at all.

(RCW 35.50.220).

- (2) Parties and Property Included. In the alternative method of foreclosing local utility district assessment liens, all or any of the lots, tracts, or parcels of land or other property included in the assessment for one local utility district may be proceeded against in the same action. All persons owning or claiming to own or having or claiming to have any interest in or lien upon the lots, tracts, or parcels involved in the action, and all persons unknown who may have an interest or claim of interest therein shall be made parties defendant. (RCW 35.50.230).
- (3) Pleadings and Evidence. In the alternative method of foreclosing local utility district assessment liens, the assessment roll and the resolution confirming it, or duly authenticated copies thereof shall be prima facie evidence of the regularity and legality of the proceedings connected therewith and the burden of proof shall be on the defendants. (RCW 35.50.240).
- (4) Summons and Service. In the alternative method of foreclosing local improvement assessments, summons and the service thereof shall be governed by the statutes governing the foreclosure of mortgages on real property. (RCW Chapter 4.28; RCW 35.50.250).
- (5) Trial and Judgment. In the alternative method of foreclosing local utility district assessments, the action shall be tried to the Superior Court without a jury. If the parties interested in any particular lot, tract, or parcel default, the Court may enter a default judgment of foreclosure and sale as to such parties in default and the lots, tracts, or parcels and the action itself may

proceed as to the remaining defendants and lots, tracts, or parcels. Judgment and order of sale may be entered as to any one or more separate lots, tracts, or parcels involved in the action and the Court shall retain jurisdiction to the others. The judgment shall specify separately the amounts of the installments with interest. The judgment shall specify separately the amount of the installments with interest, penalty and costs chargeable to each lot, tract or parcel. A judgment shall have the effect of a separate judgment as to each lot, tract, or parcel described in the judgment. Any appeal shall not invalidate or delay the judgment except as to the property concerning which the appeal is taken. In the judgment the court shall order the lots, tracts, or parcels therein described sold, and an order of sale shall issue pursuant thereto for the enforcement of judgment. In all other respects, the trial, judgment and order of sale, and appeals to the Court of Appeals or Supreme Court shall be governed by the Statutes governing the foreclosure of mortgages on real property.(RCW 35.50.260; RCW Chapter 61.12).

- (6) Sale, Redemption, Deed. In the alternative method of foreclosing local utility district assessments, all sales shall be subject to the right of redemption within two years from the date of sale. In all other respects, the sale, redemption and issuance of deed shall be governed by the statutes governing the foreclosure of mortgages on real property and the terms "judgment debtor" and "successor in interest" as used in such statutes shall be deemed to include an owner or a vendee. (RCW 35.50.270).

Section VIII. Dissolution Procedures. This section establishes methods of procedure for dissolution of local utility districts formed for operation and maintenance purposes by the Commissioners of the Public Utility District No. 1 of Snohomish County. A proceeding to dissolve a local utility district may be commenced by petition of the property owners within the local utility district or by resolution of the Commissioners.

A. Petition. A proceeding to dissolve a local utility district may be commenced by filing with the Clerk of the District a petition signed by a majority of the property owners within the local utility district.

Said petition shall contain the following information:

- (1) statement of all reasons for dissolution of local utility district;
- (2) number of the local utility district;
- (3) names and mailing addresses of all property owners signing the petition, together with legal descriptions of their properties.

B. Petition Proceedings; Costs. Upon the filing of a petition to dissolve a local utility district, the district manager shall first determine its sufficiency and, secondly, determine whether there are any outstanding unpaid assessments. If the Petition is not sufficient, or there are any outstanding unpaid assessments, there shall be no further Commission action on the petition until and unless such matters are corrected by the petitioners. If the petition is sufficient and all assessments are paid, the petition shall be referred to the Commission for further action. The Commission may also require the petitioners to pay the District's costs in processing the dissolution petition including the District's expenses of locating property owners, giving notice by mail and newspaper publication, and related District costs.

- C. Resolution. The Commission may also commence a proceeding to dissolve a local utility district by resolution. Said resolution shall set forth the reasons for dissolving the local utility district and a date for a hearing on the final dissolution.
- D. Final Dissolution Hearing. The Commission must hold a formal hearing to dissolve a local utility district irrespective of whether the proceeding is commenced by petition or resolution. Said hearing shall be scheduled by the Clerk of the Board, in accordance with the notice provisions set forth below.
- E. Notice of Final Dissolution Hearing. The Clerk of the Board of Commissioners shall provide notice of the final dissolution hearing as follows:
- (1) Written Notice. Written notice of the final dissolution hearing shall be sent to the owners of all property within the affected local utility district. Said notice shall be sent by first class mail to the addresses of the property owners as shown by the tax rolls of the County Treasurer. The notice shall be mailed at least fifteen (15) days before the scheduled hearing date.
 - (2) Publication. Notice of the final dissolution hearing shall be published in the Everett Herald at least once per week for two consecutive weeks at least fifteen (15) days before and no more than thirty (30) days before the scheduled hearing date.
 - (3) Contents of Notice. The Notice shall identify the local utility district, state the purpose of the hearing, and set forth all of the reasons for dissolving the local utility district.

F. Final Dissolution Hearing - Procedure. At the hearing on the dissolution of the local utility district, the Commission shall consider all evidence presented, whether oral or written. The ultimate decision of whether to dissolve the local utility district shall be made by the Commission in its discretion.

Section IX. Miscellaneous Provisions:

A. Matters not Covered.

Matters and procedures not covered by this procedural resolution shall be governed as nearly as may be by the laws relating to local improvements for cities of the first class (RCW 54.16.130).

B. Severability.

If any provision of this procedural resolution, or its application to any person or circumstance is held to be invalid, the remainder of this procedural resolution, or its application to other persons or circumstances shall not be affected (RCW 35.47.900).

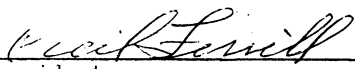
C. Paragraph Headings.

The paragraph and sub-paragraph headings used in this procedural resolution are merely for convenience of reference. Such headings shall not be construed to limit the meaning of any paragraph or sub-paragraph nor the application of any paragraph or sub-paragraph to any person or circumstance.

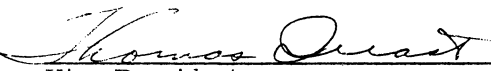
D. Previous Resolutions Repealed.

Resolution No. 1865, and all other resolutions or motions of the Commission in conflict herewith are hereby repealed.

PASSED AND APPROVED this 19th day of September, 1975.



President



Vice President

Secretary

RESOLUTION NO. 2167

A Resolution of the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, combining the Lake Stevens and Sunnyside Water Systems into a single waterworks utility, combining certain accounts relating to those systems, and ratifying and confirming certain expenditures for the benefit of the combined waterworks utility.

WHEREAS, the Board of Commissioners of Snohomish County Public Utility District No. 1 find it to be in the best interests of the District, its taxpayers and ratepayers, to combine the Lake Stevens Water System and the Sunnyside Water System into a single waterworks utility for the purposes of furnishing the District, and the inhabitants thereof, and any other persons including public and private corporations, within or without its limits, with an ample supply of water for all purposes, public and private, including water power, domestic use, and irrigation; and

WHEREAS, the District has expended or committed to expend certain funds for the benefit of both water systems to be combined herein, and it is desired to ratify and confirm such expenses or commitments as being expenditures properly chargeable to the waterworks utility as combined hereunder; and

WHEREAS, the actions taken hereunder are pursuant to Washington Administrative Code Section 197-10-170 (7) (a) and (h), which are categorically exempt from threshold determination and environmental impact statement requirements of the State Environmental Protection Act (Chapter 43.21C Revised Code of Washington) as confirmation of procurement of general supplies and services previously authorized or necessitated by previously approved functions and as an agency reorganization; NOW, THEREFORE,

BE IT RESOLVED by the Commission of Public Utility District No. 1, of Snohomish County, Washington, as follows:

Section 1. The water systems of the District known as the "Lake Stevens Water System," as described in Resolution No. 117 adopted January 17, 1946, and as thereafter added to, improved and extended to date, and the water system of the District known as the "Sunnyside Water System," first identified as those improvements carried out pursuant to formation of the District's Local Utility District No. 3, as thereafter added to, improved and

extended, including but not limited to improvements carried out pursuant to the District's Local Utility Districts No. 5 and 8, to date, are hereby combined into a single waterworks utility (which shall sometimes hereafter be called the "water utility" of the District as of September 1, 1977, provided that:

A. Those portions of the current budget in effect applicable to the two previously separate water systems shall remain in effect with respect to each until adoption of the next annual budget for the District, and until then expenses of the combined water utility shall be prorated for application to each of the two current budgets in such manner as the District's Manager may from time to time direct.

B. Water rates and connection and other charges and fees previously fixed for each of the two previously separate water systems shall remain in effect as zoned rates applicable to the respective areas presently served by the two water systems.

Section 2. The "Lake Stevens Water Operating Fund" and the "Sunnyside Water Operating Fund" are hereby combined into a single fund of the District to be known as the "Water Utility Revenue Fund. All funds now or hereafter payable to either the "Lake Stevens Water Operating Fund" or to the "Sunnyside Water Operating Fund," or both, shall be payable to the Water Utility Revenue Fund as successor to those two funds.

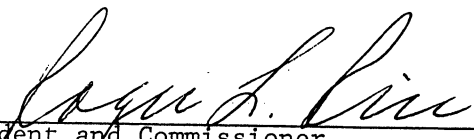
Section 3. Certain funds have been heretofore committed or expended for the benefit of the water utility of the District each of which commitments and expenditures, which are listed on Exhibit A hereto and made a part hereof by this reference, are hereby ratified and confirmed. These and funds hereafter committed and/or expended by the District for the benefit of the water utility of the District during the period of its current budget shall be deemed committed and charged to, and paid from, the Water Utility Revenue Fund, and allocated part to each of those portions of the District's budget applicable to the two water systems combined hereinabove. Warrants heretofore or hereafter issued by the District drawn against a fund referred to therein as a "Water Revenue Fund" shall be deemed drawn against and shall be payable from the Water Utility Revenue Fund.

Resolution No. 2167

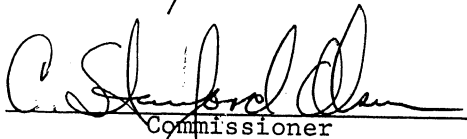
3.

Section 4. The Manager of the District is hereby authorized and directed to implement the purpose and intent of this resolution.

ADOPTED by the Board of Commissioners of Public Utility District No. 1, Snohomish County, Washington, at a regular meeting thereof, this 27th day of September, 1977, the following Commissioners being present and voting.



President and Commissioner



Commissioner

ATTEST:

Secretary and Commissioner

EXHIBIT A
COMMITTED FUNDS OF WATER UTILITY

<u>Sunnyside LUD No. 3</u>	<u>Purchase Order Number</u>	<u>Amount</u>
Reimburse Electric System for July Expenditures		\$ 1,603.
Reimburse Electric System for August Expenditures		1,568.
Purchased Water for September		438.
Materials Supplied by Lake Stevens Water System		685.
 <u>Lake Stevens Water System</u>		
Reimburse Electric System for July Expenditures		15,752.
Reimburse Electric System for August Expenditures		17,103.
Western Utilities Supply	62897	289.
Pipeline Products Company	62738	2,417.
Western Utilities Supply	62865	301.
Western Utilities Supply	62672	806.
Water Metrics Company	62714	594.
Western Utilities Supply	62700	901.
Western Utilities Supply	62696	425.
Western Utilities Supply	62666	456.
Hinds Supply	62571	466.
Western Utilities Supply	62574	2,848.
Western Utilities Supply	62620	341.
Purchased water through 8/31/77 (City of Everett)		8,442.
Riverside Sand and Gravel	61095	94.
Seattle First National Bank (Loan Interest)		1,664.
Public Works Contract #201 (Water Shop)		106,923.
Professional Service Contract #88 (Lee Johnson, Assoc.)		1,500.
Professional Service Contract #93 (Reid-Middleton)		27,500.

Includes partial list of materials supplied during September, 1977.

Estimated from meter readings using rates effective 6/6/77.

Subject to conditions of Contract and Sales Tax.

Maximum of \$1,500.

Maximum of \$27,500.

EXHIBIT A
OUTSTANDING DEBTS OF WATER UTILITY

<u>Sunnyside LUD No. 3</u>	<u>Amount</u>
Memo of indebtedness to Lake Stevens Water System plus accrued interest at the rate of 6% from May 1, 1977.	\$ 3,000.00
Memo of indebtedness to Lake Stevens Water System plus accrued interest at the rate of 6% from June 8, 1977.	1,000.00
<u>Sunnyside LUD No. 8</u>	
Memo of indebtedness to Sunnyside LUD No. 3 plus accrued interest at the rate of 6-1/2 % from October 26, 1976.	34,470.26
Memo of indebtedness to Sunnyside LUD No. 3 plus accrued interest at the rate of 6-1/2% from November 30, 1976.	1,613.29
Memo of indebtedness to Sunnyside LUD No. 3 plus accrued interest at the rate of 6-1/2% from December 31, 1976.	28,320.11
Memo of indebtedness to Sunnyside LUD No. 3 plus accrued interest at the rate of 6-1/2% from February 1, 1977.	487.40
Memo of indebtedness to Sunnyside LUD No. 3 plus accrued interest at the rate of 6-1/2% from April 1, 1977.	136.23
Memo of indebtedness to Sunnyside LUD No. 3 plus accrued interest at the rate of 6-1/2% from June 1, 1977.	169.50
<u>Lake Stevens Water System</u>	
Loan from Seattle First National Bank dated August 1, 1977 with interest at 4.73% payable monthly.	420,000.00

C E R T I F I C A T E

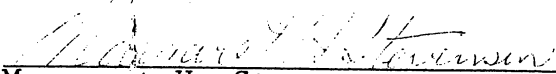
I, the undersigned, do hereby certify that I am the duly appointed Clerk of the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, and that the attached and foregoing is a true and correct copy of Resolution No. 2167 entitled:

A Resolution of the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, combining the Lake Stevens and Sunnyside Water Systems into a single waterworks utility, combining certain accounts relating to those systems, and ratifying and confirming certain expenditures for the benefit of the combined waterworks utility.

that said Resolution was adopted by the Commission of said District at a regular meeting held on September 27, 1977 at which a quorum of the members of the Commission was present;

that said Resolution has not been altered or amended and the same is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 27th day of September, 1977.



Margaret H. Stevenson
Clerk of Board of Commissioners

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY

RESOLUTION NO. 2409

A RESOLUTION of the Board of Commissioners of Public Utility District No. 1 of Snohomish County establishing a Satellite Water System Program

WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Snohomish County did, on June 10, 1980, approve the development of a Satellite Water System Program for the District, and directed the Manager and staff to submit to them a Resolution and Policy to implement such a program; and

WHEREAS, the Commission has reviewed and considered the District's Satellite Water System Study, the water service needs within Snohomish County, and the District's role in meeting those needs; and

WHEREAS, the Commission desires the District to assist in providing adequate water service to residents of Snohomish County by the development and/or acquisition of qualifying Satellite Water Systems within Snohomish County, and to establish a uniform method for analyzing and qualifying proposed developments and/or acquisitions; and

WHEREAS, the Commission deems it in the best interests of the District and the citizens of Snohomish County to establish a Satellite Water System Program for these purposes,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County that there is hereby established a Satellite Water System Program for the District as follows:

Section I. The District's Water Utility shall establish (as a part of such utility) Satellite Water Systems, which are separate and apart and remote from each other, under the following conditions:

A. Consideration by the District of a proposed Satellite Water System shall be instituted by the application of a group

of water users or a water purveyor within the service area of the proposed Satellite Water System.

B. If a proposed Satellite Water System is in such proximity to an existing District water system that it could reasonably qualify under District policy as an extension of or merger with such existing system, it shall not qualify for consideration as a Satellite Water System under this Resolution.

C. Satellite Water Systems may consist of new construction by the District, or the acquisition of existing systems, or the acquisition and improvement of existing systems, or any combination thereof. In any case, however, the system shall be required to meet the District's standards for water systems and shall be operated, insofar as reasonably possible pursuant to the general policies and procedures of the District's Water Utility, except as otherwise provided herein.

D. Each Satellite Water System shall be self-supporting and the financial condition of any existing District water system shall not be adversely affected as a result of the establishment or operation of the Satellite Water System. Rates and other charges pertaining to the establishment and/or operation of a Satellite Water System shall be such as to reflect the need that such system be self-supporting.

E. The applicant for a proposed Satellite Water System shall, upon request by the District, advance to the District the estimated costs for all preliminary and full studies undertaken to determine the feasibility of such a proposed system. The method of estimating such costs shall be set forth in administrative procedures adopted by the Manager of the District.

F. The establishment of a proposed Satellite Water System shall not negatively impact in any way the District's Sultan Project.

Section II. Studies of feasibility of a proposed Satellite Water System shall be conducted by the District under the following guidelines:

A. Upon advancement of the estimated costs, the District shall first perform a preliminary feasibility study to identify and investigate those legal, financial, planning, engineering, operation, and maintenance issues which may adversely impact the feasibility of the proposal. The intent of this preliminary feasibility study is to attempt to identify at an early stage any major factor which renders the proposal not feasible. If the Manager finds from the preliminary study that the proposal is not feasible, the proposal shall be rejected. A general outline of the scope of work associated with preliminary feasibility studies shall be included in administrative procedures established by the Manager.

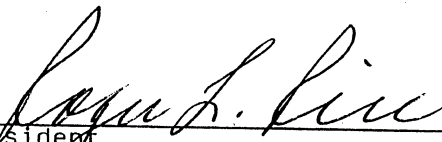
B. If the preliminary feasibility study does not cause a rejection of the proposal, and upon the advancement of costs, the District shall undertake a full feasibility study to investigate in detail all issues which may affect the feasibility of the proposal. The intent of the full feasibility study is to add to the information developed in the preliminary feasibility study sufficiently to allow for a final determination as to the feasibility of the proposed Satellite Water System. A general outline of the scope of work associated with the full feasibility study shall be included in administrative procedures established by the Manager.

Section III. A completed full feasibility study, together with the recommendations of the staff, shall be submitted to the Commission for its consideration and determination as to the establishment of the proposed Satellite Water System and any conditions thereof.

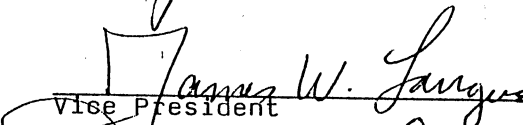
Section IV. In the event a Satellite Water System is approved by the Commission and funds to finance its acquisition and/or construction (including the cost of the feasibility studies) are received by the District, then the advances for its feasibility studies shall be returned to the applicant.

Section V. The Manager of the District is hereby authorized and directed to formulate and implement administrative procedures to carry out the provisions of this resolution.

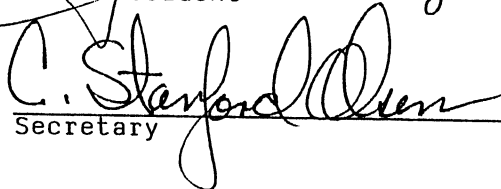
PASSED AND APPROVED this 5th day of August, 1980.



President



Vice President



Secretary

RESOLUTION NO. 2535

A RESOLUTION adopting revised Service Policies for the District's Electric and Water Systems

WHEREAS, by authority of Resolution No. 2102, as amended by Resolution Nos. 2170, 2492 and 2511, the Commission authorized service policies for the District's Electric and Water Systems; and


WHEREAS, the District staff has recommended additional modifications to these policies, and the Commission has considered them and finds them to be in the best interests of the District,

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, Washington, that revised service policies for the District's Electric and Water Systems are hereby authorized as set forth on Exhibits A and B attached hereto, which by reference are made a part hereof as fully as though set out at length herein.

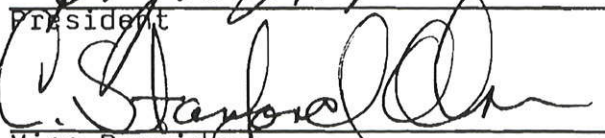
BE IT FURTHER RESOLVED that Resolutions Nos. 2102, 2170, 2492, and 2511 shall be repealed upon the effective date of this Resolution.

BE IT FURTHER RESOLVED that this Resolution shall become effective January 1, 1982.

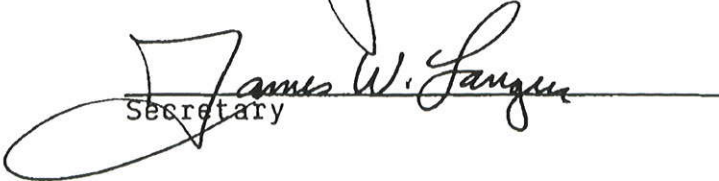
PASSED AND APPROVED this 3rd day of November, 1981.



President



Vice-President



Secretary



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I. GENERAL

A. Preface

It is the intent of the District to provide through these Service Policies a helpful guide to the customer, the building trades, and the employees and representatives of the District; to achieve efficient and safe water service; and to insure that all customers of the District receive uniform and equitable consideration.

B. Definitions

The following terms wherever used in any of these Service Policies, the District's rate schedules, and in any application or agreement for water service, shall have the following meanings, unless otherwise clearly stated:

1. District

Public Utility District No. 1 of Snohomish County

2. Customer

Any individual, firm, or organization who purchases water service at one location from a Water Utility System under one or more rate classifications, contracts, or schedules.

3. Water Service

The availability of water at the point of delivery for use by the customer, irrespective of whether water is actually used.

4. Water Consumption

Water measured in cubic feet.

5. District Standard Practices

A manual setting forth all of the District's specifications, standards and practices for various water construction activities.

C. Scope

These Service Policies are a part of all oral or written contracts for furnishing and receiving water service. A copy, therefore, can be inspected in the District's offices.



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D. Revision

These Service Policies cancel and supersede all previous Service Policies. They may be revised, supplemented or otherwise modified only by action of the Commission; except in an emergency situation the District Manager may make such reasonable modifications as he deems necessary; provided, however, such modifications are reported to the Commission at the next official meeting of the Commission.

E. Conflict

In case of conflict between the provisions of any rate schedules or special contract and these Service Policies, the provisions of the rate schedule or special contract shall apply.

F. Application and Agreement for Service

1. Existing Accounts

Each applicant for water service may be required to sign the District's form of application for water service or a special contract. Large industrial or commercial contracts may be written on a special form and shall contain such provisions and stipulations as may be necessary or desirable to protect the interests of both District and customer. Acceptance of service, with or without a signed application or contract, shall be subject to compliance with the terms of the applicable rate schedule or schedules and these Customer Service Policies.

Application for water service may be made at the Electric Building at 2320 California Street, Everett.

The District may, at its option and where circumstances warrant, accept an application for service from a second party, provided that the first party signs an application card within 15 days.

The District may, at its option, require the presence of a responsible person in the building at the time the water is turned on.

2. New Accounts

Service will be energized for new construction when the following conditions have been met:



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- a. The customer has made proper application for service to the District, including payment of applicable fees.
- b. The customer has given credit references to the Credit Section and, for commercial and industrial accounts, has signed an application or contract.
- c. The customer has met all District requirements and standards.
- d. The customer has provided a valid service address for the premise where water service is desired and a correct mailing address for billing.
- e. The District has installed the proper metering equipment.

G. Security Deposits

1. New Residential Customers

As a general rule, a new residential customer will not be required to pay a security deposit. However, under certain circumstances the District may require a security deposit of a new residential customer as follows:

a. Bankruptcy

If the customer's previous District bill has been discharged in bankruptcy (subject to a fourteen (14) year limit of \$ 605 (a) (1) of the Consumer Credit Protection Act).

b. Assignment for Collection

If the customer has not paid a previous bill and the District has assigned said account to a collection agency (subject to the seven (7) year limit of \$ 605 (a) (4) of the Consumer Protection Act).

c. Previous Unpaid Balance

If the customer has an unpaid bill at another location and refuses to make payment or to make satisfactory arrangements in writing of the previous balance within a reasonable period of time.



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d. Previous Payment Record

If the customer's previous payment record has not been satisfactory, in evaluating a customer's payment record, the District will use a "special action" point system as follows:

<u>Special Action</u>	<u>Points</u>
Returned check	1
Field man call, for collection purposes	2
Meter disconnect, for nonpayment	3
Self-reconnect or tampering with disconnected meter	4

If the customer accumulated six (6) or more special action points at any and all locations within the most recent consecutive twelve (12) month period, a security deposit may be required. However, in those cases where the District furnishes dual services (electric and water) to a premise, the application of special action points to a credit history shall not be multiplied by reason of the two services.

e. Misrepresentation of Identity

If the District learns that the customer has misrepresented his or her identity to avoid payment of an outstanding bill.

f. Extenuating Circumstances

In determining whether a security deposit will be required, the District will consider any extenuating circumstances presented by the customer.

2. New Commercial and Industrial Customers

The District will evaluate new commercial and industrial customers at the time they apply for water services. A security deposit may be required if the District determines it necessary. In determining whether a security deposit will be required, the District will consider any extenuating circumstances presented by the customer.



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3. Existing Residential Customers

The District may require an existing customer to provide a security deposit as a condition to further service whenever the customer accumulates six (6) or more special action points as set forth in Paragraph I.G.1.d.

4. Existing Commercial and Industrial Customers

The District may require an existing customer to provide a security deposit as condition to further service whenever the customer's account requires special collection effort or whenever the District has good and sufficient reason to believe a customer is insolvent, is in financial difficulty or considering bankruptcy.

5. Nature and Amount of Security Deposit

The security deposit may be in cash or in other collateral acceptable to the District. The amount of the deposit shall not exceed the maximum billing for a two-month period within any twelve (12) month period. The District will provide a receipt to the customer for the amount deposited.

6. Disconnection for Nonpayment - Residential Customers

The District shall provide the customer with written notice of the security deposit and of the fact that the customer must pay said security deposit in cash, or make arrangements for payment satisfactory to the District. Said notice shall be mailed to the customer by first-class mail. Said notice shall advise the customer that he has the right to an informal conference with the District's Credit Section to review the deposit requirement and the possibility of making arrangements for payment. The customer shall have the right to appeal from the determination of the informal conference to the utility hearing officer established in Paragraph I.I.1.e. If the customer fails to pay the security deposit in cash, or to make satisfactory payment arrangements within ten (10) days of the District mailing of said written notice, the District may disconnect the water service. Procedures set forth in said section shall be applicable to the security deposit as well.

7. Disconnection for Nonpayment - Commercial and Industrial Customers

The District shall provide the customer with written notice of the security deposit and of the fact that the customer must pay said security deposit in cash, or make arrangements for payment



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satisfactory to the District. Said notice shall be mailed to the customer by first-class mail. Said notice shall advise the customer that he has the right to an informal conference with the District's Credit Section to review the deposit requirement and the possibility of making arrangements for payment. If the customer fails to pay the security deposit in cash, or to make satisfactory payment arrangements within ten (10) days of the District mailing of said written notice, the District may disconnect the water service. If the customer initially is not satisfied with the determination made, he shall have the right to confer further with the District Manager or his designee who will make the final determination.

8. Refund of Deposit

If a residential customer does not accumulate any special action points as set forth in Paragraph I.G.1.d. during the twelve (12) month period following the District's receipt of the deposit, the District will refund the deposit plus interest at the expiration of the twelve (12) month period. If the customer accumulates any special action points during the twelve (12) month period, however, the deposit may be retained for another year, again subject to the special action point condition. A deposit which was required due to assignment for collection (paragraph 1.b.) or previous unpaid balance (paragraph 1.c.) will be considered for refund only after the previously assigned account or unpaid balance is resolved to the satisfaction of the District. This applies to residential as well as commercial and industrial accounts. Deposits on commercial and industrial accounts will be refunded after twenty-four (24) months, subject to the special action point conditions set forth above. Upon termination of service, the District will refund to the customer the amount then on deposit plus interest after deducting all amounts owed to the District for service and charges.

9. Transfer of Deposits

If a customer with a cash deposit takes service at another location, the District may transfer the deposit to the new service address, and may adjust the amount of the deposit as provided in Section I.G.5.

10. Application of Deposit

The District in its discretion may apply the security deposit towards past due accounts and charges.



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11. Interest on Deposit

The District will pay 7% simple interest on all deposits, commencing on the date of deposit, provided, however, this 7% rate of interest shall not be applicable to monies held in deposit prior to August 1, 1974.

12. Special Service

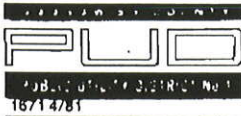
The District may also require appropriate cash advance as security for special service such as special work orders, line extension, etc. The amount required may not exceed the reasonably anticipated costs of the District in providing the service or materials.

H. Meter Reading, Billing and Adjustments

Meters shall be read and bills rendered at monthly or bimonthly intervals at the option of the District. Meter readings shall be made on the same cycle date, as nearly as possible, during each monthly or bimonthly interval; provided, however, that a five-day variation in reading periods caused by holidays, Saturdays, Sundays and differences in lengths of calendar months shall not be construed as a change from a normal monthly or bimonthly interval. The District may estimate meter readings for billing purposes when its meter reader is unable to gain access to the premises on his regularly scheduled meter reading trip, or when the meter has been tampered with or is not functioning properly or when circumstances beyond the control of the District make reading of meters impracticable or impossible.

Opening or closing bills, which may be for greater or lesser periods than the normal one-month or two-month intervals, will be calculated on the basis of the ratio that the actual period billed bears to the normal billing interval.

When it has been determined that a customer has received unmetered service or when the customer has caused the service furnished to be improperly or inaccurately metered, the District may render bills for such service based upon its reasonable estimate of the service actually furnished for the full period during which the service was unmetered or improperly metered. However, in those cases where the premise has been remodeled resulting in a situation whereby more than one customer is served by one meter, no adjustments will be made and the owner of the premise shall be required to assume responsibility for the billing effective the last regular reading date unless one of the tenants is willing to assume full responsibility for the billing.



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Retroactive billing adjustments of water bills arising out of incorrect application of rates, stuck meters or clerical errors will be made for the previous six billings for monthly billed accounts or three billings for bimonthly billed accounts which occurred immediately preceding discovery of the circumstance for which the adjustment is made.

Should one customer be billed for service actually furnished to another because of misidentification of the meter through which the customer has received service, the current customer's account will be credited for all service so billed up to a period of three years immediately preceding discovery of the circumstance, and will then be charged for all service actually furnished.

Adjustments for customer's loss of water through abnormal conditions when the cause is deemed by the District to have been undetectable by the customer and not resulting from lack of normal maintenance on the part of the customer, will be made at fifty percent (50%) of the excess water use above normal during such period of abnormal use but not exceeding six-months. Such an adjustment will be granted only once during a twelve-month period.

It shall be the customer's responsibility to protect from freezing all piping, fixtures and appurtenances on his side of the service cock or meter. Any damage resulting from freezing shall be considered the responsibility of the customer, and no adjustment shall be made in the water billing by reason of the freezing.

The District may alter or reroute its meter reading and billing cycle dates when such alteration or rerouting is in the best interest of the District.

Bills will be mailed by the District to the billing address furnished by the customer, and failure to receive a bill will not release the customer from obligation of payment when due.

If the amount of any closing charge is less than \$1 or the balance owing on any closed account is less than \$1, the District may elect to cancel the charge or the amount owing. The District may also elect not to refund credit balances or less than \$1 on closed account.

I. Payment of Bills

1. Bimonthly Accounts - Residential

All District bills are due and payable when issued. Unless otherwise specified in the billing, it becomes "past due" fifteen (15) days after issuance.



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a. Past Due Reminder

No sooner than fifteen (15) days after the billing and not later than thirty-five (35) days after the billing the District shall send the customer by first-class mail addressed to the customer's last known address a past due reminder notice. Said notice shall contain the following language:

"Have you forgotten that your bill for utility service is overdue? If you have already paid your bill or have made arrangements for payment, please accept our thanks and disregard this notice. IF YOU ARE UNABLE TO PAY THE ENTIRE AMOUNT AT THIS TIME OR IF YOU DISPUTE THE AMOUNT OF THE BILL YOU MAY CALL OR HAVE AN INFORMAL CONFERENCE AT THE DISTRICT'S MAIN OFFICE. IF YOU DO NOT MAKE SATISFACTORY PAYMENT ARRANGEMENTS OR DO NOT PAY YOUR BILL WITHIN FIFTEEN (15) DAYS, YOUR UTILITY SERVICE IS SUBJECT TO DISCONNECTION."

The language in block letters shall be printed in red.

b. Informal Conference

A customer who disputes the amount of his bill, or is unable to pay the full amount of his bill due to temporary financial difficulties shall have the right to an informal conference with designated employees in the District's Credit Section on any business day prior to the date shown on the disconnection notice. Said designated Credit Section employees shall have the authority to make arrangements with the customer for the deferred payment schedule of his particular bill.

(1) Disputed Bills

The designated Credit Section employees shall also have the authority to review and recommend adjustments concerning the amount of the bill. Final decisions concerning adjustments of disputed bills shall be made by supervisory personnel designated by the District Manager.

(2) Temporary Financial Difficulties

The designated Credit Section employees shall make every effort to arrange a reasonable and feasible deferred payment program for a customer with a bona fide temporary financial difficulty making it impossible to pay the full amount of the current bill. Said deferred payment



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program shall be based upon a number of factors including the size of the delinquent account, the time the bill has been owed, and other relevant factors presented by the customer which may include the customer's ability to pay. However, the District shall not be required to enter into a deferred payment program arrangement with a customer who has not fully and satisfactorily complied with the terms of a previous arrangement.

Also, in evaluating whether the financial difficulties of a particular customer are "temporary", the Credit Section employee may consider the credit history of the customer as well as other appropriate factors. For example, a customer who has been financially unable to pay a bill on numerous previous occasions may be considered a repetitive credit problem and said customer's financial difficulties may not be considered to be temporary.

(3) Procedure

The procedure shall be informal. The customer may appear in person in the District's main office in Everett, or may confer by telephone. Informal conferences shall take place during normal business hours (8 a.m. to 5 p.m. Monday through Friday). The customer may be represented by counsel of his own choosing. The customer shall be entitled to present his position to the District's designated employee. The District shall advise the customer of the reasons for the District's determination.

(4) Appeal

If the customer is not satisfied with the determination of the District's designated Credit Section employee concerning his request for arrangements, or of the supervisory personnel concerning the disputed bill, the customer shall have the right of appeal to the District's hearing officer.

c. Disconnection Notice

In the event the customer has not paid his bill or made satisfactory arrangements with the District within fifteen (15) days of the "Past Due Reminder", the District shall send a disconnection notice to the customer by first-class mail. Said disconnection notice shall contain the following language:



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"The District will disconnect your utility service because of your failure to pay your past due bill. AS PREVIOUSLY ADVISED IF YOU ARE UNABLE TO PAY THE FULL AMOUNT OR IF YOU DISPUTE THE AMOUNT YOU HAVE THE RIGHT TO AN INFORMAL CONFERENCE. For more information concerning your rights and the District's policies read the enclosure. Unless you pay the full amount due or make satisfactory payment arrangements with the District before the date shown, your utility service will be disconnected. Service will be restored upon payment in full of your past due account plus reconnection charges as follows: \$20.00 during the hours between 8:00 a.m. and 4:00 p.m. (to provide the District an opportunity to perform the reconnection by 5:00 p.m.) on any business day, or \$50.00 during other hours. Any field collection call, with the exception of disconnection, may result in a \$6.00 charge.

Payment must be made at any District office listed on reverse side."

The language in block letters shall be printed in red.

d. Brochure

The District shall send a brochure as an enclosure with each disconnection notice. Said brochure shall explain in detail the District's credit and disconnection policies and the customer's rights including:

(1) Informal Conference

The customer's right to an informal conference to adjust a disputed bill or to work out a deferred payment agreement.

(2) Appeal

The customer's right to appeal the outcome of the informal conference to a hearing officer.

(3) Procedures

The procedures for the informal conference and the appeal.



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(4) Specific Rights

Including inspection of District's records regarding customer's account during regular business hours; to question specific District employees; to present independent evidence; and to be represented by an attorney, relative or friend.

e. Appeal

The customer shall have the right to appeal from the determination of the informal conference to a utility officer.

(1) Utility Hearing Officer

The utility hearing officer and any deputy or assistant hearing officers shall be management level employees, legal assistants, or qualified impartial third persons not otherwise employed by the District, and shall be selected by the Commissioners for the purpose of hearing appeals. Such individuals should not be connected with the Credit Section or Customer Accounting Section, and may have other responsibilities and duties for the District in addition to serving as a hearing officer.

(2) Notice of Appeal

Any appeal by a customer must be made to the utility hearing officer within seventy-two (72) hours of the determination of the informal conference. The appeal may be made in writing, in person, orally, or by telephone.

(3) Hearing Procedure

The customer shall have the option of a personal hearing before the hearing officer in the District's main office, or, alternatively, a telephone conference call with the hearing officer and the appropriate District personnel. The hearing must take place during regular business hours (8 a.m. to 5 p.m. Monday through Friday) and within seven (7) days of the determination of the informal conference. The Hearing Officer may establish a regularly scheduled day or days for conducting any such hearing. If the customer requests, a record will be made of the proceedings. The hearing officer may use a tape



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recorder or means of preserving a record which he deems appropriate; the customer may provide, at his own expense, a court reporter, or supplemental means of providing a record.

The customer shall have the right to counsel. The customer shall open the hearing with a statement of the nature of his appeal and shall present whatever evidence the customer deems relevant. The customer shall have the right to examine the records of the District relating to his account. After the customer has completed presenting his appeal, the appropriate District personnel shall provide the District's position. The customer shall have the right to rebuttal.

(4) Written Decision

The hearing officer shall provide the customer with a written decision setting forth (a) the nature of the customer's appeal; (b) the decision of the hearing officer; and (c) the reasons for the decision of the hearing officer. The written decision shall either be hand delivered to the customer immediately following the hearing, if possible; or it shall be sent to the customer by certified mail.

(5) Disconnection

Service will not be disconnected while an appeal is pending provided that the customer has complied with the above procedural requirements. The customer shall have three (3) days following receipt of the written decision of the hearing officer to comply with the terms and conditions of the decision. If the customer fails to take the action required by the hearing officer, including the payment of a past due bill or if he refuses to accept receipt of the hearing officer's decision, the District may disconnect service without further notice to the customer.

(6) Door Knob Disconnection Notice

Upon disconnection there shall be left either with the customer personally if possible or upon the doorknob, a notice which shall contain the following language:



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"For information regarding restoration of service, please contact a District Credit Department Representative at the District's Main Office as 2320 California Street, Everett, or telephone 258-8331 or toll free 1-800-562-9142 8:00 a.m. to 5:00 p.m. weekdays. During other hours telephone 258-8211 or toll free 1-800-562-9142."

2. Bimonthly Accounts - Commercial & Industrial

All District bills are due and payable when issued. Unless otherwise specified in the billing, it becomes "past due" fifteen (15) days after issuance.

a. Past Due Reminder

No sooner than fifteen (15) days after the billing and not later than thirty-five (35) days after the billing the District shall send the customer by first-class mail addressed to the customer's last known address a past due reminder notice. Said notice shall contain the following language:

"Have you forgotten that your bill for utility service is overdue? If you have already paid your bill or have made arrangements for payment, please accept our thanks and disregard this notice. IF YOU ARE UNABLE TO PAY THE ENTIRE AMOUNT AT THIS TIME OR IF YOU DISPUTE THE AMOUNT OF THE BILL YOU MAY CALL OR HAVE AN INFORMAL CONFERENCE AT THE DISTRICT'S MAIN OFFICE. IF YOU DO NOT MAKE SATISFACTORY PAYMENT ARRANGEMENTS OR DO NOT PAY YOUR BILL WITHIN FIFTEEN (15) DAYS, YOUR UTILITY SERVICE IS SUBJECT TO DISCONNECTION."

b. Disconnection Notice

In the event the customer has not paid his bill or made satisfactory arrangements with the District within fifteen (15) days of the "Past Due Reminder," the District shall send a disconnection notice to the customer by first-class mail. Said disconnection notice shall contain the following language:



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"The District will disconnect your utility service because of your failure to pay your past due bill. Unless you pay the full amount due or make satisfactory arrangements with the District before the date shown, your utility service will be disconnected. Service will be restored upon payment in full of your past due account plus reconnection charges as follows: \$20.00 during the hours between 8:00 a.m. and 4:00 p.m. (to provide the District an opportunity to perform the reconnection by 5:00 p.m.) on any business day, or \$50.00 during other hours. If for any reason you question the amount due and owing, you have the right to confer with a representative of the District. Any field collection call, with the exception of disconnection, may result in a \$6.00 charge.

Payment must be made at any District office listed on reverse side."

c. Informal Conference

If for any reason the customer disputes the amount due and owing, he will have the right to an informal conference either in person or by telephone with a representative of the District at the District's main office in Everett. If the customer initially is not satisfied with the determination made he shall have the right to confer further with a representative of management level who will make the final determination.

3. Monthly Accounts

All District bills are due and payable when issued. Unless otherwise specified in the billing, it becomes "past due" fifteen (15) days after issuance.

- a. Whenever a bill is issued to a customer with an arrears shown, there will be a disconnection notice prepared for the arrears portion which may be sent by first-class mail to the customer within two (2) days of the billing. Said disconnection notice shall contain the following language:

"The District will disconnect your utility service because of your failure to pay your past due bill. Unless you pay the full amount due or make satisfactory arrangements with the District before the date shown,

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your utility service will be disconnected. Service will be restored upon payment in full of your past due account plus reconnection charges as follows: \$20.00 during the hours between 8:00 a.m. and 4:00 p.m. (to provide the District an opportunity to perform the reconnection by 5:00 p.m.) on any business day, or \$50.00 during other hours. If for any reason you question the amount due and owing, you have the right to confer with a representative of the District. Any field collection call, with the exception of disconnection, may result in a \$6.00 charge.

Payment must be made at any District office listed on reverse side."

- b. If for any reason the customer disputes the amount due and owing, he will have the right to an informal conference either in person or by telephone with a representative of the District at the District's main office in Everett. If the customer initially is not satisfied with the determination made, he shall have the right to confer further with a representative of management level who will make the final determination.

4. Place of Payment

Payments made to District pay stations or made by mail after the disconnection notice has been mailed from the District shall not prevent disconnection of the delinquent account unless such payments are received at a District office prior to the date of scheduled disconnection as stated on the disconnection notice, or on the written decision of the hearing officer.

5. Collection of Unpaid Accounts

The District may employ any and all reasonable methods of collecting unpaid accounts including assignment to collection agencies or direct suit against the delinquent customer.

6. Insolvent Accounts

If the District believes a customer is insolvent, is in financial difficulty, or considering bankruptcy, the District may take appropriate action to secure payment of previous and present charges for electric service. Such action may include obtaining an adequate security deposit, collecting payment personally on a daily or weekly basis, and such other actions as the District Manager feels necessary and reasonable under the circumstances.



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7. Average Payment Plan

The Average Payment Plan is a method of paying utility bills in 12 average monthly payments.

a. Eligibility

The Average Payment Plan is available to customers meeting the following qualifications:

- (1) Bimonthly accounts covered under the following rate schedules or combinations of:
 - Schedule 3 - area lighting
 - Schedule 7 - residential
 - Schedule 8 - Hat Island
 - Schedule 11, 12, 13 & 14 - water
 - Schedule 20 - general
- (2) Accounts with an average minimum bimonthly billing of \$25.00, including tax
- (3) Six full billing periods for the customer at the premise
- (4) No more than \$5.00 owing at the beginning of the average payment year
- (5) Eligibility payment may be required

b. Termination From Average Payment Plan

- (1) Customer requests discontinuance of service at the premise
- (2) Customer requests termination from plan
- (3) Customer misses an average payment or payment is short more than \$5.00

c. Average Payment Year

The average payment year normally starts with the July or August billing cycles. Customers will pay their total annual utility bills in 12 average monthly payments. The last two payments will be equalized allowing the customer to have a



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paid in full account at the start of the next average payment year. Customers who elect to go on the Average Payment Plan at other than the July or August billing cycle may be required to make an eligibility payment.

8. Credit Notice Suppression Indicator

In the interest of economic operation and general public health and safety, the District may load a credit notice suppressor indicator to various accounts. For economic reasons, the District Manager may authorize the use of a suppressor indicator on the accounts of governmental agencies. For general public health and safety, customers dependent on medical life support system, hospitals, telephone switch stations, sewer lift stations, etc., the District Manager may authorize the use of a suppressor indicator on any such account.

J. Disconnection of Service by District

The District may refuse to connect or may disconnect service for good cause including, but not limited to, violation of any of its service policies, failure to pay a deposit when requested, failure to pay water charges when due, violation of rate schedules or contract provisions, theft or illegal diversion of water, or when no one has assumed responsibility for billing at a premise. Except where otherwise provided in this policy, the District shall before disconnecting service attempt to give the customer reasonable advance notice as to such disconnection including the reasons for the disconnection and the time of disconnection. The nature of the notice required and the period of time before disconnection shall be reasonable under the particular circumstances with special consideration for the potential dangers to life and property. The disconnection of service for any cause shall not release the customer from his obligation to pay for water or services received or amounts specified in the District's service policies or any written contract with the customer. The District may also refuse to serve water needs of a character which are seriously detrimental to the service being rendered to other customers as further described in Section I.S. The district will restore service in accordance with provisions under Section I.K.

K. Service Charges

1. Account Service Charge

a. An account service charge of \$11.00 is to be billed when processing each service application except as shown in K.1.b.



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- b. The account service charge will not apply to the following:
 - (1) Initial meter installation for service to a premeise
 - (2) Additional services or meters added to an existing premise or account by new service application
 - (3) Name changes between husband and wife by disk change
 - (4) Name changes between the deceased customer and estate by disk change
 - (5) Whenever an account has been disconnected for nonpayment and has been reconnected subject to a reconnection charge.
- c. Where separate applications are taken for service billed on different account numbers at the same address, an account service charge is to be applied to each account, unless it has been separated for the District's convenience.
- d. In those cases where the District furnishes both electricity and water to a premise, a single charge of \$11.00 will be made.
- e. A charge of \$11.00 will be made for each occasion on multi-service accounts where a partial cut-in occurs within a twelve-month period.
- f. A credit of the account service charge may be given in those cases where a customer has cut-in to an account in error.
- g. The customer is to be advised of the account service charge at the time the application was taken.
- h. The account service charge is to be billed within ten (10) days from the date the application was taken.

2. Reconnect Charge - Credit

Whenever water service has been disconnected for noncompliance with the Service Policies, for nonpayment, or for fraudulent use, the service will not be reconnected until the situation requiring such action has been corrected to the satisfaction of the District. Customers should be advised at all times that any request for reconnection between 8 a.m. and 4:00 p.m. (to provide the District an opportunity to perform the reconnection by 5:00 p.m.) on any business day, will be \$20.00. For reconnection requested to be completed during other hours 4:00 p.m. to 8:00 a.m. and Saturdays, Sundays and holidays), the charge will be \$50.00.

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3. After Hour Connection Charge - New Customer

- a. New customers will be advised at all times that there will be a charge of \$50.00, which shall include the Account Service Charge of \$11.00, for connection of service during the hours of 5 p.m. to 8 a.m. and on Saturdays, Sundays and holidays to premises previously served by the District.
- b. When an account requires the physical reconnection of both electric and water, the total charge will be \$100.00 (a charge of \$39.00 service charge for electric and \$50.00 for water for after hours and \$11.00 account service charge).

4. After Hour Service Charge - Established Customers

Established customers will be advised at all times of a charge amounting to \$50.00, plus material cost and tax, if a water serviceman is dispatched to the customer's premise, at the customer's request, during other than normal business hours (5:00 p.m. to 8:00 a.m. and Saturdays, Sundays and holidays) and it is determined that the problem is caused by a failure of the customer's facilities.

5. Returned Check Charge

An accounting service charge of \$5.00 may be made to each water service account for which payment has been received by any check or legal tender which is subsequently returned to the District by the bank for irregularities, lack of sufficient funds in the payer's checking account or his having closed his account.

6. Field Collection Call Charge

Whenever it becomes necessary for a District representative to make a collection call at the customer's premise to enforce payment of a billing or security deposit and the customer's credit record shows two or more credit points, a field collection call charge of \$6.00 will be made.

7. Records Research Charge

The District may bill customers for actual costs incurred to satisfy requests for extraordinary documentation concerning their account.



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8. District Pay Stations

- a. Pay stations may be established for the purpose of collecting customer payments throughout the District's service area with the approval of the District's Manager or his designee.
- b. The agent will prepare collection reports in duplicate. The original cash report, remittance slips and receipts will be mailed twice a week to the Public Utility District No. 1 of Snohomish County, P.O. Box 1107, Everett, Washington 98206.
- c. The agent will be responsible for all money paid by the customer.
- d. The agent will accept payments only for those accounts that are accompanied with a billing remittance slip or the customer's account number.
- e. The agent will not accept second party checks for payment of an account.
- f. The District will pay the agent at the rate of 20¢ per remittance slip for each collection.
- g. The District will furnish, without charge, all necessary stationery, supplies and prepaid postage envelopes for mailing of the daily collection reports to the District.

L. Mailing and Receiving District Communications

All correspondence, bills and notices relating to items covered by these policies shall be sent by first-class mail except where specifically provided otherwise. Also, such communications may be delivered personally, Customers shall provide proper mailing addresses and means of receiving mail. Failure to do so shall render the service subject to disconnection under the same notice, disconnection and appeal provisions set forth in Section I.I. The District may refuse to accept customer correspondence with insufficient postage (postage due) for Post Office Box 1100.

M. Transfer of Previous Unpaid Accounts

The District may transfer to an existing or new service account any unpaid charges for water service previously rendered at any location in the District's service area. Such transferred balance shall be



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considered part of the customer's current obligation to the District as though the previous unpaid balance has been incurred at the present service address. The District may permit arrangements for payment of such transferred balance under the guidelines and procedures of Section I.I. The District may apply any payment received from the customer toward the customer's transferred balance if the customer: (a) has not paid the transferred balance; (b) has not made arrangements in writing with the District for payment of the transferred balance; or (c) has not made the payments set forth in the written arrangement for payments. The District, upon learning of an unpaid balance, shall notify the customer in writing of said unpaid balance including the dates and location of the service, the District's policies concerning transferred balances, and the possibility of disconnection of service.

N. Tax Adjustment

The amount of any and all revenue tax or other form of tax imposed by any governmental authority upon the District or upon its property, revenue, or income except that amount or percentage specifically exempted by action of the Board of Commissioners of the District may be apportioned by the Board to the territory in which such tax or taxes may be effective and among the various classes of service furnished therein. Such amounts shall constitute an additional charge to the billings under any rate schedule or special contract and may be set forth as a separate item on the customer's billing.

O. Resale

Water is not to be resold by the customer, except by written permission of the District; and in no case may the rates charged exceed the rates charged by the District for similar service.

P. Point of Delivery

The point of delivery is that point, usually on consumer's premises and adjacent to the District's meter (or other agreed point), where the customer's water pipe is connected to the District's supply.

The rates of the District are based upon the supply of service to the entire premises through a single delivery and metering point. Separate supply for the same customer at other points will be separately metered and billed. Unless otherwise specified in a contract, the District will not totalize metering of separate points of supply or services.



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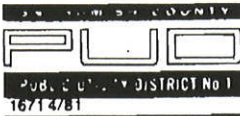
Q. Customer's Responsibility for District's Property

The customer shall provide space for, and exercise proper care to protect the District's property on his premises. This shall include meters and other facilities installed by and remaining the property of the District. Any person knowingly and maliciously breaking District meters, reconnecting a previously disconnected meter for the purpose of restoring utility service or tampering with any District equipment with the intent of defrauding or illegally diverting utility service shall be prosecuted by the District in accordance with RCW 9A. 56 (Washington Law). In the event of loss or damage to the District's property, the District may collect from the customer the cost of repairs or replacement. The District shall also bill the customer for reasonable administrative costs which shall include all time and expense by District personnel to resolve the situation. This charge will be in addition to the charge for estimated unmetered water as set forth in Section I.H. of this policy.

R. Right of Access and Inspection

The customer shall grant all necessary permission to enable the District to install and maintain its serving facilities on the premises of the customer and to carry out its contract to supply water. The District shall have the right through its employees or other agents to enter upon the premise of the customer at all reasonable times for the purpose of reading, connecting, inspecting, repairing or removing the metering or other facilities of the District, and inspecting customer-owned cross-connection control devices. The District shall also have a similar right to inspect all customer water and sewer facilities to ensure there are no cross-connections. At any time a cross-connection is discovered and it is not immediately remedied by the customer, the District reserves the right to terminate water service to the customer until such cross-connection is removed.

The District shall have the right but shall not be obligated to inspect the customer's plumbing before, during, or after the time service is supplied. However, such inspection, or lack of inspection, shall not be construed as placing upon the District any responsibility for the condition, or maintenance of the customer's plumbing; nor does it guarantee the absence of cross-connections in the customer's service.



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S. System Disturbances

Water service shall not be utilized in such a manner as to cause severe disturbances or pressure fluctuations to other customers of the District. If any customer uses equipment that is detrimental to the service of other customers of the District, the District may require the customer to install at his own expense equipment to control such disturbances or fluctuations.

T. Additional Water Supply

If the customer desires the District to change the capacity of its service connection and meter to supply increased quantities of water, he shall notify the District sufficiently in advance so that the District may, if determined by it to be economically feasible, provide the facilities required to supply increased quantities of water. The customer will be required to pay in advance the cost of any such facilities.

U. Change of Billing Responsibility

When a change of occupancy or of legal responsibility takes place, except as may be otherwise provided for by a special contract or agreement with the District, to any premise being served by the District, the customer may terminate service by notification in person, by telephone or in writing to the District within a reasonable time prior to such change. The outgoing customer may be held responsible for all service supplied to the date notification is received by the District. The District reserves the right to read the meter(s) for a final bill within a one-week period from the date of notification to terminate, and such reading (s) may be adjusted for consumption, if any, used by subsequent customers. The final reading may be estimated by mutual consent of the customer and the District. Under some circumstances the District may, at its option, require written authorization from the customer paying for water service before discontinuing such water service.

V. Notice of Trouble

The District will endeavor to give the best possible service to its customers at all times. The customer can materially assist the District in fulfilling its purpose by promptly notifying the District of any defects, trouble, or accident affecting the supply of water, or in the event service is unsatisfactory for any reason.



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W. Customer Water Supply Failure

If the customer's water service fails, he shall endeavor to determine if he has a broken water service line between the meter and the house or a broken pipe inside or under the house. If a water serviceman is dispatched to the customer's premise at the customer's request during other than normal business hours (5:00 p.m. to 8:00 a.m. and Saturdays, Sundays and holidays) and it is determined that the problem is caused by failure of the customer's facilities, an after hour service charge will be applied.

X. Interruption of Service

The District will exercise reasonable care to provide adequate and continuous water service but does not guarantee same and shall not be liable for injury, loss, or damage resulting from any failure or curtailment constitute a breach of contract. The District shall have the right to temporarily suspend service for the purposes of making repairs or improvements to its facilities but in such case, when practicable, advance public notice shall be given and every effort will be made to make such interruptions as short as possible and at such times as will cause the least inconvenience to the customer; but in such case the District will endeavor to give notice when practicable and every effort will be made to make such interruptions as short as possible and at such times as will cause the least inconvenience to the customer.

Y. Meter Tests

The District will, at its own expense, inspect and test its meters as required to ensure a high standard of accuracy. Additional tests at request of a customer will be made; and if the meter is found to register within two percent (2%) of accuracy, the District may charge a test fee of \$30.00 for all such tests made at intervals more frequent than once in three (3) years. If the meter is found to register in excess of two percent (2%) fast or slow, the District will pay for the testing and will adjust the customer's billing for the known or assumed period of error, not to exceed the previous six (6) months.

Z. Temporary Service

Customers requiring service classified by the District to be temporary may be required by the District to pay all costs incurred by the District for connection and disconnection of such service.



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AA. Nonstandard Service

Customer shall pay the cost of any special installation necessary to meet his particular requirements for service at other than standard pressures, or for closer pressure regulation than would normally be provided at the location involved.

BB. Separate Meter for Each Class of Service

If the customer desires to use water for purposes classified under different rates, separate meters must be installed to measure the water supplied at each rate. The District will designate the rate schedule applicable to each meter and bill each meter at the appropriate rate schedule. Unless otherwise specified in a special contract, the District will not totalize the metering of separate service or meters. If the customer desires additional meters other than those necessary to adequately measure the service used by the customer, such additional meters shall be provided, installed and maintained by the customer at his own expense.

CC. Relocation of Equipment at Customer's Request

If a customer requests that his delivery point be moved to a new location on the property, he shall pay the entire cost of relocating the service pipe, meter and other facilities. The customer will have to relocate his own service line to the new location. The District will disconnect the old service at the meter and connect the new service.

The District may reduce the costs to be charged to the customer for relocating any of the District's facilities, as requested by a customer, to the extent that such relocations may benefit the District. In determining the amount of such reduction, the District will give consideration to the remaining physical life of facilities or equipment replaced, the improvement to the system operations and any increased revenues which will accrue to the District as a result of such relocations.

DD. Customer's Responsibility to Prevent Backflow

Present state and national laws provide that there shall be no cross-connection, open or potential, between a system furnishing potable water and a system furnishing non-potable water. Construction shall be such as to prevent backflow of contaminated water into a potable water system. Cross-connection control devices shall be installed by the customer when deemed necessary by the District. The entire cost of the installation shall be borne by the customer, and the device shall remain

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in his ownership and as his responsibility. Inspection of such devices may be made periodically by District representatives, as provided in Section I.R. of this policy. It shall be the customer's responsibility at all times to maintain this cross-connection control device in a fully functioning condition.

EE. Available Instruction

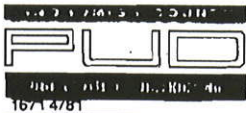
The District will furnish on request material and construction specifications for installing water mains.

II. SERVICES

- A. The cost of service connections is covered in Item VII, of these policies: water rates are shown in the District's "Rate Schedules and Service Extension Policies".
- B. Additional costs for services may be required if the service will be connected to a main previously constructed under the District's line extension policy. (See Section IV.)
- C. It is preferable that water services not be over 300 feet from the meter to the point of use in order to maintain adequate pressure. Services over 300 feet in length are permitted; however, the District will not guarantee adequate pressure for these services.
- D. The customer's service pipe should be extended eighteen (18) inches beyond the property line, at a depth of twenty-four (24) inches. The water service pipe shall be installed at a location mutually agreeable between the District and customer. The District will install the meter, meter box, and connect the customer's pipe to the meter.
- E. There shall be no cross-connections between the District's service and any other source of water such as a well or another water system. (See Paragraph I.R.)

III. COMMERCIAL FIRE PROTECTION SERVICE

- A. Application must be made by completing and signing a standard application form.
- B. The minimum charge shown on the District's rate schedule includes water for fire protection use. The monthly rate of water used, except for fire protection, will be double the regular metered service water rate applicable to that certain customer.



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C. Service charge for new fire protection service connection.

1. The customer must pay the cost of eight-inch or larger service lines, including installation costs, from the customer's premises to an existing eight-inch main of the District. No service line smaller than eight inches will be allowed.
2. The customer must pay the cost of the detector check meter, plus the cost of installation.
3. Notwithstanding the provisions as contained in these schedules for commercial fire protection service, or for other metered service, including water furnished to any fire hydrant or other equipment used, or which may be used for fire protection service connection, it is understood that the District cannot guarantee any minimum quantities of water or pressure of the water to be furnished to any such hydrants or outlets, and the District shall not be liable in any manner for any loss or claim by reason of the quantity of water, or pressure of the same furnished to such hydrant or outlet.

IV. LINE EXTENSIONS

- A. It is the intent of the District to provide engineering services for water main extensions. These services include engineering design, inspection and processing of permits, easements, environmental reports and Shoreline Permits. Any fees for obtaining permits, easements, environmental reports and Shoreline Permits shall be paid by the customer.

This does not apply to LUD work or main extensions constructed with District monies, which are covered later in this section.

Line extensions where the District provides engineering services can be paid for in two ways:

1. The District will make an estimate of the total costs of the project. On receipt of the payment of that estimated amount by the developer, the District or its authorized representative will proceed with construction. On jobs where the estimated cost exceeds \$10,000, the District must call for public bids, and award the contract to the lowest acceptable bidder.

Upon completion of the project, the customer will be either refunded or billed for the difference in the actual cost of the installation and the estimated amount.



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2. If the developer wishes, he may obtain his own contractor to install the main to meet District specifications, and pay him directly. Upon completion of the work, and after approval by the District, the installation will be turned over to the District by means of a Bill of Sale. If this method is used, prior to actual construction the property owners may also be required to pay to the District an additional amount to cover expenses such as those ~~involved in securing permits, easements, etc.~~
- a. Latecomer provisions: additional customers added to any extension built under methods 1. and 2. above during the first five years after completion of the construction will be required to share in the cost of the original construction. The cost per foot of the extension would be established at the time of the original installation. If an additional customer taps a service to this extension, this additional customer shall pay to the District the regular service connection charge plus an amount equal to one-half of his front footage in feet times the cost per foot. This latter amount would be refunded to the customer who installed and paid for the original main. If a later customer taps off the side of this original extension with a new main, he shall pay on the basis of a 100-foot lot times the footage cost. There will be no latecomer refunds for any main extensions tapping off the end of the customer's original extension. No waivers will be permitted.
3. Formation of a Local Utility District: property owners within a defined area may petition the PUD Commissioners to extend water mains to their properties by formation of an LUD, financing the extension by assessing benefitted properties within the LUD area. All engineering, administrative and other costs, costs of easements, permits, environmental reports, and Shoreline Permits, are a part of the LUD costs.

Costs for tapping onto a main constructed under an LUD will be defined in the provisions of the LUD involved.
4. When a water main extension, to properties not previously abutting a District main, is constructed with District monies, each customer connecting to the extension during the five years following completion of the main construction will be required to share in the cost of the original construction.



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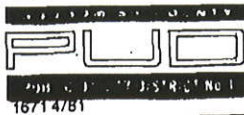
Prior to connection the customer shall pay to the District, in addition to other applicable charges, a latecomer fee equal to the front footage of the main abutting the customer's property, times one of the following footage charges:

- a. For mains eight inches in diameter and smaller: one-half the actual cost per foot of the main extension including fire hydrants.
- b. For mains larger than eight inches in diameter: one-half of the average cost per foot for all eight inch diameter water main extensions in that water system, including fire hydrants, during the preceding calendar year, or

if no eight inch diameter water mains were extended in that system during the preceding calendar year: the cost per foot for the most recent eight inch diameter water main extension to any District water system including fire hydrants.

If a later customer taps off the side of this original extension with a new main, he shall pay on the basis of a 100-foot lot times the footage cost. There will be no latecomer fees for any main extensions tapping off the end of the District's original extension. No waivers will be permitted.

- B. All main extensions shall be a minimum of eight-inch cast iron, unless, at the discretion of the District a smaller size main can adequately meet District requirements.
- C. The following rules apply for water main extension installations:
 1. The applicant must present a plot plan to the District, showing the location of all lots and details of proposed construction.
 2. The District will lay out on the plot plan the location of all pipes and fittings, as necessary, to serve the area, and will prepare a set of specifications and inspect all work.
 3. The contractor or owner shall furnish a list of all materials to be used, including manufacturer's name, catalog number and sizes, and shall receive approval from the District before proceeding with any work.



POLICY

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SUBJECT CUSTOMER WATER SERVICE POLICIES	UNIT Customer Accounting and Credit
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4. Permits, easements, environmental reports, Shoreline permits, railroad and highway crossing permits, will be obtained by the District, and any fees levied will be paid for by the customer.
5. If the owner or contractor is working for the District, a surety bond in an amount acceptable to the District must be furnished. Such bond shall guarantee the faithful performance of the work under such permits and the replacement of all defective material and workmanship discovered within one year. In some cases, a two-year bond may be required because of the County rules on road restoration.
6. A contractor or owner working for the District shall agree to indemnify and defend and to save the District harmless from any and all claims or liability for damages arising from acts done under the contract. The contractor shall furnish the District certificates of his comprehensive general and automobile liability and property damage insurance, before commencing work, in limits of \$100/300,000 bodily injury including death, and \$100,000 property damage protecting against all claims for personal injury or property damage, including coverage for underground collapse and explosion damage, arising during the course of the performance of said contract.
7. If the contractor is working for the District, he must enter into a contract with the District for the work involved. The District will prepare the contract documents.
8. As-built drawings shall be furnished to the District. They must show locations of all mains, valves, hydrants, and fittings, giving sizes and types of each. The drawings shall also show exact distances of mains from property lines.
9. If an owner or developer installs a main by hiring a contractor as provided in Paragraph IV.A.2., upon completion of the work, a "Bill of Sale" must be given to the District. This "Bill of Sale" can be prepared by the District upon receipt of a list of all materials used and cost involved, as well as the appropriate labor cost.
10. All taps of a line to the existing main must be made by District crews or under direct supervision of the District personnel, with material supplied by the owner, contractor or the District. Payment must be made in advance for this work, and for any material required, if done by the District.



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11. A hydrostatic test must be made by the contractor or owner under the supervision of the District. The District will obtain water samples, and send them to an appropriate Health Department agency.
12. When all conditions in the opinion of the District as herein set forth have been met, the District will then accept an application for water service for the new main extension. If the owner is also ~~constructing houses and will construct and complete houses at a~~ rapid rate, the District, at its option, may require the owner to install the meters and service equipment coincidental with the installation of the main, or install the service with a meter yoke for later installation of the meter by the District. The service connection charge will be adjusted accordingly.
13. Future customers connecting during the first five (5) years to the main installed by the contractor or owner must pay their share of the original installation cost, as outlined in Paragraph IV.A.2.a.

V. HYDRANTS

- A. The District will install hydrants at the request of one or more customers on mains large enough to provide adequate fire protection. The type of hydrant and location shall be as specified by the District, which shall include the requirements established by regulations of Snohomish County.

Upon request, the District will prepare an estimate for the total cost of the installation of a hydrant. Upon deposit of this estimated amount, the District will make the installation. On completion of the work, the customer will either be refunded or billed the difference between the estimated amount and the actual cost. At the District's option, this work can be done at a contract price to be paid in advance.

- B. Notwithstanding the provisions contained in these schedules for commercial fire protection service, or for other metered service, including water furnished to any fire hydrant or other equipment used, or which may be used for fire connection service, it is understood that the District cannot guarantee any minimum quantities of water or pressure of the water to be furnished to any of such hydrants or outlets, and the District shall not be liable in any manner for any loss or claim by reason for the quantity of water, or pressure of the same furnished to such hydrant or outlet.



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VI. PRESSURE REDUCING VALVES

- A. Pressure reducing valves shall be installed by the customer at his expense on all new services. The customer has the choice of installation in his house, or paying the District its cost to install it adjacent to the meter. If installed adjacent to the meter, the District will own and maintain the valve.
- B. At the customer's request, the District will measure the water pressure on existing services at the customer's home as an aid to determining whether a pressure reducing valve is required. Pressure reducing valves will be installed at District expense on those services registering 100 pounds p.s.i. or more, and on services registering less than 100 pounds, this installation can be made by the District, but at the customer's expense.

VII. SERVICE CHARGE FOR NEW CONNECTIONS

Three-quarter-inch meter	\$250.00*
One-inch meter	\$320.00
Larger than one-inch meter	Cost of labor and material, but not less than \$320.00

*Except no charge shall be made for the first 3/4-inch meter set to serve each parcel of land described in the 1956 assessment roll of Local Utility District No. 3. If a service larger than 3/4-inch is requested, the customer will pay the cost of this larger service, less \$250.00.

RESOLUTION NO. 2679

A RESOLUTION amending Resolution No. 2352
relating to water utility charges

WHEREAS, it has heretofore been the practice of the District to maintain an accounting of the monies collected pursuant to the General Facilities Charge established by Resolution No. 2352 and a portion of the funds so collected have been paid into the bond redemption fund established by Resolution No. 2387 to pay principal and interest on bonds issued to finance the construction of improvements contained in the 1990 Water System Plan, as the same may be amended, and the amount of such expenditures has not exceeded the new customers' pro-rata share of the improvements so constructed, and

WHEREAS, it is the desire of the Commission to establish a separate fund for the balance of the monies collected pursuant to the General Facilities Charge not paid into the bond redemption fund and for monies collected in the future pursuant to the General Facilities Charge, and

WHEREAS, the District has determined that the expansion of existing commercial and industrial buildings already served by water service create an additional demand upon the capacity of the water system and that such expansion should be subject to the General Facilities Charge,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County that Resolution No. 2352, correcting and amending Resolution 2335, is hereby amended as follows:

1. Sub-section 1 (a) is amended to read as follows:

"Section 1: Terms used herein are defined for the purpose of this resolution as follows:

(a) New Customer: Any customer:

- (i) requesting a new water service, or
- (ii) adding to the number of dwelling units served by an existing water service of the water utility, or

(iii) expanding by 1,100 square feet or more any existing commercial or industrial building. As used in this subsection, "existing commercial or industrial building" shall mean any commercial or industrial building or buildings which are served by an existing water service by the water utility and which have not previously paid a general facilities charge for the lot or lots upon which the building or buildings are located. In calculating the general facilities charge for any such expanded use, the square footage of the existing commercial or industrial building and the square footage of any parking lot, landscaping, or other appurtenant uses required by law or ordinance for the existing building shall not be included in the formula for calculating the charge."

2. A new section, to be numbered Section 3 is added as follows:

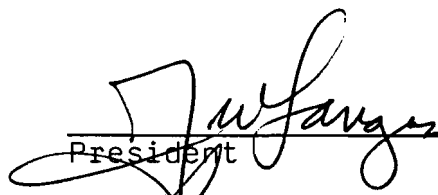
"Section 3: All monies received from the General Facilities Charge plus interest, if any, shall be deposited in the General Facilities Charge Construction Fund and monies from the fund shall be expended only for the new customers' share of the cost for extending or oversizing, separating or constructing new additions to the water system pursuant to the 1990 Water System Plan, as amended, or for payment into the bond reserve fund as established by Resolution No. 2387, as amended, or for the purpose of making a loan to the general fund for major emergency repairs."

3. Sections 3, 4, 5, 6 and 7 are renumbered as Sections 4, 5, 6, 7 and 8, respectively.

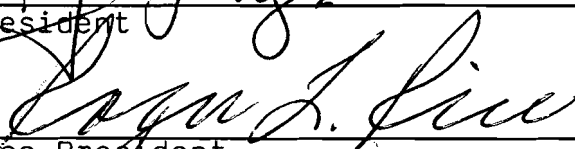
4. Except as expressly amended herein, Resolution No. 2352 shall remain in full force and effect.

BE IT FURTHER RESOLVED that the District Treasurer, Auditor and other appropriate officers are hereby authorized and directed to establish and maintain a General Facilities Charge Construction Fund consistent with this Resolution.

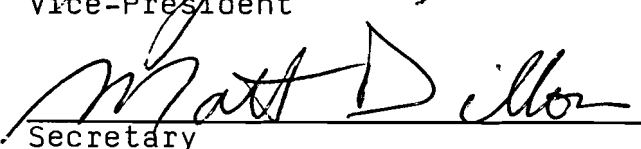
PASSED AND APPROVED this 1st day of February, 1983.



President



Vice-President



Secretary

RESOLUTION NO. 3280

A RESOLUTION clarifying District policy on water supply.

WHEREAS, the Commission adopted on April 25, 1978, an Interim Water Policy for the District which stated that the District should become a major supplier of wholesale water in the county and should concern itself with the extension, acquisition, and/or development of water systems in the unincorporated areas of Snohomish County, and

WHEREAS, on August 5, 1980, the Commission adopted Resolution No. 2409 which established the District's Satellite Water System Program to assist in providing adequate water service to residents of Snohomish County by the development and/or acquisition of qualifying Satellite Water Systems, and

WHEREAS, the District and the City of Everett as co-owners of Sultan River power/water supply facilities signed an amended agreement for the multipurpose development of the Sultan River on November 17, 1981, and

WHEREAS, the District's financial interest in the Sultan River power/water supply facilities represents approximately 88% of the total public investment in the facilities, and

WHEREAS, the amended agreement gives Everett first right of refusal and the District second right of refusal to provide water service to areas unserved by Everett or the District in Snohomish County with Sultan River water, and

WHEREAS, a variety of interagency discussions have been occurring between Everett, the District, and other agencies regarding water supply from the Sultan River, and

WHEREAS, the Coordinated Water System Planning process is underway and will identify regional water supply needs and solutions for north and east Snohomish County, and

WHEREAS, the District believes that the Coordinated Water System Planning process should guide decisions on long term water supply alternatives for north and east Snohomish County, and

WHEREAS, numerous small water systems and private wells do not meet current state and federal standards for drinking water and new state and federal regulations will result in additional small systems which can not meet standards, and

WHEREAS, solving small system, private well, and north and east Snohomish County supply problems cost effectively will require regional solutions which address more than one problem at a time, and

WHEREAS, the District encompasses all of Snohomish County and Camano Island and its Commission is responsible to the electorate within its service territory, and

WHEREAS, the District has authority to provide water service within its service area and is directly responsible to the citizens not living within the corporate boundaries of a city or town,

NOW THEREFORE, BE IT RESOLVED that the Commission of Public Utility District No. 1 of Snohomish County, Washington has determined that:

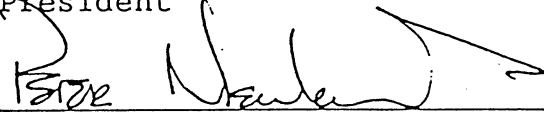
1. The District will encourage participation of small water systems in its existing Satellite Water System Program.
2. The District will be a wholesale water distributor in areas of north and east Snohomish County that the City of Everett chooses not to serve directly.
3. The District will develop water transmission and distribution systems to serve north and east Snohomish County which are economically feasible and are consistent with the solutions identified in the Coordinated Water System Plan.
4. The District and the City of Everett should, as partners in the development of the Sultan River resource, work toward a clarification of issues and responsibilities to maximize the net benefit of the resource for the residents of the City of Everett and Snohomish County. To that end, the District and the City of Everett should avoid any unilateral commitments with other agencies

regarding water supply until the Coordinated Water System Plan has been developed and issues and responsibilities have been clarified.

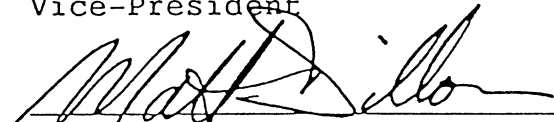
PASSED AND APPROVED this 25th day of July, 1989.



President



Vice-President



Secretary

RESOLUTION NO. 3510

A RESOLUTION adopting a plan or system of additions to and extensions of the District's Water Utility; declaring the intention of the Board of District Commissioners to initiate the formation of a Lake Roesiger water local utility district to carry out that plan or system for additions and extensions, and fixing the date, time and place for the public hearing on the formation of the proposed local utility district.

WHEREAS, a petition signed by more than 50 percent of the owners of all those lands situated in the property described in Exhibit "A" has been filed with the Commission requesting that the District Commissioners (1) adopt and order a plan or improvement for the construction of such facilities necessary to extend water service for domestic and other purposes to the property hereinabove described and to acquire, construct, repair, modify, operate and maintain water mains and all necessary appurtenances and rights of way to furnish water service over, along and across roadways of the real property hereinabove described, which petition was expressly subject to a condition concerning one or more necessary easements, and (2) create a local utility district comprising all of the above-described real property; and

WHEREAS, the Board of Commissioners of the District has investigated the feasibility of extending and adding to the District's system of distribution of water to lands hereinabove described and in the course of such investigation has caused to be prepared a Feasibility Study Report, attached hereto and incorporated herein as Exhibit "C," and has considered said report in detail and at length, and has determined the method of distributing the cost and expense thereof against the District and against the local utility district proposed to be created within such lands, and has determined that the cost and expense of

installing, operating and maintaining additions to the District's Water Utility, and to acquire the necessary and appropriate easements, facilities, conservation and mitigation measures in connection therewith, shall be paid from the proceeds received from the issuance and sale of bonds payable from assessments on property specially benefitted thereby,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. A petition for formation of a local utility district - Lake Roesiger Area was filed with the Clerk of the Board of Commissioners on October 6, 1987. That petition is determined to be in conformity with the District's resolutions and regulations and State law governing the form and content of such petitions. In addition, the Commission on its own initiative and by this Resolution has formulated an intention to create a local utility district with boundaries as established in Exhibit "B" for the purpose of constructing the improvements described in the petition.

Section 2. The plan or system for extensions to the existing water distribution system of the District, which shall consist of a new source of supply, new transmission, new storage, new distribution, mandatory water conservation, water consumption restrictions and septic tank pumping and Lake Roesiger mitigation consisting of hypolimnetic aeration, all as set forth in detail in the Feasibility Study Report attached hereto as Exhibit "C," which provisions are included herein by this reference.

Section 3. The estimated cost of carrying out the plan provided in Section 2 hereof, including all acquisition, construction and installation, overhead and general expenses, and engineering and legal expenses, hereby is declared to be, as near as may be \$3,000,000.00.

Section 4. The cost of the plan provided in Section 2 hereof and here adopted, shall be met and defrayed from Water Utility Revenues and from the proceeds of assessments or the proceeds of bonds or warrants payable from the proceeds of assessments levied and assessed against all property within the local utility district referred to in Section 6 hereof, legally and property assessable therefor and specially benefitted by said improvement, including the ongoing operation and maintenance costs of lake aeration, as provided by the laws of the State of Washington and the resolutions of the District. The entire principal of and interest on such assessments as well as penalties for late payment shall be paid into a local improvement fund, which shall be created and established in the office of the Snohomish County Treasurer, to be known as "Local Utility District No. 12 (Water Distribution System) Lake Roesiger Area" and shall be used for the sole purpose of paying the cost of the plan provided in Section 2 and/or paying principal and interest on District warrants and/or bonds to be issued in payment of the cost and expense of the plan provided in Section 2. The assessments in such local utility district, excepting operation and maintenance costs of lake aeration, may be paid in cash at any time within 30 days from the first day of publication by the Treasurer of Snohomish County, Washington, that notice of the assessment roll is in his or her hands for collection without penalty,

interest or cost, or if then not paid may, at the option of the several property owners, be paid in such number of equal installments and with interest at such rate as may hereafter be fixed by the Board at the time the final assessment roll is confirmed. The levying, collection, and enforcement of all assessments in such local utility district shall be in the manner now or hereafter provided by law or resolution of the District.

In the opinion of the Commission, the nature of the improvement authorized herein is such that the special benefits conferred on the property included in the local utility district described in Section 6 hereto are not fairly reflected by the use of zone and termini method of assessments, but are fairly reflected by a combination of a per lot method of assessment and lakefront frontage method assessment. The assessments, therefore, shall be made against the property within said local utility district on a per lot and lakefront frontage basis, without regard to the zone and termini method. A connection charge shall also be levied for each service connection.

Section 5. It is the intention of the Board of Commissioners of the District to order the acquisition and construction of additions to and extensions of the original general comprehensive plan adopted in Section 2 of this Resolution and described in Exhibit "C," attached hereto and by this reference made a part hereof, and applicable to the proposed local utility district hereinafter described. The nature and territorial extent of such proposed improvement is described in Exhibit "B" and Exhibit "C" attached hereto. The District reserves the right to

make reasonable changes in the proposed improvement which do not substantially alter the purpose thereof.

Section 6. To carry out the proposed improvement described in Section 5, the Board of Commissioners of the District intends to form a local utility district to be known and designated as Local Utility District No. 12 of Public Utility District No. 1 of Snohomish County, Washington, the boundaries thereof being described in Exhibit "B," attached hereto and by this reference made a part hereof.

Section 7. The estimated cost and expense of the proposed improvement has hereto been referred to in Section 3 with respect to the improvements described in Exhibit "C," of which not to exceed 95 percent thereof shall be borne by assessments against the property within the proposed local utility district specially benefitted by such improvement.

Section 8. A public hearing on the formation of the proposed local utility district shall be held before the Board of Commissioners of the District in the Commissioners' Room, Electric Building, 2320 California Avenue, Everett, Washington, at 1:30 p.m., Local Time, on the 18th day of December, 1990.

All persons desiring to object to the formation of the proposed local utility district must file their written protests with the Secretary of the Board of Commissioners of the District on or before 12:00 o'clock noon, Local Time, on the date set for the hearing; no late filing shall be considered. At this hearing, the Board shall hear objections from any persons affected by the formation of the local utility district and may make such changes in the boundaries of the

District, or such modification in the plans for the proposed improvement as shall be deemed necessary.

The Secretary of the Board of Commissioners of the District is hereby authorized and instructed to cause notice of the adoption of this Resolution to be given to each owner or reputed owner of any lot, tract, parcel of land, or other property within the proposed local utility district, by mailing that notice at least 15 days before the date fixed for the public hearing to the owner or reputed owner of the property shown on the tax rolls of the County Treasurer of Snohomish County, at the address shown thereon, as required by law.

Notice of the adoption of this Resolution shall be published in at least two consecutive issues of the Everett Herald, a newspaper of general circulation in the proposed local utility district, the date of the first publication to be at least 15 days prior to the time fixed for the hearing before the Board of Commissioners of the District.

PASSED AND APPROVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, at an open public regular meeting thereof this 27th day of November, 1990.

President



Vice-President



Secretary

EXHIBIT A

All that property within Snohomish County, Washington, described as follows:

- Lots 1-30 of the Plat of Evergreen Park Addition to Lake Roesiger as recorded on pages 94 and 95, Volume 15 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-16 of the Plat of Evergreen Park Addition No. 2 to Lake Roesiger as recorded on page 18, Volume 17 of Plats, Records of Snohomish County, Washington, together with;
- Tract A and lots 1-11 of the Plat of Evergreen Park Addition No. 3 to Lake Roesiger as recorded on pages 100 and 101, Volume 24 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-11 of the Plat of Gemmer Addition to Lake Roesiger as recorded on page 94, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-12 of the Plat of Gemmer Addition No. 2 to Lake Roesiger as recorded on page 19, Volume 25 of Plats, Records of Snohomish County, Washington, together with;
- Tract A and lots 1-40 of Block 1 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-31 of Block 2 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Block 3 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-3 of Block 4 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-10 of Block 5 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-22 of Block 6 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Block 7 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-109 of Block 1 of the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62 Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots A and 1-40 of Block 2 of the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62 Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-44 of Block 3 of the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62 Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-68 of the Plat of Lake Roesiger Park as recorded on page 53, Volume 10 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-15 of the Plat of Lyons-Jones Addition to Lake Roesiger as recorded on page 77, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots A thru K and lots 1-214 of the Plat of West Shore as recorded on pages 81, 82, 83, 84, and 85, Volume 12 of Plats, Records of Snohomish County, Washington, together with;

Exhibit A

Page 2

- The northerly 220 feet of that portion of the southwest quarter of the southwest quarter of Section 28, Township 29 North, Range 7 East W.M. lying east of that road known as Lake Roesiger Road, except the easterly 460 feet thereof, together with;
- Those portions of the northwest quarter of Section 28, Township 29 North, Range 7 East W.M. lying east of Lake Roesiger, less that part within the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of the west half of the northwest quarter of the northeast quarter of Section 28, Township 29 North, Range 7 East W.M. lying east of Lake Roesiger, less that part within the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of the west half of Section 21, Township 29 North, Range 7 East W.M. lying east of Lake Roesiger, less that part within the Plat of Gemmer Addition to Lake Roesiger as recorded on page 94, Volume 11 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Gemmer Addition No. 2 to lake Roesiger as recorded on page 19, Volume 25 of Plats, Records of Snohomish County, Washington and less that part within the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62, Volume 11 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Lake Roesiger Park as recorded on page 53, Volume 10 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of Government Lot 6 of Section 21, Township 29 North, Range 7 East W.M. lying west of South Lake Roesiger Rd, together with;
- The south 450 feet of Government Lot 6 of Section 21, Township 29 North, Range 7 East W.M. lying east of South Lake Roesiger Road, except the east 100 feet thereof, together with;
- That portion of the northwest quarter of the southeast quarter of Section 21, Township 29 North, Range 7 East W.M. lying within the following described property: Beginning at a point 1332.84 feet north and 2515.92 feet west of the southeast corner of Section 21, Township 29 North, Range 7 East W.M., thence north 104.28 feet, thence west 274.56 feet more or less to the east right-of-way line of the county road, thence southeasterly along said county road to the north line of the southeast quarter of the southwest quarter of said section, thence east to the point of beginning, together with;
- Those portions of the northeast quarter of the southeast quarter of Section 16, Township 29 North, Range 7 East W.M. lying southwest of North Lake Roesiger Road and northeast of Lake Roesiger, less that part within the Plat of Evergreen Park Addition No. 2 to Lake Roesiger as recorded on page 18, Volume 17 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62, Volume 11 of Plats, Records of Snohomish County, Washington and less that part within the Plat of Lyons-Jones Addition to Lake Roesiger as recorded on Page 77, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of the northwest quarter of the southwest quarter of Section 15, Township 29 North, Range 7 East W.M. lying southwest of North Lake Roesiger Road, less that part within the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- That portion of the south half of the southeast quarter of the northeast quarter of Section 16, Township 29 North, Range 7 East W.M. lying between the westerly boundary of the county road and the easterly boundary of the Plat of Evergreen Park Addition to Lake Roesiger as recorded on pages 94 and 95, Volume 15 of Plats, Records of Snohomish County, Washington.

EXHIBIT B

All that property within Snohomish County, Washington, described as follows:

- Lots 1-30 of the Plat of Evergreen Park Addition to Lake Roesiger as recorded on pages 94 and 95, Volume 15 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-16 of the Plat of Evergreen Park Addition No. 2 to Lake Roesiger as recorded on page 18, Volume 17 of Plats, Records of Snohomish County, Washington, together with;
- Tract A and lots 1-11 of the Plat of Evergreen Park Addition No. 3 to Lake Roesiger as recorded on pages 100 and 101, Volume 24 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-11 of the Plat of Gemmer Addition to Lake Roesiger as recorded on page 94, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-12 of the Plat of Gemmer Addition No. 2 to Lake Roesiger as recorded on page 19, Volume 25 of Plats, Records of Snohomish County, Washington, together with;
- Tract A and lots 1-40 of Block 1 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-31 of Block 2 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Block 3 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-3 of Block 4 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-10 of Block 5 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-22 of Block 6 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Block 7 of the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-109 of Block 1 of the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62 Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots A and 1-40 of Block 2 of the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62 Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-44 of Block 3 of the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62 Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-68 of the Plat of Lake Roesiger Park as recorded on page 53, Volume 10 of Plats, Records of Snohomish County, Washington, together with;
- Lots 1-15 of the Plat of Lyons-Jones Addition to Lake Roesiger as recorded on page 77, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Lots A thru K and lots 1-214 of the Plat of West Shore as recorded on pages 81, 82, 83, 84, and 85, Volume 12 of Plats, Records of Snohomish County, Washington, together with;
- The south half of the southwest quarter of Section 28, Township 29 North, Range 7 East W.M. , together with;

Exhibit B
Page 2

- Those portions of the northwest quarter of Section 28, Township 29 North, Range 7 East W.M. lying east of Lake Roesiger, less that part within the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of the west half of the northwest quarter of the northeast quarter of Section 28, Township 29 North, Range 7 East W.M. lying east of Lake Roesiger, less that part within the Plat of Lake Roesiger Beach as recorded on pages 48, 49, and 50, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of the west half of Section 21, Township 29 North, Range 7 East W.M. lying east of Lake Roesiger, less that part within the Plat of Gemmer Addition to Lake Roesiger as recorded on page 94, Volume 11 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Gemmer Addition No. 2 to lake Roesiger as recorded on page 19, Volume 25 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62, Volume 11 of Plats, Records of Snohomish County, Washington and less that part within the Plat of Lake Roesiger Park as recorded on page 53, Volume 10 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of Government Lot 6 of Section 21, Township 29 North, Range 7 East W.M. lying west of South Lake Roesiger Rd, together with;
- The south 450 feet of Government Lot 6 of Section 21, Township 29 North, Range 7 East W.M. lying east of South Lake Roesiger Road, except the east 100 feet thereof, together with;
- That portion of the northwest quarter of the southeast quarter of Section 21, Township 29 North, Range 7 East W.M. lying within the following described property: Beginning at a point 1332.84 feet north and 2515.92 feet west of the southeast corner of Section 21, Township 29 North, Range 7 East W.M., thence north 104.28 feet, thence west 274.56 feet more or less to the east right-of-way line of the county road, thence southeasterly along said county road to the north line of the southeast quarter of the southwest quarter of said section, thence east to the point of beginning, together with;
- Those portions of the northeast quarter of the southeast quarter of Section 16, Township 29 North, Range 7 East W.M. lying southwest of North Lake Roesiger Road and northeast of Lake Roesiger, less that part within the Plat of Evergreen Park Addition No. 2 to Lake Roesiger as recorded on page 18, Volume 17 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62, Volume 11 of Plats, Records of Snohomish County, Washington, and less that part within the Plat of Lyons-Jones Addition to Lake Roesiger as recorded on Page 77, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- Those portions of the northwest quarter of the southwest quarter of Section 15, Township 29 North, Range 7 East W.M. lying southwest of North Lake Roesiger Road, less that part within the Plat of Lake Roesiger Beach Subdivision No. 2 as recorded on pages 60, 61, and 62, Volume 11 of Plats, Records of Snohomish County, Washington, together with;
- That portion of the south half of the southeast quarter of the northeast quarter of Section 16, Township 29 North, Range 7 East W.M. lying between the westerly boundary of the county road and the easterly boundary of the Plat of Evergreen Park Addition to Lake Roesiger as recorded on pages 94 and 95, Volume 15 of Plats, Records of Snohomish County, Washington, together with;
- The north half of the northwest quarter of Section 33, Township 29 North, Range 7 East W.M., together with;
- The northwest quarter of the northeast quarter of Section 33, Township 29 North, Range 7 East W.M., together with;
- That portion of the of the northeast quarter of the northeast quarter of Section 33, Township 29 North, Range 7 East W.M. lying south of the City of Everett water transmission line right-of-way.

P. U. D. No. 1
of Snohomish County
COMMISSION OFFICE
P. O. Box 1107
EVERETT, WASH. 98206



RESOLUTION # 3510
Exhibit C

PUD No. 1 of Snohomish County
Water Utility Satellite System

Lake Roesiger

LUD No. 12



***Feasibility Study Report and
Water System Plan Supplement***

November 1990

EXHIBIT C

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

WATER UTILITY

SATELLITE SYSTEMS

LAKE ROESIGER LUD No. 12

FEASIBILITY STUDY REPORT

AND

WATER SYSTEM PLAN SUPPLEMENT

NOVEMBER 1990

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- FIGURE 2** * LUD Service Area

- FIGURE 3** * Lake Roesiger Water System

- FIGURE 4** * Least Cost Plan - Mitigation Measures

- ATTACHMENT A** * LUD Calendar

- ATTACHMENT B** * MDNS and SEPA Checklist

- ATTACHMENT C** * Chapter 8 Lake Roesiger Phase I Restoration Analysis Report

- ATTACHMENT D** * Draft Water Service Application Contract

- ATTACHMENT E** * Senior Citizen and Disabled Persons Special Assessment Deferral Information

- ATTACHMENT F** * Lake Water Quality Mitigation Measures for the Formation of a Lake Roesiger Local Utility District

- ATTACHMENT G** * Preliminary Assessment Roll

INTRODUCTION

On August 5, 1980, the PUD's Board of Commissioners established a Satellite Water System Program (SWSP) which provided the policy and guidelines under which the PUD would assume ownership and operation of water systems external to its existing system near Lake Stevens. Since that time, the PUD has constructed one new system to serve the development of May Creek Mountain View Tracts near the Town of Gold Bar.

Lake Roesiger, under the SWSP policies, is a candidate for consideration as a satellite water system and on June 5, 1985, citizens from the Lake Roesiger area deposited monies with the PUD to perform a preliminary feasibility study for a water system to serve the Lake Roesiger area. In April 1986, a preliminary feasibility report was published which concluded that, subject to future environmental evaluation and potential changes in the financial markets, it would be feasible, through the PUD's local utility district (LUD) process, to construct a water system to serve the Lake Roesiger area.

On October 6, 1987, a petition was filed with the Clerk of the Board for the formation of an LUD to construct a water system to serve the Lake Roesiger area. The petition was validated as being signed by 51.5 percent of the property owners which constituted a majority petition as defined by RCW 54.16.150. RCW 54.16.150 provides that: "When a petition signed by a majority of the landowners in a proposed local improvement district is filed with the commission, asking that the improvement therein described be ordered, the commission shall forthwith fix a date for hearing thereon after which it shall, by resolution, order the improvement, and may alter the boundaries of the proposed district: : Provided, however, no such improvement shall be ordered unless the same appears to the commission to be financially and economically feasible:"

On March 8, 1988 the Board approved Resolution No. 3123 which accepted the LUD petition and authorized the Manager, upon receipt of funds to pay the cost, to prepare a report on the financial and economic feasibility of forming the LUD. In June 1988, the PUD received an \$8,000 deposit for the cost to prepare a feasibility study report.

This report summarizes the results of the feasibility study and also serves as a Lake Roesiger area supplement to the PUD's water system plan.

SUMMARY AND CONCLUSIONS

A review of various details and issues associated with providing a public water supply to the Lake Roesiger area revealed that a water system could be constructed at a reasonable cost to the property owners and that bonds could be sold to finance the LUD. The total estimated cost of the water system including feasibility studies, construction costs, mitigation costs, LUD administration costs and financing cost during construction is \$3,000,000.

The water system would be designed consistent with the draft minimum design standards that have been developed through the coordinated water system planning process and include:

- * 8" distribution mains surrounding the lake
- * pumped supply from the City of Everett
- * 500 gpm minimum fire flows
- * fire hydrants spaced at 600 foot intervals
- * 400,000 gallons of storage

By far the largest issue associated with constructing a water system to serve the Lake Roesiger area is the potential of adverse environmental impacts. A SEPA checklist (Attachment B) was prepared and the results of the Lake Roesiger Phase I Restoration Analysis was used to quantify and evaluate the potential impacts. The data suggested that:

- 1) The direct adverse impacts of construction, operation, and maintenance of the water system are limited and mostly temporary.
- 2) The indirect adverse impacts associated with providing a lower cost option for obtaining an approved water supply, and thus greater opportunity for development of existing lots, would increase the phosphorus loading (the critical nutrient associated with lake water quality deterioration) by 16 percent unless mitigated by implementing some of the recommendations set forth in the lake management plan, a plan developed by and published by Kramer, Chin & Mayo, Inc. (KCM) and attached as Attachment C hereto.

- 3) A direct beneficial impact is the elimination of a public health problem for 300 permanent residents and an additional 1,200 summertime residents.

Various options for mitigating the impacts of the water system were considered. These options were identified in the lake management plan. In addition, KCM was employed to develop additional data on five specific mitigation measure options. These included: 1) mandatory conservation, 2) hypolimnetic aeration for the north and south basins, 3) routine septic tank pumping, 4) tying water consumption to the status of septic disposal systems, and 5) dredging and alum treatment for the middle basin. Based on this data it was determined that adequate mitigation could be obtained by implementing the first four measures. The Snohomish County PUD No. 1 Commission required that the first four mitigation measures excluding the dredging and alum treatment would be required a components of the Plan to mitigate the adverse impacts that would be caused by developing the water system. It was decided to include the first four in the LUD.

In developing the system design requirements and calculating the assessment per lot, development projections from the Lake Roesiger Phase I Restoration Analysis report were used. The report estimated that between 450 and 650 lots would ultimately be developed depending on the extent to which community septic systems are constructed. An assumption was made that approximately half of the lake management plan's recommended community septic systems will actually be installed. This resulted in an estimated 550 ultimate connections to the system in the Lake Roesiger basin. In addition, the PUD has been requested by property owners along Woods Creek Road and east of Lake Roesiger Road to provide water service. Letters were sent to all property owners and 50 percent of those responding were interested in having the LUD expanded to include their area. The addition of this area to the LUD is estimated to result in 10 to 20 additional connections to the water system depending on septic disposal restrictions. An estimate of 15 was used in developing system design requirements. This results in a total of 565 projected connections within the LUD service area.

The assessments have been developed based on the following assumptions:

- 1) The financing of the system will be structured such that the PUD's standard Lake Stevens water rates (schedules 11, 12, and 13) will apply to the Lake Roesiger system. These rates include debt service and thus, to equate debt service for the two systems, \$600 per assessment (\$339,000) will be paid by the PUD and recovered through the water rates and connection charges.

- 2) Assessments will be on the basis of buildable lots. Consequently, lots that have been combined into one building lot will have one assessment and lots with documentation that they will not support a septic system will not be assessed unless the owners wish to connect to the water system.
- 3) Lots with an existing water supply that meets all federal, state, and local regulations for a public water supply will not be assessed unless the owner wishes to connect to the water system.
- 4) Costs associated with mandatory conservation and with surveys on the condition of septic systems will be included in the water system construction costs.
- 5) Capital and O&M costs for hypolimnetic aeration will be assessed against all lakefront lots regardless of whether the lots are assessed for the water system.
- 6) Septic tank pumping costs will not be included in the assessments but will be included as a surcharge in the water rates.

The total estimated cost including \$50,000 for the Woods Creek Road expansion and the mitigation measure capital cost is \$3,000,000. This results in an assessment of \$4,001.77 per buildable lot for the water system together with an assessment of \$771.46 plus annual operation and maintenance costs per lakefront lot for hypolimnetic aeration.

Estimated operating receipts and expenditures were compared for a range of customer counts for the system and it was determined that sufficient monies would be collected to cover expenditures by applying standard Lake Stevens system rates to the Lake Roesiger system.

Based on all of the data collected and developed, it was concluded that it is financially, economically, and technically feasible to construct a water system to serve the Lake Roesiger area and to mitigate the impacts that the water system would have on the lake water quality.

WATER SYSTEM PLANNING AREA

Physical Description

Lake Roesiger is located approximately 7-1/2 miles east of Lake Stevens, 6 miles south of Granite Falls and 3 miles northwest of Lake Chaplain in the foothills of the Cascade Mountains. The lake is approximately 2

miles long and 1/2 mile wide at its widest point. There are three sections to the lake which are commonly called North Basin, Middle Basin and South Basin. The LUD service area includes portions of Sections 15, 16, 21, 22, 28, and 33 of Township 29 North, Range 7 East W.M.

The lake basin is surrounded by hills which rise as high as 1,000 feet above mean sea level (msl). The lake itself is at 570 feet above msl.

The lake is fed by groundwater, surface water, and direct precipitation and its discharge is at the south end of the lake into Roesiger Creek.

Land Use

The area immediately adjacent to the lake is almost entirely platted with approximately 525 individual lots on the lake. An additional 225 lots, not adjacent to the lake, have been platted on the north, east and south sides. Many of the platted lots have been combined into larger home sites due to size, septic disposal problems, etc. Approximately 420 sites have been improved with cabins or homes in the area. The remaining unimproved lots can be developed providing they have an approved water supply, an adequate sanitary waste disposal system, and are in compliance with Chapter 18.42 of the Snohomish County Code relative to the use of substandard lots.

The Lake Roesiger Phase I Restoration Analysis report which was developed for Snohomish County, estimated that a total of 450 lots could be developed around Lake Roesiger if an adequate water supply was provided and an additional 200 lots could be developed if community septic systems were also provided.

Snohomish County's Comprehensive Land Use Plan for the Granite Falls area which includes Lake Roesiger shows Rural - 5 (1 du/5 ac.) for the platted area around the lake and hills to the west and Forestry (1 du/20 ac.) on the hills to the east. The existing smaller lots surrounding Lake Roesiger are "grandfathered" providing the requirements of Chapter 18.42 of the Snohomish County Code are complied with. The comprehensive land use plan also shows the area around the lake and the steeper portions of the hills to be environmentally sensitive areas. The southern tip of the potential area to be served by the water system is in Snohomish County's Skykomish Valley comprehensive planning area and is zoned rural (1 du/2.3 ac.). Figure 1 shows the land use designation for the Lake Roesiger service area.

Zoning in the Lake Roesiger area is consistent with the comprehensive land use plans.

Population

The existing population in the area varies with the seasons. Currently, the permanent population is estimated at approximately 300. The total population increases to an estimated peak of 1000 to 1500 during the summer months. The permanent population for Snohomish County's Granite Falls area which includes Lake Roesiger is projected to grow at a rate of approximately 30 percent per decade.

Existing Plans

The Snohomish County Comprehensive land use plans for the Granite Falls and Skykomish Valley areas cover the LUD service area. The Granite Falls plan was adopted by the County on December 12, 1983 and the Skykomish Valley plan was adopted by the County on July 29, 1980.

A coordinated water system plan for North and East Snohomish County is currently being developed. The LUD's Service area is in the planning area and has been identified as a potential new PUD water system. This LUD is consistent with the service area boundaries and draft design standards which have been developed in the coordinated planning effort. One alternative being considered in the coordinated water system planning process for supplying water to the Granite Falls area is a transmission main which would go from Everett's transmission main No. 3 along Lake Roesiger Road and Menzel Lake Road to Granite Falls. A decision on this alternative is expected by December 1990. If this alternative is selected, there will be economies of scale for both the LUD and the transmission project to increase the size of the pumps, mains, and reservoir to accommodate the Granite Falls area supply needs.

The PUD/City of Everett agreement for development of the Sultan basin water supply shows the area being supplied by water from the Sultan basin. The PUD/City agreement also provides for a first right of refusal by the City before the PUD can provide City water to the area. The City has indicated that it agrees with the PUD serving the area.

Adjacent Water Systems

There are no Group A (≥ 15 connections) public water systems immediately adjacent to the area. The City of Everett's No.'s 2, 3 and 4 water transmission lines run east to west approximately 1/2 mile south of the south end of the lake. The No. 4 line carries untreated water to Scott Paper Company's mill in Everett while the

No. 2 and 3 lines carry treated water for domestic use.

The City of Snohomish water treatment plant is located approximately 1-1/4 miles north of the north end of the lake. This supply provides domestic water for the City of Snohomish and other customers along its transmission line route.

The Three Lakes Water Association which serves approximately 300 customers in the area around Storm, Flowing, and Panther Lakes is located approximately 2 miles southwest of the southern end of Lake Roesiger.

EXISTING SYSTEM INVENTORY

Source of Supply

The source of supply for property owners around the lake comes from either wells, springs, streams or the lake itself. A survey in 1989 showed 385 properties around the lake with water supplies. Of the 385, 78 percent used the lake as a source, 13 percent used private wells, 5 percent used springs and streams, and 4 percent were connected to Group B (<15 connections) public water systems. In previous years building permits could be obtained for lots around the lake with wells, springs, streams, or the lake as a source of drinking water. In recent years, however, more stringent standards for water supplies have prevented the use of surface water such as streams and the lake as a water source and, as of July 1, 1990, all wells must have a minimum 100 foot radius, protected area around them to be considered acceptable.

Storage

The small Group B public water systems around the lake do not have any significant reservoirs.

Distribution System

The existing distribution systems of the small Group B systems are minimal and could not be used as a base for a new water system.

Fire Protection

With no major public water supply, water for fire fighting purposes is either carried on the fire trucks or pumped from the lake. Fire District No. 16, which serves the Lake Roesiger area, currently has one tanker truck which holds 1800 gallons and three pumper trucks. One of the pumper trucks holds 500 gallons and

pumps 500 gallons per minute (gpm), the second pumper truck holds 750 gallons and pumps 750 gpm, and the third pumper truck holds 750 gallons and pumps 1,250 gpm. A fourth pumper truck is scheduled for delivery in December 1990 and will hold 1,000 gallons and pump 1,250 gpm. The current fire insurance classification for the area is 9.

PLANNING AND DESIGN CRITERIA

State and Federal Standards

In 1974, Congress passed the Safe Drinking Water Act which established quality standards for drinking water supplies. In 1986, Congress passed Amendments to the Act which are being implemented over several years and which include much more stringent standards for public water systems. The Act also provided for each state to assume the responsibility for enforcement of the Act's requirements if it adopted standards equal to those in the Act and met certain other requirements. Washington State has adopted standards consistent with those in the Act and the Washington State Department of Health (formally Water and Waste Section of DSHS) enforces the requirements of the Act and its amendments.

Washington State's drinking water standards are contained in the State Board of Health's Drinking Water Regulations which were most recently revised and published in September 1989. DSHS has published a booklet entitled "Design Standards for Public Water Supplies", which was written to compliment the Drinking Water Regulations and contains details as to specific design procedures. These design standards are considered to be a minimum by the Department of Health and many water utilities have design standards which exceed them.

County Standards

Snohomish County, in conjunction with water purveyors, and state and local health officials, is currently in the process of studying the water supply needs in North and East Snohomish County through the authority of the Public Water System Coordination Act. When completed, all new water systems in the study area will be subject to design standards that are developed during the study. At the present time, draft design standards have been developed and tentatively approved. These standards are shown in Table 1.

TABLE 1
Water System Design Standards

<u>Land Use Classification</u>	<u>Fire Flow Rate</u>	<u>Minimum Duration</u>	<u>Minimum Pipe Size</u>
Agriculture/Forestry (≤ 1 du/10 ac)	None	None	6 inch (1)
Rural (≤ 1 du/2.3 ac but > 1 du/10 ac)	None	None	6 inch (1)
Rural/Transitional (≤ 2 du/ac but > 1 du/2.3 ac))	500 gpm	60 min.	6 inch
Urban/Suburban (> 2 du/ac)	1,000 gpm	60 min.	8 inch
Multi-family, Commercial, and Industrial (triplex and larger)	1,500 gpm (2)	60 min.	8 inch

- (1) Can be reduced, with Department of Health approval, if fire flow is not required under current land use, the potential for reclassification to a higher density in the foreseeable future is not anticipated or is remote, and a smaller pipe diameter is justified by hydraulic analysis.
- (2) A greater fire flow may be required by the fire authority using ISO criteria.

PUD Standards

The PUD's current design standards are consistent with the rural/transition, urban/suburban, and multi-family, commercial, and industrial standards being proposed in coordinated water system planning area. The PUD will be developing design standards for the other land use classifications after the county standards are finalized. It is anticipated that the PUD will have two sets of standards when completed. Urban (fire flow) which is the current standard and Rural (non-fire flow) for rural, agriculture, and forestry classified areas. The Rural standards will normally require minimum 6 inch main size although deviations will be allowed for unusual circumstances.

The Lake Roesiger area is considered a rural/transitional area around the lake and urban fire flow design standards apply. The area south of the lake on Woods Creek Road is rural and non-fireflow design standards apply.

WATER CONSERVATION

State regulations currently require all water systems to develop a water conservation program as part of their comprehensive water system plans. The conservation programs are required to be developed and included in the next regular comprehensive water system plan update. The PUD will be updating its water system plan in 1991 and will be developing a water conservation program at that time.

State regulations also require that all toilets installed after June 30, 1990 be limited to 3.5 gallons per flush and after June 30, 1993, 1.6 gallons per flush. These compare to 5 to 7 gallons per flush for the average toilet currently in use. Results obtained from other areas of the country that have instituted similar regulations indicate that, due to the specifics of the designs, the 3.5 gallon toilets do not work very well and frequently require double flushing while the 1.6 gallon toilets work well with one flush. To encourage builders and homeowners to begin installing 1.6 gallon toilets before 1993, many water utilities in Washington State, including the PUD, are considering voluntary rebate programs for 1.6 gallon toilets.

For Lake Roesiger area, a new public water system is expected to encourage greater use of existing properties and to facilitate the development of existing vacant lots which cannot support both on-site septic and private wells. This will lead to a decline in lake water quality from septic system nutrients if not mitigated. One mitigation measure will be a mandatory conservation program. Under this program each home within the LUD boundaries, before connection to the water system, must have installed ultra low volume (ULV) toilets and low flow faucet aerators and showerheads. The aerators and showerheads are currently available from the PUD's energy conservation department, free of charge, as part of the PUD's energy conservation program and \$150 rebates will be given for each ULV toilet. The rebates will apply to all ULV toilets purchased after formation of the LUD and continue until July 1, 1993 or until state codes require ULV toilets if sooner than July 1, 1993. The costs of the conservation measures will be included in the LUD costs.

FUTURE SYSTEM NEEDS

Service Area

Current zoning and land use plans for the area and the topography around Lake Roesiger would suggest that the eventual service area of a water distribution system would be limited to the existing platted area and a

limited number of larger lots adjacent to the platted area. The Rural - 5 and Forestry land use designations in the comprehensive land use plans represent lot sizes which make water distribution systems in those areas difficult to justify economically. In addition, some areas would require booster pumps to supply water from a system serving Lake Roesiger. This would increase the cost of a water distribution system even more. Therefore, although the PUD could be requested to provide water to the Rural - 5 or Forestry designated areas, the costs would most likely be prohibitive compared to individual wells.

Since receiving the LUD petitions, the PUD has been requested to provide water service along Woods Creek Road from Lake Roesiger Road southeast for approximately 4,300 feet. Letters were sent to all property owners in this area asking whether they would be interested in expanding the LUD to serve their property. The response showed that, while several properties are already served from Everett's transmission main which could not be assessed, there are enough assessable properties whose owners are interested to pay for the cost of the additional main. Based on the property owners response, this area will be added to the LUD.

Figure 2 shows the initial LUD petition service area, the added area along Woods Creek Road, and the potential long term service area of the water system.

System Demands

Ultimate system demands for the LUD service area will be dependent on whether community septic systems are installed and to what extent. The Lake Roesiger Phase I Restoration Analysis estimated that without community septic systems only 450 lots could be developed around the lake. If, however, community septic systems were available to all lots that will not support on-site septic systems then a maximum of 650 lots could be developed. The expanded service area of the LUD along Woods Creek Road would add another 10 to 20 individual connections to the system. Thus the total number of connections for the LUD if expanded to include the Woods Creek Road area could vary from 460 to 670 depending on the extent to which community septic systems are installed.

Table 2 summarizes the system design needs based on three different development assumptions. Assumption 1 assumes no community septic systems are constructed such that 370 lots are developed with standard on-site septic systems, 80 lots use privies, and 10 lots are connected on Woods Creek Road.

Assumption 2 assumes community septic systems are constructed to serve approximately half of the existing lots which cannot support on-site septic systems such that 235 lots are on community septic systems, 235 lots have standard on-site septic systems, 80 lots have privies, and 15 lots are connected on Woods Creek Road. Assumption 3 assumes community septic systems are constructed to serve 525 lots with 125 lots remaining on standard on-site septic systems and 20 lots are connected on Woods Creek Road. Assumption 2 was used to determine system capacity requirements.

TABLE 2
Water System Design Needs

	<u>Assumption 1</u>	<u>Assumption 2</u>	<u>Assumption 3</u>
Average Daily Demand*	104,000 gal	133,000 gal	181,000 gal
Maximum Day Demand^	229,000 gal	286,000 gal	362,000 gal
Source			
- Normal Supply	256 gpm	314 gpm	373 gpm
- Replenishment	<u>53 gpm</u>	<u>66 gpm</u>	<u>84 gpm</u>
Total	309 gpm	380 gpm	457 gpm
Storage			
- Standby"	229,000 gal	286,000 gal	362,000 gal
- Equalizing	<u>65,000 gal</u>	<u>80,000 gal</u>	<u>95,000 gal</u>
Total	294,000 gal	366,000 gal	457,000 gal

* Average demands are based on 270 gallons/connection/day for permanent homes and 20 gallons/connection/day for recreation connections with privies.

^ Peak demands are based on 540 gallons/connection/day for permanent homes and 300 gallons/connection/day for recreation connections with privies.

" Based on providing 24 hours of storage to accommodate temporary shutdown of Everett's transmission main.

Source of Supply

Four potential sources to provide the supply requirements were identified. These include groundwater, the lake, the City of Snohomish and the City of Everett.

Groundwater is not considered a desirable option because of the uncertainties associated with developing a new groundwater supply. Water rights, water quality and quantity concerns, and limited hydrogeological data create uncertainties which could influence the cost considerably.

The lake is not considered a desirable option primarily because a treatment plant would be required and the cost to construct, operate, and maintain a new treatment plant would be high compared to other alternatives. The City of Snohomish operates a treatment plant approximately 1-1/4 miles north of the lake. This is a potential source for the Lake Roesiger area. Discussions with City of Snohomish staff indicated, however, that the City's cost to treat its water was more than the cost to purchase water from Everett.

The City of Everett operates a treatment plant at the south end of Lake Chaplain with four transmission lines which carry the water to Everett. Three of the transmission lines run east to west approximately 1/2 mile south of the south end of Lake Roesiger. Two of these transmission lines carry treated water and could be used as a source of supply for the Lake Roesiger area. The hydraulic head on the transmission lines at this location is relatively low and a booster pump would be required to supply the water to the Lake Roesiger area. City of Everett staff have indicated that the City's system has sufficient capacity and that the City is willing to sell water to the PUD for supplying the Lake Roesiger area.

Treatment

The water will be purchased from Everett and no additional treatment will be required.

Transmission

Transmission mains will be required from the source to the distribution system around the lake and from the distribution system to the storage facilities.

Storage

Storage requirements are shown in Table 2 and are based on standby storage being adequate to provide 24 hours of storage at maximum day demand. This is less than the 800 gallon/connection recommended by DOH for small systems, however, Lake Roesiger is only 3 miles from Lake Chaplain, Everett's supply reservoir, and it was concluded, after discussions with Everett staff, that 24 hours of storage for maximum day demands was sufficient to provide for shutdowns of the transmission mains.

Distribution System

A new distribution system would be constructed to provide water service to the area. The system would operate at one pressure zone (770' msl) with static pressure ranging from 39 psi (680' msl) to 86 psi at the lake surface (570' msl).

Fire Protection

The distribution system around Lake Roesiger will be constructed to PUD urban standards for rural/transition which would include 500 gpm minimum fire flows and hydrants at 600 foot spacings. The distribution main along Woods Creek Road will be constructed to Rural standards without fire hydrants.

WATER SYSTEM PLAN

Service Area

The initial service area for a water system serving the Lake Roesiger area will include those properties within the proposed LUD boundaries as shown in Figure 2 including the area along Woods Creek Road. Whether the service area expands in the future or not will depend on such variables as land use designation, sewage disposal systems, availability of alternate water supplies, economics, etc. The estimated future service area, given the current comprehensive land use plan, is also shown in Figure 2.

Improvements and Alternatives

General

Initial design of a water system serving the Lake Roesiger area will be based on the system needs identified in Table 2 assuming 565 connections (Assumption 2). This assumes that some community septic systems will be installed as recommended in the lake management plan.

Source of Supply

The source of supply will be the City of Everett's system and include a supply booster pump to raise the hydraulic head to 770' above msl.

Treatment

No additional treatment will be required, beyond that provided by Everett.

Transmission

Transmission facilities, using Everett as a source of supply, will include an 8 inch main from the Everett transmission lines to the distribution system at the south end of the lake. In addition, an 8 inch transmission main from the distribution system to the storage reservoir will be required.

Storage

The system's reservoir will be located such that an overflow elevation of 770' msl can be attained with a reasonable reservoir height and adequate access from local roads and the distribution system. The north end and east side of the lake appear to have the most suitable sites. The north end site is preferred based on system hydraulics, accessibility, and topography.

Distribution System

A new distribution system will be constructed as shown in Figure 3. Due to conflicting utilities, many of the mains will have to be installed on the opposite side of the roadway as the lake. This will increase the overall cost of installing water services slightly since most homes are on the lake side and services must be bored under the roadway. The costs to install services from the main to the edge of the right-of-way are not included in the LUD estimate but rather are paid for at the time of connection to the system. It is estimated that the service installation charge will be between \$300 and \$400 per service. Installation of the service line from the right-of-way line to the house, including burying a PUD supplied, remote, meter register cable, is the responsibility of each customer.

The system will operate at a hydraulic elevation of 770 feet above msl. This will result in a system pressure of 86 psi at the lake surface and 39 psi at ground elevation 680. These pressures will eliminate the need for pressure reducing valves for lake front lots but will restrict the location of new homes on lots at the northeast corner of the lake to elevations below 680 feet.

Fire Protection

Fire flows will be provided for in the design of the system around the lake with minimum fire flows of 500 gpm and hydrant spacings of 600 feet. Fire flows will not be provided for in the distribution main along Woods Creek Road. The current fire insurance rating for the area of 9 can be expected to improve with the installation of the water system.

IMPLEMENTATION PROGRAM

Financial Plan

Capital Improvement Financing

The interim financing during construction will be provided by loans from the electric utility to the LUD.

Long term financing will be accomplished through the issuance of 20 year LUD or ULID bonds or a combination of both.

Estimated capital improvement costs are shown in Table 3. The estimated costs include feasibility studies, construction costs, and financing costs during construction. A 10 percent contingency is included.

**TABLE 3
LUD Costs**

	<u>Water System</u>	<u>Lake Aeration W/O Grant</u>	<u>Lake Aeration With Grant</u>
Hypolimnetic Aeration ⁴	-0-	\$400,000	\$700,000"
Source of Supply	\$337,200	-0-	-0-
Transmission	\$92,000	-0-	-0-
Storage	\$377,400	-0-	-0-
Distribution	<u>\$1,793,400</u>	<u>-0-</u>	<u>-0-</u>
Total	\$2,600,000	\$400,000	\$700,000
TOTAL CONSTRUCTION COSTS	\$3,000,000		
PUD Participation*	\$339,000	-0-	-0-
WDOE Grant	-0-	-0-	\$525,000
Net LUD Cost	\$2,261,000	\$400,000	\$175,000
Per Lot Assessment [^]	\$4,001.77	\$772.20'	\$337.84'

" \$300,000 in additional monitoring costs would be required as a condition of grant acceptance

* 565 assessed lots at \$600 per assessment

[^] 565 assessed lots for water and 518 assessed lots for aeration

['] An estimated \$21.24/lot/year will be added for O&M of the aeration system

LUD Assessment

The assessment formula for the LUD is divided into two components as shown in Table 3. The water system component includes all costs except hypolimnetic aeration and is predicated on a per buildable lot

basis assuming one dwelling unit per buildable lot. The rationale for this type of assessment lies in the fact that the water system is primarily designed on the basis of number of connections and fire protection requirements. Front footage and total area are not major factors in this case. A lot will not be considered buildable if it is documented as unbuildable under any Snohomish County or Snohomish Health District regulation or if it has been combined with another lot through property tax accounts, building locations, septic system locations, etc. Since it was not within the scope of this study to evaluate each parcel of property as to whether it is buildable, judgement decisions were made in developing the preliminary assessment role as to whether a particular parcel was buildable. The intent, however, is that through the public notice and hearing process, property owners will respond with concerns if they believe the assessment is incorrect and changes will be made as appropriate.

The lake aeration component will include the capital and O&M costs for the hypolimnetic aeration system and is based on assessing each lakefront lot as shown in Table 4. The O&M element will continue for the 20 year life of the LUD and be assessed annually regardless of whether the capital cost element is paid off earlier. Only lots with lake frontage will be assessed for aeration costs since those lots will receive the primary benefit from improved water quality in the lake. All lakefront lots will be assessed for aeration regardless of whether they are assessed for the water system. When an owner has multiple adjacent lots, the assessment will be based on the total lake frontage of the ownership rather than individual lots.

TABLE 4
Hypolimnetic Aeration Assessment Formula

<u>Lake Frontage (ft)</u>	<u>Assessments</u>
<10	-0-
10 - 40	1/2
41 - 100	1
101 - 160	1-1/2
161 - 220	2
221 - 280	2-1/2
>280	3

The preliminary assessment of \$4,001.77 for the water system is calculated on the basis of an estimated water system cost of \$2,600,000, 565 assessable lots, and a PUD participation of \$600.00 per assessed lot. The 565 assessable lots is based on the assumption that approximately half of the community septic systems recommended in the lake management plan will be constructed. The preliminary assessment roll (Attachment G) shows 629 lots being assessed for the water system within the petitioned boundaries and 14 additional lots assessed along Woods Creek Road. As property owners receive preliminary assessment notices and respond with more accurate information on whether their property is buildable the assessment roll will be adjusted to reflect the more accurate information.

If, in the future, an unbuildable lot becomes buildable due to the installation of sewers, a community septic system, or other means and, that lot has not been assessed, it will be charged a general facilities charge (GFC) as a condition for connection to the system. The GFC is explained under "Other Estimated Charges" in this section.

Existing homes with water supplies that meet all state, federal, and local regulations for public drinking water supplies will not be assessed unless the owners wish to connect to the system. In the event they are not assessed and wish to connect to the system at a later date, they will be charged a GFC.

Senior citizens and disabled persons within the LUD boundaries may be eligible for deferral of the LUD assessment by making application with the Snohomish County Assessors Office. Further information on this program is included in Attachment E.

Water Rates

The PUD's standard water rate schedules 11, 12, and 13 will be used for single family, multifamily, and commercial/industrial respectively. Ninety nine percent of the customers will be on schedule 11 which includes a \$6.60 minimum monthly charge and \$0.86 per 100 cubic feet water. This equates to \$7.03 per month for 50 cubic feet of water use, \$10.90 per month for 500 cubic feet of water use, and \$15.20 per month for 1,000 cubic feet of water use. Included in this rate is debt service which has ranged from \$3.50 to \$5.00 per month per customer in the Lake Stevens system over the past 10 years. This debt service in the rates provides the basis for the \$600 per assessment PUD participation in the capital costs as shown in Table 3.

Many of the Lake Roesiger customers are expected to be seasonal users and since debt service calculations in the rates contemplate rates being paid 12 months per year, all new customers of the Lake Roesiger system will be required to sign a water service application contract. The water service application contract requires the customer, among other things, to pay for service for a 12 month minimum period. A draft contract is included as Attachment D.

Septic Tank Pumping Rates

As part of the effort to mitigate the impacts of constructing a new water system, the PUD will provide routine septic tank pumping for all customers within the LUD boundaries. An annual contract will be signed with a septic tank pumpër who will pump each septic tank after each 30,000 cubic feet of metered water consumption. The cost of the septic tank pumping will be collected through a surcharge to the water rates. It is estimated that the contracted pumping rate and administration of the program will average \$180 per septic tank which translates into a surcharge of \$0.60 per 100 cubic feet.

Other Estimated Charges

In addition to the LUD assessments for a water system for Lake Roesiger and the monthly water rates, other fees or charges may be required for connection to the system. One such charge would be for the water service installation. This charge is estimated to be \$300 to \$400 for Lake Roesiger and would reflect the average cost for labor, material, and equipment to install a 3/4 inch water service from the main to the right-of-way line. Installing the service line and burying a PUD supplied, remote, meter register cable from the meter to the house will be the responsibility of the property owner.

For all property outside the LUD which may desire to connect to the system or properties within the LUD that are not assessed initially and desire to connect to the system in the future, a GFC, in addition to the service installation charge, will be applied. This GFC will be equivalent to the cost to construct new water system facilities at the time of connection. Included in the GFC will be source, storage, transmission, and distribution facility costs if the customer is connecting directly to the system or source, storage, and transmission if the customer is required to constructed a PUD approved addition to the distribution system to obtain service. Monies received from the GFC will be placed in a fund to finance future water system improvements.

Calendar

The LUD calendar is shown in Attachment A.

ENVIRONMENTAL CONSIDERATIONS

Impacts and Mitigation Options

Presently, approximately 385 lots around the lake have a water supply. Of those, 78 percent obtain their water from the lake, 13 percent from individual wells, and 9 percent from springs, streams, and small water systems. It is estimated that over 95 percent of these water sources do not meet current standards for drinking water supplies. One major environmental impact of constructing a water system will be the alleviation of this existing public health problem for an estimated 300 permanent residents and up to 1,200 additional part-time residents during the summer.

There are also potential adverse impacts. The construction of a new water system to serve the Lake Roesiger area is expected to result in increased use of existing homes and cabins which surround the lake and to facilitate building on some lots which currently can not support a private well and an on-site septic system. Currently, approximately 420 of the 750 lots surrounding Lake Roesiger have been developed to varying degrees ranging from permanent homes to small recreational cabins. The Lake Roesiger Phase I Restoration Analysis report which was published in December 1989 identified 340 lots as being significantly developed and estimated that a total of 650 lots could be developed if a water system and community septic systems were constructed. The report indicated that a total of 450 lots would be developed if a water system were constructed, but community septic systems were not.

The Restoration Analysis identified phosphorus as the critical pollutant affecting the environmental health of the lake and proposed a number of lake restoration measures to reduce phosphorus loading. These ranged from relatively low cost non-structural programs such as monitoring, public education, County ordinance revisions, etc. to capital intensive solutions such as dredging, hypolimnetic aeration, and community septic systems. A copy of Chapter 8 of the report which documents the recommended lake management plan is attached as Attachment C. The Restoration Analysis also documented the current phosphorus loading conditions and estimated future phosphorus loading under three hypothetical development/restoration scenarios. Using this data, Table 5 below was developed which summarizes current conditions, an estimate of the impacts of a new water system if little or no restoration measures are implemented, and an estimate of the impacts of a new water system if restoration measures are included in the project.

TABLE 5

<u>Restoration and Development Activity</u>	<u>Current Conditions</u>	<u>Public Water No Restoration</u>	<u>Mitigated-1 Public Water</u>	<u>Mitigated-2 Public Water</u>
<u>Restoration Measures</u>				
Watershed Controls				
* County Ordinance & Policies	No	No	No	No
* Developed Area Management	No	No	Partially	Partially
* On-site Waste Disposal				
+ Routine Septic Tank Pumping	No	No	Yes	Yes
+ Community Septic Systems	No	No	No	No
In-Lake Restoration				
* Hypolimnetic Aeration	No	No	Yes	Yes
* Boat Lane Dredging with Alum	No	No	Yes	No
* Whole Lake Alum Treatment	No	No	No	No
* Aquatic Plant Control	No	No	No	No
Monitoring & Documentation	Limited	No	No	No
<u>Development Assumptions</u>				
Number of Developed Lots				
* Existing Developed Lots	340	340	340	340
* New Developed Lots	-0-	110	110	110
Sewage Disposal				
* Step Systems	-0-	-0-	-0-	-0-
* Individual Septic Systems	-?-	370	370	370
* Individual Privies	-?-	80	80	80
Public Water Supplies	Limited	Yes	Yes	Yes
Annual Phosphorus Loading (kg)	433	504	292	316
Change in Phosphorus Loading	-0-	+ 16%	-33%	-27%

This data indicates that the phosphorus loading to the lake would increase by 16 percent if a water system were constructed and none of the lake restoration measures were implemented. If a water system were installed and the five most cost effective lake restoration measures were implemented, the phosphorus loading to the lake could be decreased by 33 percent and if the four most cost effective measures were implemented, the phosphorus loading could be decreased by 27 percent.

In evaluating this data, it was concluded that the impacts of constructing the water system should be mitigated by implementing some restoration measures as part of the LUD since there were no guarantees that

any of the restoration measures would be implemented otherwise. Five mitigation measures were evaluated for their cost and their effectiveness in removing phosphorus (See Figure 4). These included:

1. Limiting water consumption based on the status of the septic system
2. Hypolimnetic aeration of the north and south basins
3. Mandatory conservation
4. Routine septic tank pumping
5. Dredging and alum treatment of the middle basin

Since these measures will be coordinated with management of the water system, some of them are expected to be more effective than was anticipated in the Phase I Restoration Analysis. The result was the estimated 33 percent decrease from existing conditions in phosphorus loading in the lake if all five were implemented and the estimated 27 percent decrease if only the first four were implemented. Based on the data, it was determined that implementing the first four could be accomplished at a reasonable cost and would provide sufficient mitigation to compensate for any unknown effects which could cause the actual reductions in phosphorus for each measure to be less than the estimates. Those four have been incorporated into the LUD and will be implemented as summarized below. Attachment F includes the documentation upon which Figure 4 was developed.

Mitigation Measures

Water Consumption Tied to Status of Septic Disposal System

Septic disposal systems in the Lake Roesiger area vary greatly in their level of adequacy. Some were installed to current standards but many "evolved" over the years as property owners upgraded their recreational properties. Many of these upgrades were done without permits or the permits have been lost. A new water system is expected to result in the increased use of properties in the area which, unless managed, could lead to significant increases in phosphorus loading to the lake from the overuse of marginal septic systems. To mitigate this impact, the following process will be included in the LUD.

The Snohomish Health District (SHD) will be contracted to survey all of the lots within the LUD boundaries and categorize each lot into one of six categories. The cost of the survey and a follow-up survey to

be done on category 2 lots one year after connection to the water system will be included in the LUD costs.

The categories include:

1. Developed lots with installed septic systems with septic permits on file with the SHD which show no signs of failure
2. Developed lots with installed septic systems without septic permits on file with the SHD which show no signs of failure
3. Developed lots with gray water systems and privies
4. Undeveloped lots with documentation that they will not support an on-site septic system
5. Undeveloped lots with no documentation as to their suitability or lack of suitability for on-site septic systems
6. Developed lots with installed septic systems that have failed

Categories 2 through 6 will have restrictions on water consumption. These restrictions are shown in Table 6.

**TABLE 6
Water Consumption Restrictions**

SHD Approved septic system	No restrictions
Installed systems without SHD permits	Restricted to 500 cf/month
Gray water systems	Restricted to 50 cf/month
Documented non-perc lots	Restricted to 50 cf/month if assessment paid
Undeveloped lots	Restricted to 50 cf/month
Failed septic systems as verified by SHD	Restricted to 50 cf/month

As a condition of connection to the system, each customer will be required to sign a contract for water service, whereby the customer agrees to limit his or her water use to the quantity allowed for the lot's category. To prevent cross connections between the PUD system and private water supplies, the contract will also require that customers have no other sources of water connected to the house plumbing. Violation of the contract may result in the service being disconnected or restricted to 10 gallons per day by installing a restrictor at the meter. A draft water service application contract is included as Attachment D.

Hypolimnetic Aeration

The Phase I Restoration Analysis report identified internal loading from sediments at the lake bottom as the single largest source of phosphorus loading to the lake. Although hypolimnetic aeration does not actually remove phosphorus from the sediments, it does block its release from the sediments into the water and thus reduces the phosphorus concentration in the water. Hypolimnetic aeration facilities will be constructed and operated in the north and south basins to reduce overall phosphorus loading and to mitigate phosphorus loading from other sources that is expected to occur as a result of the water system being constructed. Both the construction costs and the O&M costs of the aeration systems will be included in the LUD assessment. For those property owners who prepay the construction portion of the assessment, only the O&M costs will be included in their annual assessment.

Mandatory Conservation

The Phase I Restoration Analysis report indicated that, with the soils found in the Lake Roesiger area, even properly functioning septic systems will result in phosphorus loading to the lake. This loading can be reduced by reducing the volume of water going into the septic system and by more frequent pumping of the septic tanks. Reducing the volume of water will be accomplished through a mandatory water conservation program for the Lake Roesiger system. Under this program, all homes, before connected to the water system, must have installed low flow faucet aerators and showerheads and ULV toilets. The aerators and showerheads are available, free of charge, from the PUD's electric conservation department and \$150 rebates will be given for each ULV toilet. The ULV toilet rebates will continue until July 1, 1993 or until state codes require ULV toilets if sooner than July 1, 1993. The cost of the rebates will be included in the LUD.

Routine Septic Tank Pumping

Phosphorus loading to the lake from septic systems will also be reduced through routine pumping of septic tanks. A septic tank pumping program will be administered by the PUD which will involve the pumping of each home's septic tank after each 30,000 cubic feet of metered water consumption. The PUD will contract with septic tank pumpers and schedule septic tanks to be pumped when due. The cost of the septic tank pumping will be paid through a surcharge on the water rates.

SEPA Checklist

An environmental checklist for the LUD is included as Attachment B. Based on this checklist and on the mitigation measures being incorporated into the LUD, a Mitigated Determination of Nonsignificance has been issued for the LUD.

DISTRICT ADMINISTRATIVE CONSIDERATIONS

Legal

The normal legal considerations associated with the PUD assuming ownership of an existing water system would not apply in the case of Lake Roesiger since a new system would be built. The administration of the LUD process does require legal services, however. Most of these services can be provided by the PUD's Corporation Counsel staff although the LUD bond sale would normally require a bond counsel.

The LUD will include mitigation measures to assure that the water quality of Lake Roesiger is not adversely impacted through the construction of the water system. Three of the mitigation measures represent work or policies that are not typically done by the PUD. These include restrictions on water consumption based on the status of each property's septic system; the construction and operation of a hypolimnetic aeration system in the north and south basins; and routine pumping of customers' septic tanks by the PUD. Corporation Counsel has reviewed the measures and concluded that the PUD does have legal authority to include mitigation measures in the LUD to compensate for impacts the water system would otherwise have on the lake water quality. Legal challenges to these mitigation measures in the LUD could occur, however, which may require outside legal services.

Other legal issues often arise during the course of a project the size of a water system for Lake Roesiger. Legal services for any of these issues which arise can normally be provided by the PUD's Corporation Counsel or by outside attorneys in situations where specialized legal services are required.

Policy

All PUD customer service policies and procedures for the Water Utility, as they exist or are subsequently amended, will apply to the Lake Roesiger system. In addition, there will be special policies relating to the implementing of mitigation measures which will apply only to the Lake Roesiger system. These include

restrictions on water consumption based on the status of each property's septic system; the financing of the construction, operation, and maintenance of the aeration system through LUD assessments; mandatory conservation measures; and routine pumping of customers' septic tanks by the PUD.

The GFC for the Lake Roesiger system will be patterned from the Lake Stevens system GFC (as opposed to the May Creek system in-lieu of assessment charge) and will be based on the costs of providing source, storage, transmission, and distribution facilities if a customer is connecting directly to the LUD constructed system or on the cost of providing source, storage, and transmission facilities if extensions to the PUD's distribution system are involved. The GFC will not apply to properties that have been assessed by the LUD provided the assessment properly reflected the actual development density of the property.

Financial

Interim Financing

The interim financing for the LUD during construction will be through loans to the LUD from the electric utility's reserves.

Permanent Financing

Permanent financing for the LUD will be through the sale of 20 year LUD bonds, ULID bonds, or a combination of both. LUD bonds are secured only by the property being assessed while ULID bonds are secured by both the property being assessed and the revenues of the water utility. The current assessed valuation of the properties within the proposed LUD boundaries is \$39,930,860 which gives an assessed property valuation to LUD assessment ratio of 13.3. It is anticipated that LUD and/or ULID bonds would have a valid opinion of bond counsel and be saleable on the open market.

Operating Receipts and Expenditures

Operating receipts and expenditures for the Lake Roesiger system were projected for estimates of 300, 460, and 565 customers. The receipts were based on schedule 11 water rates, a surcharge of \$0.60 per 100 cubic feet for septic tank pumping, three GFC connections per year, and estimated consumptions for four different customer groups. The expenditures were estimated based on average operating costs per customer for the Lake Stevens and May Creek systems, the same estimated consumptions as used for receipts, and an annual debt service based on \$339,000 in PUD participation. The projections are summarized in Table 7.

TABLE 7
Projected Operating Receipts and Expenditures

	<u>300 Customers</u>	<u>460 Customers</u>	<u>565 Customers</u>
Estimated Customers by Group			
Permanent (900 cf per month)*	100	315	400
Permanent (500 cf per month)	50	20	0
Part-time (250 cf per month)	130	45	115
Part-time (50 cf per month)	20	80	50
Operating Receipts			
Water Sales	\$39,085	\$68,295	\$85,125
GFC [^]	\$12,005	\$12,005	\$12,005
Septic Tank Pumping Surcharge	<u>\$10,692</u>	<u>\$22,230</u>	<u>\$28,170</u>
TOTAL OPERATING RECEIPTS	\$61,782	\$102,530	\$125,300
Operating Expenditures			
Normal Operating	\$17,238	\$26,432	\$32,466
Taxes	\$229	\$1,698	\$2,545
Purchased Water	\$6,816	\$14,172	\$17,958
Debt Service	\$34,528	\$34,528	\$34,528
Septic Tank Pumping	<u>\$9,623</u>	<u>\$20,007</u>	<u>\$25,353</u>
TOTAL OPERATING EXPENDITURES	\$68,435	\$96,837	\$112,850
NET RECEIPTS	(\$6,652)	\$5,693	\$12,450

* 10% less than Lake Stevens average due to mandatory conservation

[^] Assumes three connections per year from properties outside the LUD

These estimates indicate that the Lake Stevens rate schedules can be applied to the Lake Roesiger system without incurring significant financial risk.

RECOMMENDATIONS

Based on the information developed herein, it is financially, economically, and technically feasible for the PUD to construct a water system for the Lake Roesiger area. Financially, LUD and/or ULID bonds can be sold to provide permanent financing for the LUD and interim financing capital is available through loans from the electric utility. Economically, the assessed property valuation to LUD assessment ratio is very high which suggests that the risk of LUD assessments not being paid is very low. Technically, there is little difference between the routine construction of water system improvements in the Lake Stevens system and the construction of the Lake Roesiger system.

SNOHOMISH COUNTY DEVELOPMENT

LAKE ROESIGER AREA LAND USE.

LEGEND


SCALE: 1" = 2000'

 RURAL 1 d.u. / 2.3 ACRES.

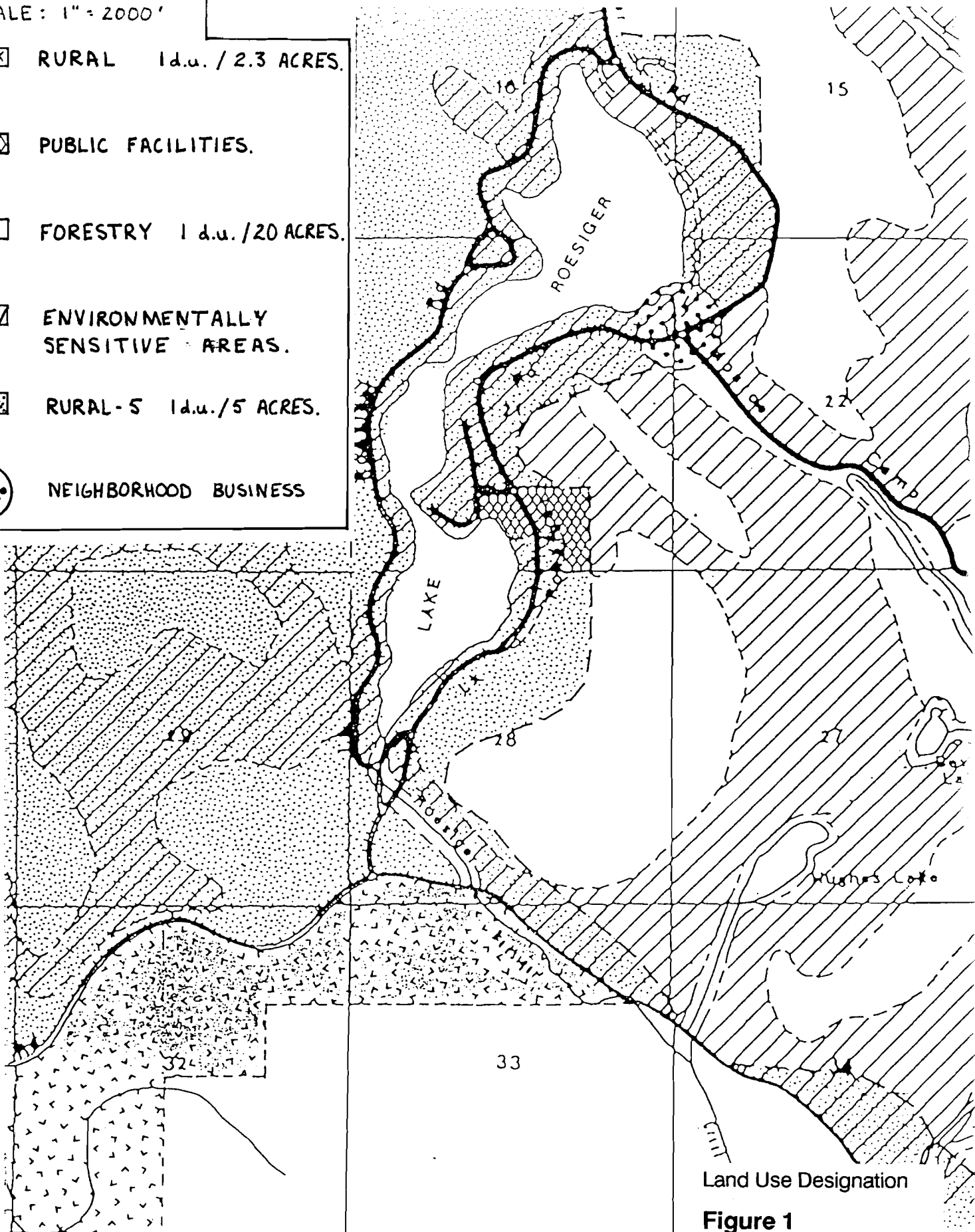
 PUBLIC FACILITIES.

 FORESTRY 1 d.u. / 20 ACRES.

 ENVIRONMENTALLY SENSITIVE AREAS.

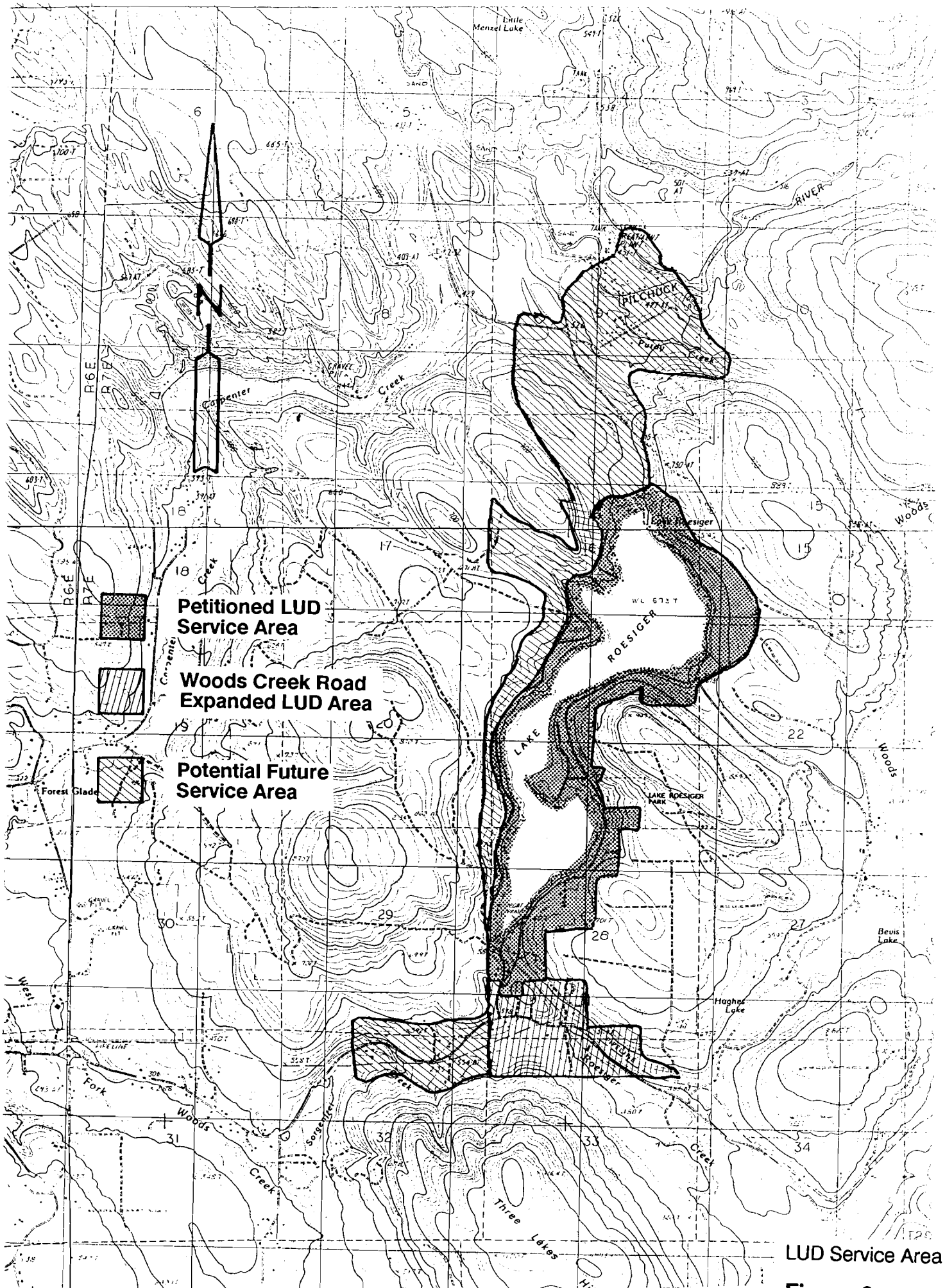
 RURAL-5 1 d.u. / 5 ACRES.

 NEIGHBORHOOD BUSINESS

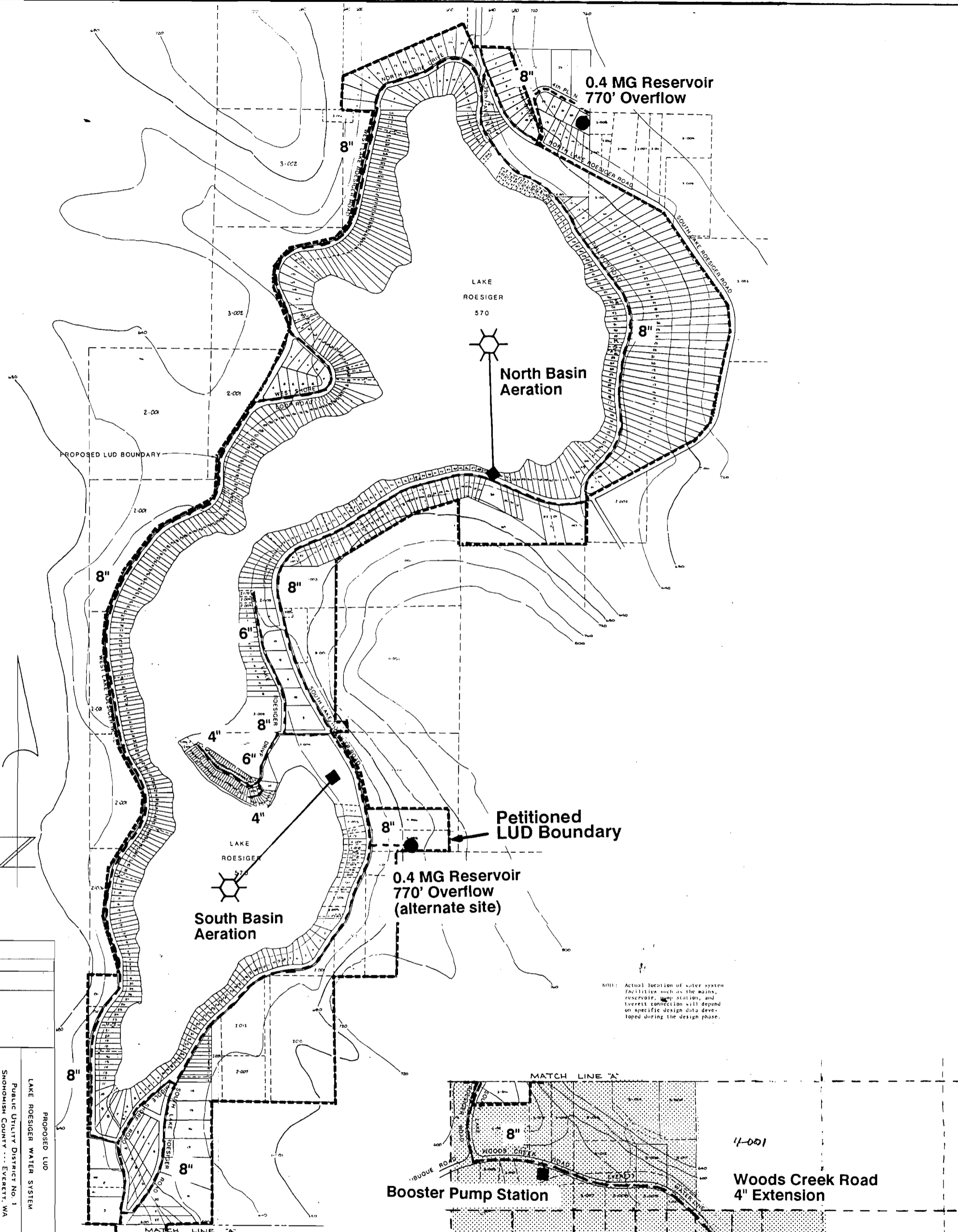


Land Use Designation

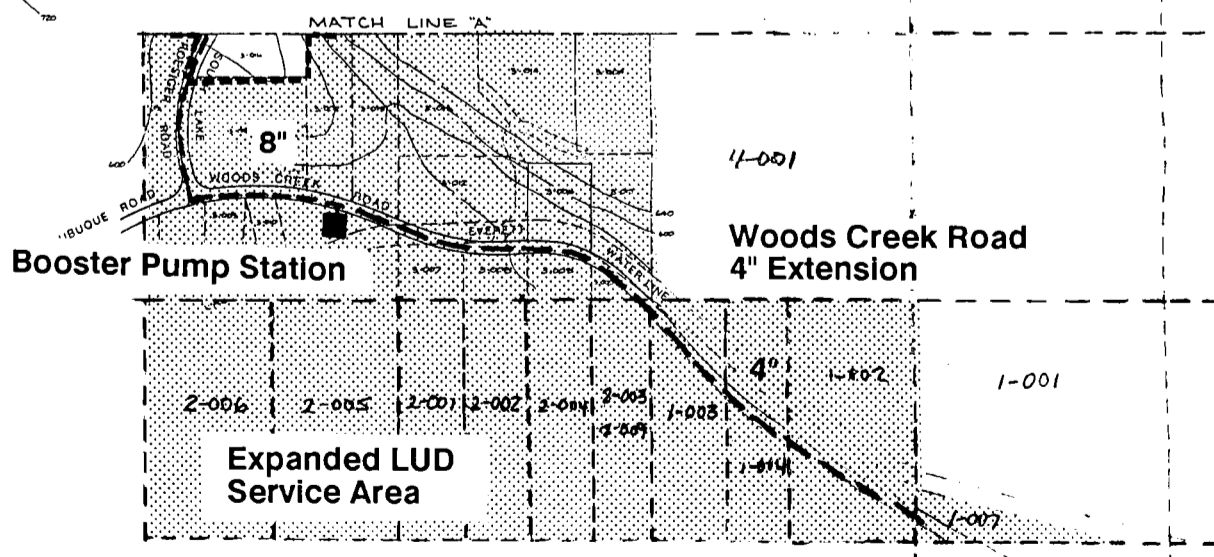
Figure 1



LUD Service Area
Figure 2



NOTE: Actual location of water system facilities such as the mains, reservoir, pump station, and sewer connection will depend on specific design data developed during the design phase.



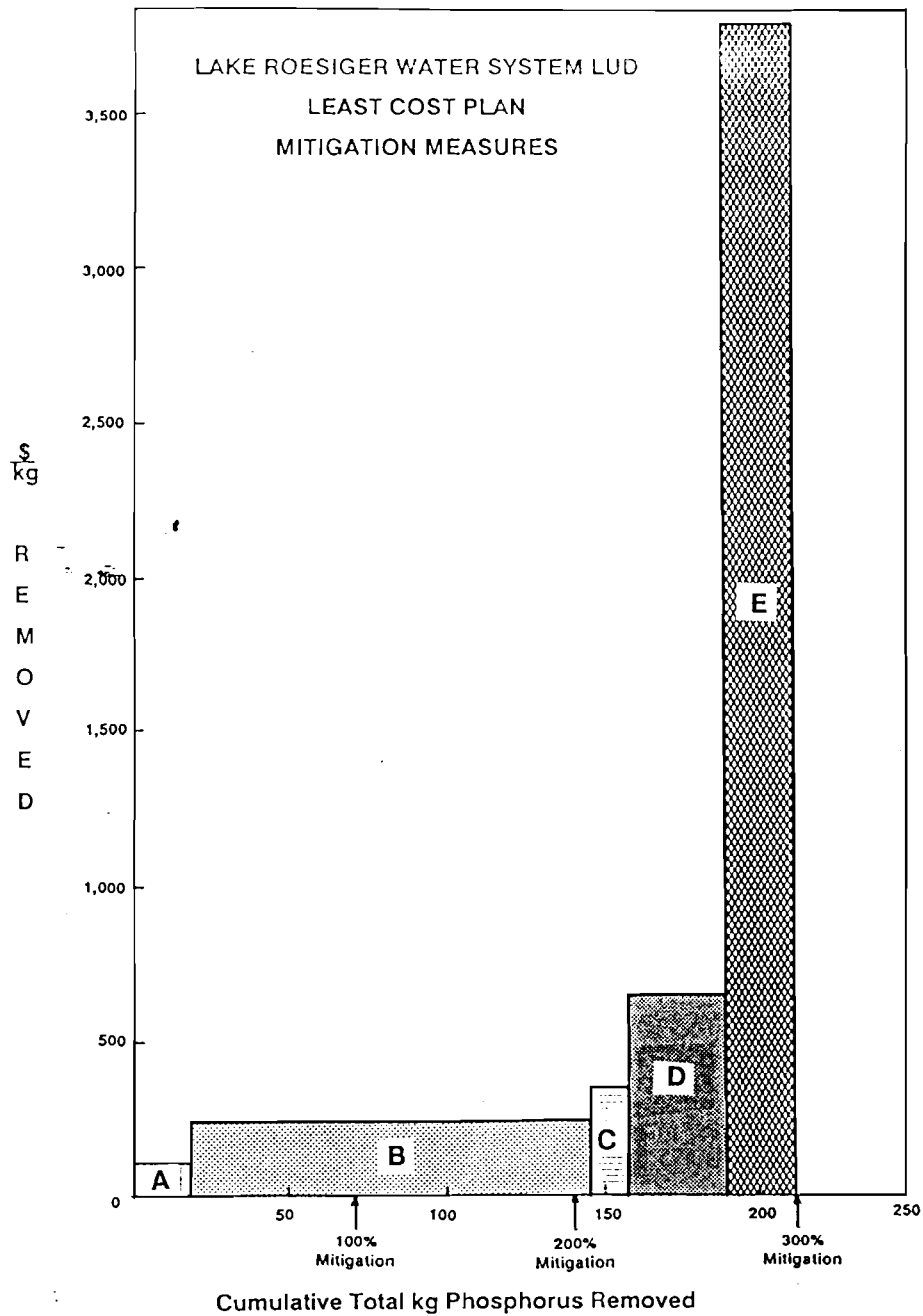
REVISIONS	NO.	DATE	BY	DESCRIPTION

DESIGNED BY	DATE	SCALE

PROJECT	LAKE ROESIGER WATER SYSTEM
DISTRICT	PUBLIC UTILITY DISTRICT No. 1
COUNTY	SNOHOMISH COUNTY
CITY	EVERETT, WA
DATE	4/22/88
SCALE	WE-66

Lake Roesiger Water System

Figure 3



<u>Mitigation Measure</u>	<u>\$/kg</u>	<u>kg Removed</u>	<u>Cumulative kg Removed</u>
A Limits on Water Consumption Based on Septic System Status	\$116	16	16
B Hypolimnetic Aeration	\$260	127	143
C Mandatory Conservation	\$363	15	158
D Septic Tank Pumping	\$666	30	188
E Dredging & Alum Treatment	\$3,800	24	212

Figure 4

LUD CALENDAR
LAKE ROESIGER

Local Utility District No. 12
Public Utility District No. 1 of Snohomish County

- | | |
|-------------------|--|
| November 26, 1990 | * Issue Mitigated Determination of Nonsignificance |
| November 27, 1990 | * Resolution Adopting Plan, Declaring Intent to Form LUD, and Calling for Public Hearing |
| November 28, 1990 | * Notice of Public Hearing - First Publication
* Written Notice to Property Owners |
| December 5, 1990 | * Notice of Public Hearing - Second Publication |
| December 13, 1990 | * Comment Deadline on MDNS |
| December 18, 1990 | * Public Hearing
* Formation of LUD
* Order of Improvement |
| December 19, 1990 | * Delivery of Resolution and Preliminary Assessment Roll to Snohomish County Treasurer
* Begin Design
* Begin Permitting Process |
| March 6, 1991 | * Complete Design
* Advertise for Bids on Distribution System |
| March 27, 1991 | * Open Bids on Distribution System |
| April 9, 1991 | * Award Contract on Distribution System |
| April 22, 1991 | * Begin Construction of Distribution System |
| June 5, 1991 | * Obtain Required Permits
* Advertise for Bids on Remainder of System |
| June 26, 1991 | * Open Bids on Remainder of System |
| July 9, 1991 | * Award Contracts on Remainder of System |

LUD Calendar (Continued)

- | | |
|--------------------|---|
| July 22, 1991 | * Begin Construction of Remainder of System |
| September 11, 1991 | * System Approved for Operation |
| September 27, 1991 | * Complete All Construction |
| November 1, 1991 | * Accumulation of Final Costs |
| November 8, 1991 | * Prepare Final Assessment Roll |
| November 12, 1991 | * Resolution Setting Date of Public Hearing on Final Assessment Roll |
| November 13, 1991 | * Notice of Public Hearing - First Publication
* Written Notice to Property Owners |
| November 20, 1991 | * Notice of Public Hearing - Second Publication |
| December 3, 1991 | * Public Hearing
* Adopt Final Assessment Roll |
| December 4, 1991 | * File Final Assessment Roll With County Treasurer |
| January 13, 1992 | * Notice by County Treasurer |
| February 12, 1992 | * End of 30-day Period to Pay Assessments Interest Free |
| February 17, 1992 | * Notification by County Treasurer of Amount of Prepayment |
| March 6, 1992 | * Proceeds from Prepayments Received from County Treasurer |
| March 24, 1992 | * Resolution Authorizing Bond Sale |
| April 1992 | * Issuance of Bonds |
| December 4, 1992 | * First Assessment Due from Property Owners that did not Prepay Assessment |

PUBLIC UTILITY DISTRICT NO. 1 OF SHONOMISH COUNTY
MITIGATED DETERMINATION OF NONSIGNIFICANCE
WAC 197-11-970;WAC 197-11-350

Description of Proposal The proposal is to construct a public water supply to serve the area surrounding Lake Roesiger and to implement lake restoration measures to assure that the construction of the water supply will not adversely impact the lake water quality. The system would be designed as a fire flow system with a minimum fire flow capacity of 500 gpm. Its source of supply would be the City of Everett with the connection to Everett's system and accompanying pump station adjacent to Woods Creek Road approximately 1/4 mile east of Lake Roesiger Road. In addition to the pump station, the system would be comprised of approximately 46,000 lineal feet of 4, 6, and 8 inch ductile iron water main, a 0.40 MG reservoir at the north end of the lake, and 3/4 inch services to individual lots. The mains would be predominately 8 inch and encircle the lake on the uphill side of the road R/W. The lake restoration measures will include: 1) limiting water consumption based on the status of the property's septic system; 2) hypolimnetic aeration of the north and south basins to limit internal phosphorus release from the bottom sediments and to supply dissolved oxygen to the lake; 3) mandatory conservation measures to reduce hydraulic loading to septic systems; and 4) routine septic tank pumping to reduce phosphorus loading into septic drain fields.

Proponent Public Utility District No. 1 of Snohomish County

Location of Proposal Lake Roesiger is located approximately 7-1/2 miles east of Lake Stevens, 6 miles southeast of Granite Falls and 3 miles northwest of Lake Chaplain in the foothills of the Cascade Mountains. It is included in portions of Sections 15, 16, 21, 22, 28, and 33 of Township 29 North and Range 7 East WM.

Adverse Impacts and Mitigation The construction of a water system to serve the Lake Roesiger area is expected to have limited adverse impacts during the construction phase. Once constructed, however, the water system is expected to result in increased use of existing homes and cabins which surround the lake and to facilitate building on some lots which currently cannot support both a private well and an on-site septic system. It has been estimated that this increased human activity in the Lake Roesiger basin, due to the water system, would result in a 16% increase in phosphorus loading to the lake (the critical nutrient in the health of the lake) and a corresponding decline in the lake water quality. Mitigation measures will be included in the water system project which are estimated to result in a 27% net decrease in phosphorus loading over present conditions. The project, including mitigation measures, is expected to result in significant positive environmental impacts and limited adverse impacts.

Lead Agency Public Utility District No. 1 of Snohomish County

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

There is no comment period for this DNS.

This Mitigated DNS is issued under 197-11-340(2); the lead agency will not act on this proposal for 15 days from the date below. Comments must be submitted by December 14, 1990.

Responsible official Charles N. Earl

Position/title District Manager Phone (206) 258-8200

Address 2320 California
Everett, WA 98201

Date _____ Signature _____

ENVIRONMENTAL CHECKLIST

WAC 197-11-960

A. BACKGROUND

1. Name of proposed project, if applicable:

PROPOSED LUD NO. 12 - LAKE ROESIGER WATER SYSTEM

2. Name of applicant:

Public Utility District No. 1 of Snohomish County

3. Address and phone number of applicant and contact person:

2320 California
P.O. Box 1107
Everett, WA 98206

Contact:
N. Craig Thompson
(206) 258-8606

4. Date Checklist prepared:

November 13, 1990

5. Agency requesting checklist:

Public Utility District No. 1 of Snohomish County

6. Proposed timing or schedule (including phasing, if applicable):

Public Hearing on LUD formation	December 18, 1990
Complete design of system components	March 6, 1991
Complete construction of system	September 27, 1991
Public Hearing on final assessment roll	December 3, 1991

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

At the present time, there are no specific plans for future additions or expansions related to the proposed water system, however, a Coordinated Water System Plan study (CWSP) is currently being conducted for north and east Snohomish County pursuant to WAC 248-56. The area to be served by the proposed water system for Lake Roesiger is in the CWSP area. A major element in the CWSP is the identification of regional water supply projects. One of the regional supply alternatives for the Granite Falls area is the construction of a water transmission main from the City of Everett's northern transmission mains, along Lake Roesiger Road and Menzel Lake Road, and into Granite Falls. Should this alternative be selected, it may be cost effective to increase the size of some of the Lake Roesiger system components to provide the required transmission capacity. At the present time, the CWSP has not identified specific routes nor has it quantified the water supply needs for the Granite Falls area. The CWSP will be developing its alternatives over the next two months and if a Granite Falls alternative is selected which uses the Lake Roesiger system, the design of the system will be modified to accommodate the increased capacity requirements. The CWSP will perform its own SEPA review process and evaluate the effects of providing additional water supplies to the Granite Falls area. The Lake Roesiger system components that could be affected by the capacity increase would be 1) the service size off the Everett transmission main, 2) the pump station size, 3) the size of the transmission mains, and 4) the size of some of the distribution mains.

The CWSP may also result in plans to develop interties between the numerous water systems in east Snohomish County that purchase water from the City of Everett. This could result in a long term plan to connect the Lake Roesiger system to the Three Lakes system, the Highland system, the City of Monroe system, the Roosevelt system, and the numerous other smaller systems along the Everett transmission mains.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

Snohomish County Granite Falls Area Comprehensive Land Use Plan EIS, December 1983.
Lake Roesiger Phase I Restoration Analysis, December 1989

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

No, although Snohomish County completed a Lake Roesiger Phase I Restoration Analysis study in December 1989 which recommended various measures that could be implemented to improve water quality in Lake Roesiger. Four of those measures have been included in the LUD to mitigate the impacts of the water system and property owners are considering the implementation of other measures.

10. List any governmental approvals or permits that will be needed for your proposal, if known.

- * Snohomish County
 - Building Permits
 - Conditional Use Permits and Variances
 - Right-of-Way Use Permit
- * Shoreline Substantial Development Permit
- * State Game and Fisheries Hydraulic Permits
- * Department of Health Water System Plan Supplement Approval

11. Description of proposal.

The proposal is to construct a public water supply to serve the area surrounding Lake Roesiger and to implement lake restoration measures to assure that the construction of the water supply will not adversely impact the lake water quality. The system would be designed as a fire flow system with a minimum fire flow capacity of 500 gpm. Its source of supply would be the City of Everett with the connection to Everett's system and accompanying pump station adjacent to Woods Creek Road approximately 1/4 mile east of Lake Roesiger Road. In addition to the pump station, the system would be comprised of approximately 46,000 lineal feet of 4, 6, and 8 inch ductile iron water main, a 0.40 MG reservoir at the north end of the lake, and 3/4 inch services to individual lots. The mains would be predominately 8 inch and encircle the lake on the uphill side of the road R/W. The lake restoration measures will include: 1) limiting water consumption based on the status of the property's septic system; 2) hypolimnetic aeration of the north and south basins to limit internal phosphorus release from the bottom sediments and to supply dissolved oxygen to the lake; 3) mandatory conservation measures to reduce hydraulic loading to septic systems; and 4) routine septic tank pumping to reduce phosphorus loading into septic drain fields.

12. Location of proposal.

Lake Roesiger is located approximately 7-1/2 miles east of Lake Stevens, 6 miles southeast of Granite Falls and 3 miles northwest of Lake Chaplain in the foothills of the Cascade Mountains. It is included in portions of Sections 15, 16, 21, 22, 28, and 33 of Township 29 North and Range 7 East WM.

B. ENVIRONMENTAL ELEMENTS

1. Earth

- a. General description of the site (circle one): Flat, rolling, hilly, steep slopes mountainous, other _____.
- b. What is the steepest slope on the site (approximate percent slope)?

Since the mains will primarily be installed within existing road R/W's, the slopes in construction areas will generally be less than 10 percent. Slopes in the general service area range from 0 to 25 percent.

- c. **What general types of soils are found at the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.**

Soils consist primarily of Tokul gravelly loam with some Cathcart loam at the northeast end of the lakeshore (USDA Soil Conservation Service 1983 and Kramer, Chin, & Mayo Inc., Lake Roesiger Phase I Restoration Analysis December 1989).

- d. **Are there surface indications or history of unstable soils in the immediate vicinity? If so describe.**

Unstable soils have been found in at least one location on the east side of the lake. Unstable soils are not expected at locations where the water system will be constructed. Individual service lines from the meter to the home may have to be routed in some instances to avoid unstable soil.

- e. **Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicated source of fill.**

Grading will occur to level for the foundations of the pump station and reservoir and the air compressor vaults (or small buildings). The pump station will have a building footprint of less than 1,000 sq ft and thus grading will be light. The air compressor vaults will require less than 500 sq ft of grading. The reservoir will require a graded pad of approximately 4,000 sq ft. No imported fill is anticipated for the reservoir except for bedding sand. Trenches 4 feet deep and 18 to 24 inches wide will be dug for the estimated 43,000 lineal feet of 4, 6, and 8 inch water main. The trenches will be primarily in the road shoulder on the uphill side of the County road R/W to avoid buried telephone cable on the downhill side. Excavated soil will be backfilled into the trench after the main has been installed provided it is suitable. Unsuitable and excess soil will be hauled off site and disposed of per Snohomish County standards. Unsuitable soil will be replaced with backfill material and all backfill material will be compacted to Snohomish County standards. After backfilling the trench, the road shoulder will be graded and topped with crushed rock and the ditches cleaned of any spilled soil or debris per Snohomish County standards.

- f. **Could erosion occur as a result of clearing, construction, or use? If so, generally describe.**

Temporary erosion could occur during construction of the system depending on the weather. The temporary erosion is not expected to be significant at the pump station, air compressor, and reservoir sites because they will not be in close proximity to drainage paths. Temporary erosion during and immediately after construction is more likely to occur as a result of water running in the roadside ditches. The extent of this erosion is expected to be similar to or slightly greater than that experienced during and immediately after ditch cleaning done by Snohomish County road crews. The water mains will intersect several streams where they cross the roads. In every case but one, the streams are in culverts and the mains will be installed in the shoulder of the road and over the top of the culvert so erosion will be minimized. At the outlet to the lake the water main will be installed at the same elevation and adjacent to the bridge so as not to affect the stream or vehicular traffic.

- g. **About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings).**

The pump station is expected to create approximately 1,000 sq ft of gravelled area and less than 1,000 sq ft of impervious roof surface while the air compressor vaults (or small buildings) will create approximately 160 sq ft of impervious surface. The reservoir will have approximately 2,000 sq ft of roof area and 2,000 sq ft of gravelled area. No additional impervious surface will be created by the water main construction.

- h. **Proposed measures to reduce or control erosion, or other impacts to the earth, if any:**

The reservoir, air compressor, and pump station are expected to have minimum potential for erosion due to their size and location. Should a site specific condition with erosion potential be discovered during design or construction, hydroseeding of ditches to facilitate natural storm water filtration, hay bales, drainage berms, and other suitable erosion control methods will be used. The PUD's standard construction documents requires contractors working on water main projects to use erosion control measures such as hay bales and

filter fabric as necessary during construction. The PUD would also have an inspector on the project to assure that the contractor complies with the contract's requirements.

2. Air

- a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.**

During construction, some increase in dust is expected as well as emissions from construction equipment such as carbon monoxide and suspended particles from diesel engines. Emissions from equipment is expected to be minimal. There will be no affects on air quality from the completed project.

- b. Are there any off-site sources of emissions or odor that may affect your proposal? If so generally describe.**

There are no known off-site sources of emissions or odors.

- c. Proposed measures to reduce or control emissions or other impacts to air, if any:**

Dust during construction will be controlled through street sweeping and wetting the construction area during dry weather. Care will be taken to not use too much water such that silty water enters the streams and lake.

3. Water

a. Surface

- 1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.**

Yes, Lake Roesiger and its tributary streams are nearby. Lake Roesiger drains into Roesiger Creek which drains into Woods Creek which drains into the Skykomish River. No wetlands will be impacted.

- 2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.**

Yes, the water mains will for the most part be installed on the uphill side of the County roads around Lake Roesiger. In several areas, the County roads are within 200 feet of the lake and the roads also cross several streams which enter the lake. The outlet to the lake is crossed by two County roads which will have water mains installed in them. In all cases where the streams entering the lake and the County roads cross, the stream is in a culvert while at the outlet, one road has the stream in a culvert while the other road has a bridge over the stream. In each situation where the water main will be intersecting a stream crossing the road in a culvert, the main will be installed in the roadway shoulder and over the top of the culvert so that the stream will not be disturbed. In the situation at the outfall where the road bridges over the stream, the water main will be installed above ground and at the same elevation as the bridge supports so that it will not affect the stream. The hypolimnetic aeration system will include air compressors in vaults (or small buildings) near the north and south basin lakeshores, buried piping from each vault to the lakeshore, anchored piping along the lake bottom, and aeration units in the north and south basins which will be anchored to the lake bottom.

- 3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.**

No dredge material will be removed or fill material placed in surface water or wetlands.

- 4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.

The construction of a new public water system to serve the Lake Roesiger area with an external source of supply will result in a reduction of surface water withdrawals from the lake and tributary springs and streams. This reduction will result from the property owners currently using the lake or tributary springs or streams for their domestic water supply that would switch to the public water supply when it's completed. It is difficult to quantify the amount of reduction in withdrawals since most properties are only used seasonally and the rest would tend to still use lake water for irrigation. A survey done in 1989 showed 318 or 83 percent of all developed properties used the lake, springs, or streams for their water supply. The same survey showed that only 27 percent of the developed properties were used year-round. Assuming a domestic water consumption of 300 gallons per day per household, the annual withdrawal reduction would be 9.4 MG. This reduction in withdrawals is of some limited benefit to the lake but is not significant when compared to the 23,102,000 cubic meters (6,100 MG) total annual water budget for the lake (Kramer, Chin, & Mayo, Inc - Lake Roesiger Phase I Restoration Analysis December 1989).

- 5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.

No

- 6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

The new water system will not result in the direct discharge of waste materials into surface waters. Indirectly, the new water system could lead to more permanent residences on the lake and greater use of vacation homes and cabins which could, in turn, lead to a greater potential for increased non-point source pollutants such as fertilizers, failed septic systems, pesticides, herbicides, domestic animal wastes, etc. The Lake Roesiger Phase I - Restoration Analysis report indicated that groundwater flowing into the lake with nutrients from septic systems will occur at accelerated rates. This effect is explained in greater detail in section B.3.b(2).

b. Ground:

- 1) Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.

The new water system will obtain its supply from the City of Everett's transmission mains which are located 1/2 mile south of Lake Roesiger. Everett's supply is from the Sultan River which is surface water. Consequently, the new water system will not have any direct impacts (withdrawal or discharge) to ground water. The new water system will, however, indirectly impact both withdrawals and discharges to ground water. Withdrawals of ground water for water supply are expected to decrease, once the public water system is operational, as properties with ground water supplies connect to the system. A survey in 1989 showed 52 developed properties with wells and several more have been added in the intervening year. It is not known how many of the properties with wells will elect to connect to the new system immediately, however, various water quality problems including arsenic in some of the wells plus ever increasing state and federal requirements for drinking water supplies will eventually result in most of them connecting to the public system. The total effect of reducing the ground water withdrawals is not expected to be significant.

Indirectly, the new water system is expected to increase discharges to ground water in the form of new septic systems and increased use of existing septic systems. The Lake Roesiger Phase I Restoration Analysis estimated that the net effect of new and increased usage of existing septic systems resulting from the development of new water supplies will increase septic system discharges to ground water by 2-1/2 times the existing amount. This estimate did not differentiate, however, between the effects of constructing the proposed new basin-wide water system verses the continued construction of new individual wells and new Group A (≥ 15 connections) and Group B (< 15 connections) water systems. Recent legislation, which became effective July 1, 1990, requires a 100 foot protected area around private wells and will make it more

difficult to install private wells to serve the narrow lots around the lake. The value of property surrounding the lake, the expectations of property owners to be able to use their property, the fact that between 80 and 90 percent of the developed properties surrounding the lake do not have safe drinking water as defined by state standards, and increased federal, state, and local requirements related to drinking water quality have created pressure to provide safe drinking water to the Lake Roesiger area. Consequently, if the proposed system is not constructed, it is expected that the need for safe drinking water will result in numerous small Group A and Group B systems being constructed to fulfill the need although probably not as soon as the proposed system.

2) Describe the waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage: industrial, containing the following chemicals . . .; agriculture; etc). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

The new water system will not directly result in the discharge of waste materials into ground waters. Indirectly, the new water system is expected to increase discharges to ground water in the form of new septic systems and increased use of existing septic systems. This potential situation was addressed in Lake Roesiger Phase I Restoration Analysis which identified phosphorus as the critical pollutant affecting the environmental health of the lake. The analysis documented the current phosphorus loading conditions and estimated future phosphorus loading under three hypothetical development/restoration scenarios. Using this data, the chart below was developed which summarizes current conditions, an estimate of the impacts of a new water system if little or no restoration measures are implemented, and an estimate of the impacts of a new water system if restoration measures are included in the project.

<u>Restoration and Development Activity</u>	<u>Current Conditions</u>	<u>Public Water No Restoration</u>	<u>Mitigated Public Water</u>
<u>Restoration Measures</u>			
Watershed Controls			
* County Ordinance & Policies	No	No	No
* Developed Area Management	No	No	Partially
* On-site Waste Disposal			
+ Routine Septic Tank Pumping	No	No	Yes
+ Community Septic Systems	No	No	No
In-Lake Restoration			
* Hypolimnetic Aeration	No	No	Yes
* Boat Lane Dredging with Alum	No	No	No
* Whole Lake Alum Treatment	No	No	No
* Aquatic Plant Control	No	No	No
Monitoring & Documentation	Limited	No	No
<u>Development Assumptions</u>			
Number of Developed Lots			
* Existing Developed Lots	340	340	340
* New Developed Lots	-0-	110	110
Sewage Disposal			
* Step Systems	-0-	-0-	-0-
* Individual Septic Systems	-?-	370	370
* Individual Privies	-?-	80	80
Public Water Supplies	Limited	Yes	Yes
Annual Phosphorus Loading (kg)	433	504	316
Change in Phosphorus Loading	-0-	+16%	-27%

The analysis estimated that with a public water supply available to each lot, 370 lots could be fully developed around the lake with on-site septic systems and an additional 80 lots would remain partially developed with privies for a total of 450 developed lots. The analysis also estimated that an additional 200 lots could be developed if community septic systems were installed. The worst case situation in terms of phosphorus loading to the lake would be to provide public water and not implement any lake restoration measures. The "Public Water No Restoration" column shows that phosphorus loading to the lake would increase by 16% if this were done. Although property owners are considering the implementation of some of the lake restoration recommendations, there is no guarantee that any of the recommendations will be implemented if a water system is installed. Consequently, to assure that lake water quality is not degraded, four restoration measures will be implemented as part of the water system LUD. The "Mitigated Public Water" column shows that by implementing the four restoration measures as mitigation for the impacts of the water system, the phosphorus loading will decrease by 27% over current conditions.

c. Water Runoff (including storm water):

1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so describe.

Some storm water runoff will occur from the impervious surface that will be created at the pump station, air compressors, and the reservoir. Storm water from the pump station will flow into the roadway ditch and eventually into Roesiger Creek. Storm water from the air compressor vaults (or small buildings) will flow into Lake Roesiger. The reservoir will be located on the divide between the Lake Roesiger and Pilchuck River drainage basins. Storm water from the reservoir will flow into the nearest drainage way consistent with the preconstruction drainage patterns. An emergency overflow from the reservoir would result in water runoff into the Pilchuck River drainage basin. Overflow of the reservoir would only occur if the control system component of the water system were to fail. This would be unlikely but not impossible. Water from the system itself will enter surface waters through lawn irrigation, vehicle washing, fire fighting, and main flushing.

2) Could waste materials enter ground or surface waters? If so, generally describe.

In addition to the potential for the new water system to indirectly lead to the waste materials entering both ground and surface waters as identified in sections B.3.a(6) and B.3.b(2), water from the system which enters surface waters through main flushing or emergency overflows of the reservoir may contain chlorine at levels as high as 1.0 part per million (ppm). Normally, the chlorine dissipates quickly, however, care will be taken during routine main flushing so as not to discharge directly into streams or the lake. Water from initial flushing of the mains after construction contains chlorine concentrations of 50 ppm and will be dechlorinated before discharging into surface waters.

d. Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

The impacts associated with the construction of the water system will include re-seeding grass areas after construction, hay bales and other sediment barriers to provide filtering and sedimentation, keeping equipment fueling areas away from drainage ways, etc.

The impacts to surface, ground, and runoff water are primarily associated with phosphorus loading to the lake. Without the implementation of lake restoration measures, the impact of providing a public water system would be an estimated 16% increase in phosphorus loading to the lake. Four specific mitigation measures will be implemented as part of the water system LUD to assure that this does not happen. These measures include limiting water consumption based on the status of the property's septic system, hypolimnetic aeration of the north and south basins, mandatory conservation, and routine septic tank pumping. Implementing these four measures will result in an estimated 27% decrease in phosphorus loading to the lake.

Aerating the north and south basins will, in addition to limiting phosphorus release from the sediments, will improve the lake's aquatic habitats. The increased dissolved oxygen concentration will help support the fishery in the lake.

4. Plants

a. Check or circle types of vegetation found on the site:

XX deciduous tree: alder, maple, aspen, other (cottonwood, vine maple, willow)

XX evergreen tree: fir, cedar, pine, other (hemlock, spruce)

XX shrubs

XX grass

XX pasture

crop or grain

XX wet soil plants: cattail, buttercup, bullrush, skunk cabbage, other

water plants: water lily, eelgrass, milfoil, other

XX other types of vegetation

b. What kind and amount of vegetation will be removed or altered?

The water mains will be predominately in existing road rights-of-ways with minimal vegetation affected during the construction process. The reservoir construction will require the removal of 8 to 10 small cedars, hemlocks, alders, and maples. The pump station construction will include the removal of 6 to 8 alders and maples, blackberries, and other brush. The air compressor vaults (or small buildings) will be installed in grassy areas.

c. List threatened or endangered species known to be on or near the site.

No threatened or endangered species of plants are known to be on or near the site.

d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

All landscaping will be done to Snohomish County standards and will be based predominately on using native plants which are low maintenance. Ditches will be hydroseeded after construction.

5. Animals

a. Circle any birds and animals which have been observed on or near the site or are known to be on or near the site:

birds: hawk, heron, eagle, songbirds, other: (ducks, geese)

mammals: deer, bear, elk, beaver, other: (muskrats, otters)

fish: bass, salmon, trout, herring, shellfish, other: (crappie, perch, bluegill, bullheads, catfish)

b. List any threatened or endangered species known to be on or near the site.

Bald eagles.

c. Is the site part of a migration route? If so, explain.

Ducks and geese migrate through the area.

d. **Proposed measures to preserve or enhance wildlife, if any:**

Wildlife will not be impacted in any significant way. No preservation measures are planned.

6. **Energy and Natural Resources**

a. **What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.**

Electrical energy will be used to power the water pumps, heat the pump station building, operate the water system controls, and power the air compressors. Gasoline and diesel fuel will be used by equipment during construction.

b. **Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.**

No

c. **What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:**

Electrical energy will be used by the supply pumps whose energy consumption is proportional to the amount of water pumped. The mandatory water conservation program for the Lake Roesiger system which will reduce water consumption and thus energy consumption. Heat in the pump station will be maintained at 50 degrees.

7. **Environmental Health**

a. **Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so describe.**

The potential exists for a gasoline explosion and diesel and gasoline spills from equipment during construction. The possibility of an explosion is remote provided the contractor follows state safety rules. A diesel or gasoline spill could occur during equipment refueling or operation. If a spill were to occur the contractor would be required to immediately contain the spill and begin cleanup procedures.

1) **Describe special emergency services that might be required.**

In the event of an explosion or spill, Fire District No. 16 has a station on the east side of Lake Roesiger which would respond. If a spill was beyond the ability of the contractor to contain and cleanup, the PUD has a cleanup team to assist while the contractor is obtaining cleanup specialists.

2) **Proposed measures to reduce or control environmental health hazards, if any:**

State regulations regarding safety and the handling of hazardous materials will be enforced during the construction process. Equipment refueling areas will be located in areas where a spill can be quickly contained and where the risks of the hazardous material entering surface water is minimized.

b. **Noise**

1) **What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?**

Vehicular traffic, logging activities, and boating on Lake Roesiger are the primary sources of existing noise. None of these noises will affect the water system construction or operation.

2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

Long-term noise ranging from 68 dBA to 75 dBA will be generated by the air compressors. Short-term noise would be generated during construction from equipment such as diesel trucks and backhoes, bulldozers, jackhammers, etc. Normal work hours during construction would be from 7:00 A.M. to 5:00 P.M. Situations may arise on a limited basis, however, when work hours may have to be changed briefly to accommodate field conditions.

3) Proposed measures to reduce or control noise impacts, if any:

Sound buffers will be included in the design of the air compressor vaults (or small buildings) to meet sound level standards of the surrounding receiving environment. Local, state and federal noise standards will be enforced for all construction equipment.

8. Land and Shoreline Use

a. What is the current use of the site and adjacent properties?

The pump station and reservoir sites are vacant land. The air compressors will be located on public lands adjacent to the lake. The water mains will be along county roads and private road easements in most instances. In the northeast corner of the lake, the main will go through a private yard.

b. Has the site been used for agriculture? if so describe.

No.

c. Describe any structures on the site.

None currently exist.

d. Will any structures be demolished? if so, what?

None

e. What is the current zoning classification of the site?

R-5, F & R, and RC, all of which are consistent with the land use plan.

f. What is the current comprehensive plan designation of the site?

The land use designation in the service area is predominately Rural-5 which allows one dwelling unit per 5 acres. Forestry, neighborhood business, and public facilities classifications are also in the project area but to a lesser degree. Most of the existing lots are significantly smaller than 5 acres and can be built on if septic disposal permits can be obtained.

g. If applicable, what is the current shoreline master program designation of the site?

suburban

h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

The land use plan shows much of the area to be "environmentally sensitive" due to steep hillsides and adjacency to the lake.

i. Approximately how many people would reside or work in the completed project?

No additional people would work or reside at the water system. PUD crews would operate and maintain the system on a routine basis as part of their normal work.

j. Approximately how many people would the completed project displace?

None

k. Proposed measures to avoid or reduce displacement impacts, if any:

None

l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

The system will be designed per the draft coordinated water system plans design standards to serve the properties within the LUD boundaries. Those properties will also pay for the system through rates and assessments thus there will not be a need to develop surrounding properties to help pay for the system. The pipe size, pump size, and reservoir elevation will reflect these design standards.

9. Housing

a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

None

b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.

None

c. Proposed measures to reduce or control housing impacts, if any:

None

10. Aesthetics

a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

The reservoir is expected to be 45' to 55' high depending on its exact placement. Its overflow elevation will be 770' above mean sea level. It will be surrounded by evergreen trees which are approximately 100' high.

b. What views in the immediate vicinity would be altered or obstructed?

None

c. Proposed measures to reduce or control aesthetic impacts, if any:

Landscaping, re-seeding grass areas, painting the exterior of buildings.

11. Light and Glare

- a. What type of light or glare will the proposal produce? What time of day would it mainly occur?**

The project is not expected to produce any light or glare.

- b. Could light or glare from the finished project be a safety hazard or interfere with views?**

No

- c. What existing off-site sources of light or glare may affect your proposal?**

None

- d. Proposed measures to reduce or control light and glare impacts, if any:**

None

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?**

Snohomish County has a park on the southeast side of the lake for picnicking and swimming. The Department of Game has a launch on the south end for boat access to the lake. Lake Roesiger provides opportunities for fishing, boating, and skiing.

- b. Would the proposed project displace any existing recreational uses? If so describe.**

No

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:**

None

13. Historic and Cultural Preservation

- a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.**

No

- b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.**

There are no known landmarks or evidence of historic, archaeological, scientific, or cultural importance next to the site.

- c. Proposed measures to reduce or control impacts, if any:**

None

14. Transportation

- a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.

Dubuque Rd, Lake Roesiger Rd, Woods Creek Rd, Menzel Lake Rd.

- b. Is the site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?

No, six miles.

- c. How many parking spaces would the completed project have? How many would the project eliminate?

There will be one parking space provided at the pump station and one space provided at the reservoir. No spaces will be eliminated.

- d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).

No

- e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

No

- f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.

One vehicular trip per day is expected to be generated as a direct result of the project. The time of the trip will vary. Indirectly, the project could result in additional traffic due to more frequent use of private recreational property and more year-round residents. The number and time of the additional trips would depend on numerous external variables.

- g. Proposed measures to reduce or control transportation impacts, if any:

None

15. Public Services

- a. Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools, other)? If so generally describe.

No

- b. Proposed measures to reduce or control direct impacts on public services, if any.

None

16. Utilities

- a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other. Cablevision

- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

Electricity - PUD, refuse service - Waste Management Northwest, telephone - GTE, septic systems - individual, cablevision - Roesiger Cablevision. Telephone service is the only utility with significant amounts of underground cable in the area. It is generally on the lake side of the road which is the primary reason for installing the water mains on the uphill side of the road.

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature: H. Craig Thompson

Date Submitted: November 20, 1990

CHAPTER 8

RECOMMENDED LAKE MANAGEMENT PLAN

RECOMMENDED PLAN

The plan to restore and protect Lake Roesiger's water quality and use as a community resource was developed based on the evaluation of limnological data collected during the study and the assessment of restoration alternatives. The recommended plan includes both watershed measures and in-lake techniques to attain the following objectives:

- Reduce external nutrient loading
- Reduce internal nutrient loading
- Provide an oxidized environment in the hypolimnion
- Decrease the occurrence of algal blooms
- Lower lake nutrient concentrations.

These objectives are interrelated in that the attainment of one may allow another objective to be achieved. For example, by providing an oxidized hypolimnion, internal loading will be decreased resulting in lower lake nutrient concentrations and consequently fewer algal blooms.

Prior to implementation of a restoration plan, full compliance with the State Environmental Policy Act (SEPA) must be demonstrated and all appropriate permits must be obtained. As part of this study, a SEPA checklist was prepared and is on file at Snohomish County.

The recommended management plan for Lake Roesiger is outlined in Table 8.1. The upper portion of the table lists recommended alternatives. The two cornerstones of the plan are watershed controls and hypolimnetic aeration of the North and South basins. Watershed controls include a system of community septic drainfields set well back from the lake to serve the majority of residences. These two techniques would decrease external and internal nutrient loading by approximately 50 percent, resulting in lower in-lake nutrient concentrations and improved water quality conditions. Dredging of boat lanes in the Middle Basin is recommended to improve access, remove nutrient-rich sediments, and control nuisance aquatic plants. Alum addition following dredging is recommended to control nutrient release from newly exposed sediments. Continued monitoring of lake water quality will be necessary to evaluate the effectiveness of the watershed and in-lake control measures in achieving the above objectives.

In the lower portion of Table 8.1, additional alternatives are presented as options. For example, in the event that water quality fails to improve fast enough following restoration, a whole-lake alum application is recommended as a stop-gap measure to control phosphorus release from the sediments. However, the likelihood of water quality improvements following implementation of watershed controls and hypolimnetic aeration is very high. Continued efforts to control external loading and internal loading will be necessary to preserve the observed benefits and to further enhance lake water quality. At this point, plant control strategies such as harvesting or sediment covers may be desired to reduce nuisance aquatic macrophytes in the

**Table 8.1
Lake Roesiger Phase I
Recommended Restoration Plan**

RECOMMENDATION	DESCRIPTION	SCHEDULE	ESTIMATED COST
Watershed Controls	<ul style="list-style-type: none"> • County ordinance and policy revisions • Developed area management • On-site septic systems conversion to step systems 	<ul style="list-style-type: none"> • 1990 • Ongoing • Spring 1992 	<ul style="list-style-type: none"> • Budgetary item • \$8,000 per year • \$2,000 - \$14,000 per lot improved • O & M: \$200 - \$400 per lot per year
Hypolimnetic Aeration North and South Basins	<ul style="list-style-type: none"> • Installation and aeration of both the north and south basins 	<ul style="list-style-type: none"> • Fall 1991 	<ul style="list-style-type: none"> • Const.: \$300,000 • O & M: \$11,000 / yr.
Boat Lane Dredging and Alum Treatment Middle Basin only	<ul style="list-style-type: none"> • Removal of approximately 150,000 cubic yards of bottom sediment followed by alum treatment 	<ul style="list-style-type: none"> • Fall 1991 	<ul style="list-style-type: none"> • Boat lanes dredging: \$1,200,000 • Alum treatment: \$40,000
Restoration Monitoring	<ul style="list-style-type: none"> • Pre-and post-restoration water quality monitoring as required by grant 	<ul style="list-style-type: none"> • 6 months prior to restoration activities and 18 months thereafter 	<ul style="list-style-type: none"> • \$300,000
Post-Restoration Monitoring	<ul style="list-style-type: none"> • Citizen program 	<ul style="list-style-type: none"> • Subsequent to restoration monitoring 	<ul style="list-style-type: none"> • \$7,500 per year
Optional Activities not Included in Restoration Plan			
Alum Treatment Whole-Lake	<ul style="list-style-type: none"> • Aluminum sulfate sodium aluminate treatment of entire lake 	<ul style="list-style-type: none"> • Dependent upon water quality 	<ul style="list-style-type: none"> • \$266,000 - \$2,480,000
Harvesting Middle Basin	<ul style="list-style-type: none"> • Periodic removal of nuisance plants 	<ul style="list-style-type: none"> • Optional 	<ul style="list-style-type: none"> • \$36,000 / harvest
Sediment Cover Middle Basin	<ul style="list-style-type: none"> • Installation of bottom barrier to inhibit plant growth around docks and beaches 	<ul style="list-style-type: none"> • Optional 	<ul style="list-style-type: none"> • \$1.25 / sq. foot

Middle Basin. The key elements of the recommended plan are discussed in greater detail in the following sections.

When developing a long-range plan for the management of lake water quality, it is critical to address external loading originating from watershed sources or activities. Watershed control measures for Lake Roesiger can be categorized into three groups based on the implementation mechanism. The first group includes those measures that can be implemented through existing or new Snohomish County ordinances or policies such as requirements for adequate stream and wetlands buffer zones, improved forestry and development practices, and improved roadside ditch maintenance. The second group of watershed controls can be categorized as developed property management. This group can be implemented through public education and awareness programs that would enhance water conservation and quality through better landscaping methods, alternative household practices, and roof drainage controls. The third group consists of improved on-site waste disposal systems. These improvements would be achieved through a combination of private, special district (e.g., a sewer district), and county efforts. All of the watershed controls discussed in this section are grant eligible.

Watershed Control Measures

County Ordinances and Policies

A number of County ordinances and policies contain water quality protection provisions (see Appendix I). A review of these policies was performed for Lake Stevens and many of the recommendations may be applicable to Lake Roesiger. However, new ordinances or policies that recognize Lake Roesiger's unique water quality problems may be required to protect and enhance its water quality and community uses. The three major types of watershed activities that could be addressed through county ordinances and policies are development, forestry practices, and roadside ditch maintenance.

Recommendations to minimize adverse water quality impacts during development or construction include:

- Establish and maintain vegetated buffers adjacent to streams and wetlands
- Require buffers adjacent to clearing and development activities
- Provide effective erosion and sedimentation controls (i.e., biofiltration systems, retention ponds) during construction
- Regulate all grading, filling, and clearing activities
- Limit the removal of vegetation during construction
- Restrict construction during the wet season.

Many of the recommendations to protect water quality during development can also be applied to timber removal or other forestry practices. One of the most effective ways to mitigate adverse water quality impacts from forestry practices is to provide adequate buffer zones adjacent to streams, wetlands, and lakes. In addition, road construction and placement of culverts should be carefully designed to avoid road

failure and subsequent erosion, sedimentation, and water quality impacts. The DNR is responsible for oversight of logging and silvicultural practices and should require maximum leave areas (25 to 100 feet from stream banks).

Roadside ditch maintenance represents a readily available tool for the County to use for control of surface water runoff quantity and quality. Maintenance of vegetation in roadside ditches increases biofiltration of pollutants as well as decreasing the rate and volume of runoff. Continued efforts by the County to maintain vegetation within the drainage system should be encouraged.

Effective implementation of county ordinances and policies will require sufficient staff to perform site inspections and to enforce regulations. Furthermore, delegated staff should be authorized to require corrective actions or issue citations for drainage and water quality problems. This is similar to what has been outlined in the Lake Stevens Watershed Water Quality Management Plan (Kramer, Chin & Mayo 1989).

Developed Property Management

Developed property management can be implemented by Lake Roesiger watershed residents. The first step should include the continuation of a public awareness program by Snohomish County to disseminate information on alternative landscaping methods, household waste disposal, roof drainage controls, environmentally sound building and construction techniques, and water conservation strategies. Successful developed property management to achieve water quality goals will require County staff to develop and coordinate the public awareness program. Because participation in this program will be on a voluntary basis, it will be critical to convey the importance and potential beneficial effects of responsible property management to local residents. This has already begun in the public awareness program for the Phase I restoration effort.

On-site Waste Disposal

Improvements in on-site waste disposal will reduce nutrient loading via this source to Lake Roesiger. The two primary improvement strategies recommended for Lake Roesiger are annual septic tank pumping for nutrient control and development of step-cluster septic systems. The "step-cluster system" proposed is a series of community septic drainfields set well back from the lake, each serving a number of residences (5 to 25). Development of step-cluster systems that discharge to community drainfields remote from the lake will result in attenuation of the waste plume, thereby reducing the amount of nutrients that enter the lake. As part of this recommendation, a study should be conducted to assess the feasibility of various waste disposal alternatives including a step cluster system. It should be recognized that finding suitable locations for community drainfields may be very difficult due to the soils, topography, and land ownership limitations in the Lake Roesiger area. The following restoration recommendations assume that a step cluster system will prove to be the most feasible alternative. To determine the best possible waste disposal alternative, a comprehensive feasibility study will need to be conducted assessing both capital and maintenance costs. A step system will require ongoing maintenance but at a lower intensity than sewage treatment plant operation.

Another issue that is indirectly related to septic systems and water quality impacts is the planned public water system in the Lake Roesiger area. Although soil

unsuitable for septic systems is the major limiting factor for new development, a public water system would likely encourage increased use of existing residences and some new development. A public water system, or increased drilling of wells made feasible by increasing lot values, could result in increased nutrient loading to the lake from septic sources if residents currently on low-use privies convert to septic systems or illicit disposal systems. Privies typically receive lower wastewater volumes than septic systems and, therefore, have less impact on water quality.

Based on a preliminary engineering analysis of suitable step-cluster locations, it was assumed that the maximum affordable lots that could be served by a step-cluster system was 525 lots. This determination was based on the location of current drainfields (i.e., secondary lots) and the topography of the plotted area. The cost of a large pump to serve some of the steep areas was the limiting factor to potential step-cluster connection.

A variety of in-lake restoration techniques were evaluated for use in Lake Roesiger (see Chapter 7). The recommended restoration plan considers the anticipated effectiveness of the techniques in achieving water quality goals, the technical feasibility of implementation, and the relative cost of the alternatives. Hypolimnetic aeration of the North and South basins and partial dredging of the Middle Basin form the basis of the recommended in-lake restoration plan for Lake Roesiger. A whole-lake alum treatment would only be performed if watershed controls and recommended in-lake measures failed to improve water quality at a fast enough rate (Table 8.1). Control of nuisance aquatic plants in the Middle Basin through harvesting or sediment covers is presented as an option in Table 8.1. Harvesting and sediment covers are not eligible for grants. All other recommended alternatives (i.e., watershed controls, hypolimnetic aeration, dredging, and alum addition) are grant eligible.

In-Lake Restoration

Hypolimnetic Aeration

Hypolimnetic aeration was selected to reduce phosphorus release from Lake Roesiger's sediments. Since internal loading of phosphorus from the sediments constitutes a major portion of the total phosphorus loading to the lake (39 percent), hypolimnetic aeration is expected to reduce in-lake nutrient concentrations and improve water quality conditions. An additional benefit attained by maintaining an oxygenated hypolimnion is the increase in suitable fish and zooplankton habitat.

The costs for hypolimnetic aeration compare favorably to other restoration techniques that target internal phosphorus loading (e.g., alum addition, dredging) (See Table 7.1). Although dredging the North and South basin sediments would probably be effective in reducing internal phosphorus loading, the cost would be prohibitive. In a lake with low alkalinity such as Lake Roesiger, alum application requires careful dose determination to avoid toxicity to aquatic biota.

Boat Lane Dredging Followed by Alum Addition

Recreational uses in the Middle Basin are currently restricted due to shallow water depths and dense aquatic plants. Dredging boat lanes in the Middle Basin is recommended to improve access, reduce boat-induced sediment/water mixing, improve fish movement, and increase recreational use. This technique would also remove small amounts of nutrient-rich sediments from the lake as well as nuisance

plant material. An alum application is recommended for dredged areas to prevent phosphorus release from newly exposed sediments. Dredging typically results in temporary suspension of sediments and elevated nutrient concentrations during the operation. Alum addition can help mitigate some of these short-term impacts as well as provide more long-term control of phosphorus release from treated areas. As discussed in Chapter 7, application of alum to Lake Roesiger will require the addition of a buffering agent such as sodium aluminate to ensure that pH and alkalinity do not drop to lethal levels for aquatic biota.

Dredging is a relatively costly restoration technique. The estimated cost for dredging boat lanes in the Middle Basin is \$1,240,000 depending on location of the disposal area for dredged materials and the number of logs that are encountered.

Whole-Lake Alum Treatment

If the lake does not respond to the watershed controls and in-lake restoration measures described above, a whole-lake alum/sodium aluminate treatment is recommended to achieve water quality goals. An alum/sodium aluminate treatment in Lake Roesiger would probably result in decreased internal phosphorus loading and improved water quality conditions. However, alum needs to be reapplied to maintain its control of sediment phosphorus release. Alum's duration of effectiveness is difficult to predict for Lake Roesiger but, based on experiences in other softwater lakes, it would not be expected to be effective beyond 2 years.

Estimated costs for a low dosage whole-lake alum/sodium aluminate treatment (i.e., 2 to 3 mg Al/l) are comparable to construction costs for hypolimnetic aeration (Table 8.1). Higher dosages that are typical of alum/sodium aluminum additions to softwater lakes (i.e., 20 to 30 mg Al/l) raise treatment costs considerably due to increased chemical costs. Furthermore, because it will be necessary to reapply alum every few years, this alternative becomes more expensive than hypolimnetic aeration over the long-term.

Aquatic Plant Control Techniques

Sediment covers and harvesting could be employed to reduce nuisance aquatic plants in the Middle Basin. Installation of sediment covers over the entire Middle Basin would be relatively expensive (Table 8.1). However, private application of sediment covers in areas that support nuisance plant densities should be considered for beach areas and around docks. Harvesting could also be used to remove nuisance aquatic plants from high-priority, localized areas of the Middle Basin. As discussed in Chapter 7, harvesting can be a very slow, labor-intensive process. A major deterrent to implementing these plant control measures is their current status as grant ineligible. Funding for these controls would need to be provided on a local level.

Monitoring and Documentation

Continued monitoring of lake and streamwater quality will be necessary to evaluate the effectiveness of the watershed and in-lake control measures in achieving water quality objectives. The monitoring design will be patterned after the Phase I program to facilitate comparability of the data. It is recommended that monitoring continue at the deep sampling stations in the North and South basins, as well as the shallow Middle Basin station, and in all inflowing streams and the outlet. Sampling frequency will also be consistent with that of the Phase I program. However,

initiation of the sampling program in October to obtain a full water year is strongly recommended. The duration of the monitoring program will be six months prior to restoration activities and at least 18 months thereafter. The total cost to conduct this program, including sampling, analytical costs, data analysis, participation in meetings, and preparation of draft and final reports, will be approximately \$300,000.

In addition to the intensive monitoring program discussed above, a citizen monitoring program should be designed and implemented. That program would provide training and assistance to volunteer citizens to monitor and collect data on Lake Roesiger and its tributaries. The data should include nutrients, dissolved oxygen, temperature, pH, alkalinity, and stream discharges. The collection of these data will not only provide a broadened data base for long-term management but will also provide an avenue for citizens to track the environmental quality of their lake. This program will provide the necessary information for citizens to identify water quality problems and improvements.

Citizen Monitoring Program

Implementation of a restoration plan is needed to meet the overall goal of protecting and enhancing the water quality of Lake Roesiger. Because the lake has recently exhibited water quality problems indicative of progression to a more productive or eutrophic state, initiation of a management plan is timely. The recommended plan is based on results of the Phase I program and represents an integrated approach to controlling nutrient loading to the lake through both watershed control measures and in-lake restoration techniques. An overview of the recommended plan that demonstrates the relationships between different elements is presented in Figure 8.1. Long-term improvements in water quality will depend on the implementation of effective watershed controls but these efforts will not control internal cycling of nutrients. Hypolimnetic aeration will control internal nutrient loading and will also promote the recovery of good water quality conditions after the watershed control measures are implemented.

Conclusions

Detailed costs of the recommended restoration plan are presented in Table 8.2. The lake restoration will cost \$1,986,500 for the in-lake and watershed control measures that include \$300,000 for hypolimnetic aeration, \$1,240,000 for Middle Basin dredging of boat lanes and alum treatment, \$300,000 for monitoring and documentation, \$22,500 for citizen monitoring, \$24,000 for developed property management (i.e., public awareness), and \$100,000 for administrative and SEPA costs. The installation of a step system for 525 lots will cost an estimated \$5,250,000. Therefore, the total restoration will be \$7,236,500. Operation and maintenance costs are also presented in Table 8.2. Total costs are broken-out by activity and on a per lot basis.

Table 8.3 summarizes the total costs for four different funding scenarios. The first scenario is based on funding all recommended activities except for the step system, assuming the attainment of a matching 75 percent Centennial Clean Lake grant. The total cost, over 20 years at 10 percent interest including operation and maintenance is \$123/year per lot.

The other three scenarios in Table 8.3 are based on three different funding mechanisms for the cost of entire recommended restoration plan, including step sewer systems (i.e., \$7,236,500). Funding mechanisms for the second scenario are a 75 percent grant for in-lake activities and a 50 percent grant for the step sewer system.

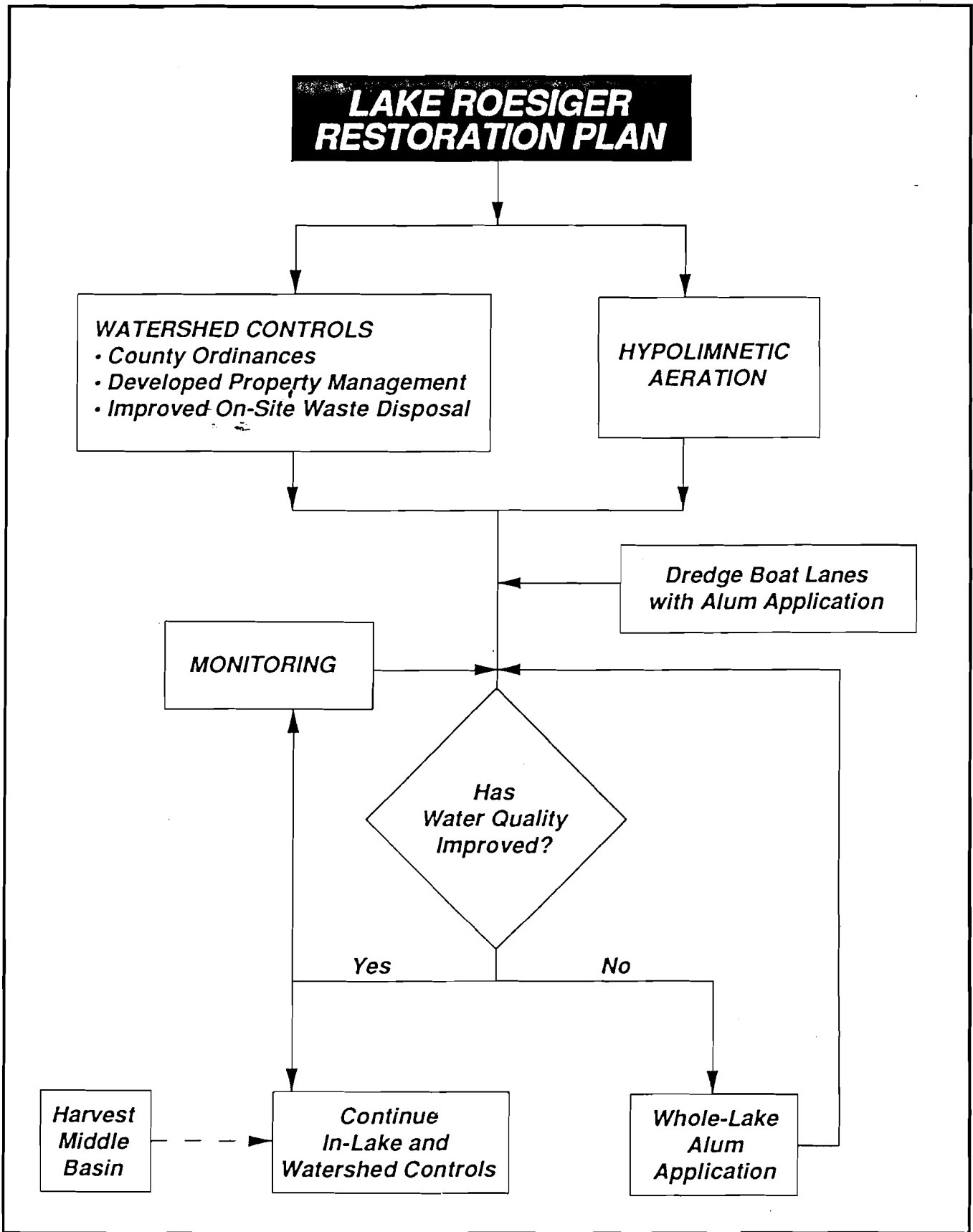


Figure 8.1 Overview of Recommended Lake Roesiger Restoration Plan

TABLE 8.2
LAKE RESTORATION COST ALTERNATIVES

Activity	Capital Cost	Operations & Maintenance	Grant Potential	Low Interest Loan	Local Responsibility	Cost Per Lot @ 750 Lots	Lot @ 10% over 20 yrs. @ 750 Lots	Cost Per Lot @ 5% over 20 yrs. @ 750 Lots	Operations & Maintenance \$ per Lot @ 750 Lots
Hypolimnetic Aeration	\$300,000		\$225,000		\$75,000	\$100	\$13	\$13	\$15
Boat Lane Dredging w/alum	\$1,240,000		\$930,000		\$310,000	\$414	\$54		
Monitoring during Grant Period	\$300,000		\$225,000		\$75,000	\$100	~ 13		
Monitoring after Grant Completion	(\$22,500)		\$7,500/yr		\$7,500	\$10	\$1.30		\$10
Developed Area Management (Public Involvement)	(\$24,000)		\$8,000/yr		\$8,000	\$11	\$1.4		\$11
Administrative-SEPA costs	\$100,000		\$1,240,000		\$25,000	\$34	4.3		
Subtotal	\$1,840,000	\$26,600/yr	\$1,455,000		\$586,500	\$669	\$87		\$36/yr
Capital Cost	(\$1,986,500)		(\$1,489,875)		(\$507,625)	(\$87)	(\$87)		
Operations & Maintenance & Grant Potential	\$5,250,000(2)	\$150,000/yr	\$2,625,000		\$2,625,000(2)	\$5,000(2)	\$646(2)		
Step System	\$5,250,000(2)	\$150,000/yr	\$5,250,000		\$5,250,000(2)	\$200/yr	\$200/yr		\$883
Capital Cost	\$5,250,000(2)		\$2,625,000		\$2,625,000	\$150,000/yr	\$200/yr		\$441
Subtotal	\$5,250,000(2)	\$150,000/yr	\$150,000/yr		\$150,000/yr	\$200/yr	\$200/yr		\$441-883

Footnote
(1) May be grant funded for 3 years
(2) Cost based on 525 lots

TABLE 8.3

SUMMARY OF RESTORATION COSTS

	Capital Cost	Operations & Maintenance Per Year	Potential Grant Funding	Local Responsibility	Annual Cost Per Lot Over 20 Years
Total cost of lake and watershed activities for all 750 lots	\$1,986,500	\$26,600	\$1,489,875	\$507,625	\$123
Total cost of lake and watershed activities with step-system grant	\$7,236,500	\$176,600	\$4,114,875	\$3,132,625	\$323(1) \$965(2)
Total cost of lake and watershed activities with step-system grant and low interest loan	\$7,236,500	\$176,600	\$4,114,875	\$3,132,625	\$323(1) \$764(2)
Total cost of lake and watershed activities with step-system low interest loan	\$7,236,500	\$176,600	\$1,489,875	\$5,757,625	\$323(1) \$1,206(2)

(1) 225 lots not served by step system but included in the operation and maintenance of the entire lake program.

(2) 525 lots served by step system but included in the operation and maintenance of the entire lake program.

For the 225 lots not served by the step sewer system, the annual per lot cost is \$232. For the 525 lots served by the step sewer system, the annual per lot cost is \$965. Funding mechanisms for the third scenario are a 75 percent grant for in-lake activities and a combination of a low-interest loan (at 5 percent interest over 20 years) and a 50 percent grant for the \$5,250,000 million cost of the step sewer system. The annual per lot cost for lots not served by the step sewer system remains at \$323. For lots that are sewered, the annual per lot cost is \$764. Funding mechanisms for the last scenario are a 75 percent grant for in-lake activities and a low-interest loan (at 5 percent interest over 20 years for the entire cost of the step sewer system. Annual costs per lot for lots not served and for those that are served by the step sewer system are \$323 and \$1,206, respectively.

The purpose of the following analysis is to illustrate the potential effects of restoration under three hypothetical development situations. The lake's response to restoration was evaluated for the following three development conditions:

- Current development
- Intermediate development
- Maximum potential development.

The current development condition assumes that the recommended restoration plan is implemented. This condition reflects the impact of restoration before additional development occurs. The intermediate development condition assumes that development will occur on 450 lots, the estimated maximum number based on on-site waste treatment limitations. The recommended restoration plan has been implemented except for the step system (clusters of septic community drainfields). The increase in development reflects the assumed increased availability of water due to a water supply system or individual wells. The estimated maximum potential development condition was assumed to be 650 of the 750 platted lots, with implementation of the recommended restoration plan. Annual loading under these three conditions are compared to loading from a typical water year in Table 8.4. It was assumed that there are no changes in phosphorus loading from the three uncontrollable sources (i.e., precipitation, interflow, and groundwater) under the three conditions.

This scenario assumes the current development level of 340 lots with the entire restoration plan in effect. It also assumes that a public water supply system has not been established but some increase in private well water usage has occurred along with some conversion from privies to step system. The step system would serve 255 of the 340 lots, and the balance would retain individual on-site treatment. It is anticipated that implementation of hypolimnetic aeration will result in an 80 percent reduction in internal phosphorus loading (Table 8.4). A 100 percent reduction in internal loading is not expected since internal phosphorus release from sediments and macrophytes will probably continue to occur in the Middle Basin. Although internal loading of phosphorus in the Middle Basin was not measured directly, mechanisms other than anaerobic sediment release can result in phosphorus mobilization including:

- Microbial activity

LAKE RESPONSE TO RESTORATION

Current Development Levels

Table 8.4 Annual Phosphorus Loading Under Alternative Development Conditions*

Phosphorus Source	Current Conditions†		Current Development Levels with Step System		Development of 650 Lots		Increased Water Use	
	kg	% of Total	kg	% of Total	kg	% of Total	kg	% of Total
		Loading		Loading		Loading		Loading
Surface Water	64	15	51	22	76	26	70	19
Overland Flow	49	11	33	14	54	19	54	14
Precipitation	23	5	23	10	23	8	23	6
Septics	41	10	4	2	8	3	101	27
Interflow	31	7	31	13	31	11	31	8
Groundwater	56	13	56	24	56	19	56	15
Internal Loading	169	39	34	15	42	14	42	11
Total	433		232		290		377	

* See text for description of alternative development conditions

† Current development conditions during a typical water year without restoration measures

- Transport via buoyant blue-green algae
- Decomposition of aquatic plants
- Hydroxyl-exchange under photosynthetically induced high pH.

However, the total contribution of internal loading from the Middle Basin is probably small relative to the larger North and South basins which are anoxic for most of year. Watershed controls are expected to result in a 90 percent reduction in septic loading, a 50 percent reduction in overland flow contributions from developed areas of the watershed, and a 20 percent reduction in surface water inputs of phosphorus.

The total annual phosphorus loading is predicted to decrease 54 percent under Scenario 1 relative to existing conditions (Table 8.4). Watershed controls account for approximately one third of the reduction and hypolimnetic aeration is responsible for the remaining two-thirds. The decrease in internal and external phosphorus loading will be reflected in decreased lake phosphorus concentrations, less frequent blue-green algal blooms, and higher water clarity. Using the model developed by Dillon and Rigler (1974) and presented earlier in this chapter, the steady-state phosphorus concentration will decrease from 10 µg/l under existing conditions to 7 µg/l under Scenario 1.

This condition assumes an intermediate level of development (i.e., 450 lots) with an increased water supply adequate to serve this future development level without improved on-site waste disposal. Increased water availability is assumed to result in the development of an additional 110 lots above current conditions. This increased water availability occurs through a water supply system or private wells. As discussed earlier, increased water availability may indirectly have an effect on lake water quality due to increased use of existing residences and if residents currently on low-use privies convert to septic systems or illicit disposal systems. No on-site waste disposal improvements accompany the increased water availability in this scenario. Based on the assumptions on septic loading outlined in Chapter 6, septic loading is expected to increase by a factor of 2.5 to 101 kg/yr. This loading is based on 370 septic systems and 80 privies. Loading from other sources was assumed to be comparable to loading under current development levels. Therefore, total loading is predicted to be 377 kg which is close to pre-restoration conditions

**Intermediate
Development**

This condition assumes a high level of development made feasible by clusters of community drainfields around the lake with implementation of the recommended restoration plan. The development of 650 platted lots and logging of large portions of the watershed has occurred under this condition. This is expected to result in increased loading from overland flow and surface water relative to existing nutrient inputs, even with control measures in place. Overland flow and surface water inputs were assumed to increase by 10 percent and 20 percent, respectively, above current levels (Table 8.4). An 80 percent reduction in current septic loading is expected assuming that 525 of the lots are served by step systems. Therefore, septic loading is 8 kg (Table 8.4).

**Maximum Potential
Development**

Internal loading is expected to be affected only slightly under this condition since hypolimnetic aeration should prevent sediment phosphorus release. However, the 80 percent reduction in internal loading achieved by hypolimnetic aeration (34 kg) would probably decrease somewhat as watershed loading increases due to increased development and forestry activities. Therefore, a 75 percent reduction in the existing internal loading level of 169 kg was assumed (42 kg) (Table 8.4).

The total annual loading (290 kg) was therefore higher than loading at current development levels (232 kg), but still was lower than the existing annual loading (433 kg) due to the anticipated effectiveness of hypolimnetic aeration in reducing internal loading and the step system in controlling septic loading.

Although this analysis provides only rough estimates of anticipated loading, it demonstrates the potential impact of increased development on the recommended measures' ability to improve water quality. Implementation of the recommended measures may not be sufficient to measurably improve water quality if development and timber removal in the watershed are not controlled.

Lake Direction

The character of Lake Roesiger will depend on its nutrient loading. To put it in time perspective, the lake's life expectancy at its formation was probably 100,000 to 500,000 years. For the sake of discussion, let us say that the lake would have been an ecosystem for 100,000 years without the influence of human activity. Lake Roesiger is at present some 12,000 to 18,000 years old. However, the lake has eutrophied (aged) at a much higher rate than expected due to the changes in its watershed over the last hundred years. Human activities have and will continue to degrade the environmental quality of the lake and its watershed. This means that although the lake is physically 15,000 years old, it is 50,000 years old in terms of its metabolic functions. Without restoration to correct and prevent further perturbations, the lake will continue to age at an ever-accelerating rate until it dies and becomes dry land. This premature aging is called cultural eutrophication and it will spell the end of the lake within 10,000 years. Of course, due to the increasing growth of plants that will occur as the lake ages, the resource usability of the lake will be lost long before the lake becomes dry land. By initiating lake management the lake character can be returned to what it was 50 years ago. The bottom line is that the lake restoration will not only add thousands of years to the lake's existence but it will also immediately increase the lake's water quality and enhance the beneficial uses of the lake.

DRAFT

Tax Account No. _____

Contract No. _____

**LAKE ROESIGER WATER SYSTEM
WATER SERVICE APPLICATION CONTRACT**

WHEREAS, we the undersigned (the "Applicant") are the owners of the following described property, to-wit:
Legal Description: _____

_____ ; and

WHEREAS, the above described property is served by the Lake Roesiger water system of the Public Utility District No. 1 of Snohomish County, Washington (the "PUD"); and the Applicant desires to purchase water from the PUD.

NOW, ~~THE~~BEFORE, it is agreed between the Applicant and the PUD as follows:

1. Upon receipt from the Applicant of the Service Installation Fee and General Facilities Charges, if applicable, the PUD will install a standard water service from the water main to the edge of the public right-of-way or easement. The Applicant is responsible for acquiring, installing and maintaining any additional water service line and to bury PUD supplied remote meter communication cable per PUD standards from the PUD's meter to his/her place of service.

2. The Applicant agrees to receive and pay for water service, including the minimum charge therefore, under the provisions of the applicable rate schedule for a period of not less than 12 months from the date of connection. In the event that the PUD disconnects or restricts service due to the Applicant's failure to comply with the terms of this Contract, the Applicant agrees to continue to pay the minimum charge until the 12 month minimum period has expired.

SPECIAL CONDITIONS

This Contract for the sale of water is explicitly conditioned by each of the following four requirements which Applicant agrees to comply with.

1. The septic disposal system status of the above described property has been surveyed by the Snohomish Health District (SHD) and classified as indicated below. The Applicant agrees to limit water consumption to the maximum allowed for the indicated classification and, understands that failure to do so will result in disconnection or restriction of water service.

<u>Septic System Classification</u>	<u>Maximum Allowable Water Consumption</u>
<input type="checkbox"/> Approved Septic System	No restrictions
<input type="checkbox"/> Installed Septic System Without Permit	Restricted to 500 cf/month
<input type="checkbox"/> Gray Water Disposal Only	Restricted to 50 cf/month
<input type="checkbox"/> Non-Perc Vacant Lot	Restricted to 50 cf/month
<input type="checkbox"/> Vacant Lot	Restricted to 50 cf/month
<input type="checkbox"/> Failed Septic System	Restricted to 50 cf/month

In the event the Applicant's septic disposal system is reclassified by the SHD, the Applicant understands that the restrictions noted above, if any, will be applied.

2. The Applicant shall install or have installed low flow aerators and showerheads in all faucets and showers and toilets which operate on 1.6 gallons per flush or less. The Applicant agrees to adequately maintain the aerators, showerheads, and toilets to assure that they operate as designed.

3. The Applicant agrees that the PUD will pump the septic tank of the above described property after each 30,000 cubic feet of metered water consumption. When notified by the PUD that pumping is required, the Applicant agrees to provide reasonable access to the septic tank and to locate and expose the access lid of the septic tank. The Applicant agrees to pay for septic tank pumping as established and amended from time-to-time by the PUD through a surcharge on the water bill.

4. The Applicant understands and agrees that hypolimnetic aeration of Lake Roesiger's north and south basins is a critical component of the Lake Roesiger Local Utility District No. 12 System Plan and that funding of aeration system operation and maintenance may occur through assessments, water charges, or both; Applicant understands that water service and delivery may be restricted or discontinued if such water service produces an adverse impact upon the water quality of Lake Roesiger.

5. The PUD shall have the right, after ten (10) days prior written notice, to disconnect or restrict water service to said property should the owners, successors, or assigns fail to comply with any of the terms and conditions of this Contract.

6. This Contract shall be a covenant running with the land and shall be binding upon all parties and their heirs, successors and assigns forever unless superseded by a new contract.

7. In the event that the PUD is required to commence legal action to enforce the terms or conditions of this Contract, then and in such event, the prevailing party shall be entitled to recover reasonable attorney's fees from the other.

Property Address: _____, Snohomish, WA 98290

Applicant's Permanent Mailing Address: _____

City: _____ State: _____ Zip: _____

APPLICANT:

DATED this _____ day of _____, 1991

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY

APPROVED BY: _____
Water and Facilities Director

STATE OF WASHINGTON

ss.

County of Snohomish

I Certify that I know or have satisfactory evidence that _____
is the person who appeared before me, and said person acknowledged that (he/she) signed this
instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes
mentioned in the instrument.

Dated: _____

(Signature)

(Title)

My appointment expires _____

MARIAN PAPPAS

Exemption Coordinator
Phone: 388-3540

Snohomish County Assessors Office
3rd Fl., Admin. Bldg. Phone: (206) 388-3433
Everett, WA 98201 Toll Free: 1-800-562-4367
Richard (Dick) McAninch, Assessor

CLAIM FOR EXEMPTION FROM REAL OR PERSONAL PROPERTY TAXES

I HEREBY MAKE CLAIM FOR EXEMPTION OF PROPERTY TAXES, AS PROVIDED IN RCW 84.36.381 THRU 389, DUE AND PAYABLE IN THE YEAR OF 19_____

I DO ATTEST AND AFFIRM THAT: 1989-1991 Jan

In order to qualify, the claimant must meet one of the conditions in each of the following four statements.

- (1) I am:
 - 61 years of age or older on or before January 1 of the year in which this exemption claim is filed or **LAND NOT TO EXCEED ONE ACRE.**
 - At the time of filing physically disabled and as such, retired from regular gainful employment by reason of such disability.
- (2) I am owner of the residence on which the taxes have been imposed, and upon which this exemption is filed either as fee owner, contract purchaser or life estate. I have occupied this property as a principal place of residence on January 1, of THIS year. (Temporary hospital or nursing home confinement may still qualify.)
- (3) This residence (see definition in instructions) is:
 - A single family dwelling A mobile home Other
- (4) My income FROM ALL SOURCES combined with the income of my spouse, (AS CALCULATED ON THE REVERSE OF THIS FORM) for the calendar year preceding the year in which this exemption claim is FILED WAS:

A	B	C
\$12,000 OR LESS	\$12,001 to \$14,000	\$14,001 to \$18,000

TAX ACCT. NO.

AFFIDAVIT: I SWEAR UNDER THE PENALTIES OF EITHER CIVIL OR CRIMINAL PERJURY THAT ALL OF THE ABOVE STATEMENTS AS MARKED ARE TRUE.

SIGNATURE OF WITNESS _____ -OR- SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 19____

WITNESS _____

WITNESS _____ ASSESSOR DEPUTY _____

PRINT NAME OF CLAIMANT _____

SIGNATURE OF CLAIMANT _____

BY _____ TITLE _____

PHONE NUMBER _____

MAILING ADDRESS _____

EXEMPTIONS RECEIVED ON BASIS OF ERRONEOUS INFORMATION WILL SUBJECT CLAIMANT TO THE COLLECTION OF THE PROPER TAXES PLUS PENALTIES FOR UP TO 3 YEARS AS PROVIDED FOR IN RCW 84.40.130.

Attachment E

DECLARATION OF COMBINED INCOME FOR APPLICANT, SPOUSE, AND COTENANTS

REPORT ALL INCOME RECEIVED FOR THE PREVIOUS
CALENDAR YEAR REGARDLESS OF SOURCE

TOTAL ANNUAL INCOMES FOR THE PREVIOUS CALENDAR YEAR,
JANUARY 1 THRU DECEMBER 31.

- 1 -Total Social Security for Applicant \$ _____
- 2 -Total Social Security for Spouse \$ _____
- 3 -Total Federal Civil Service and
Railroad Retirement \$ _____
- 4 -Total Other Retirement Incomes \$ _____
- 5 -Total Wages, Unemployment Payments and
Disability Income \$ _____
- 6 -Total Interest Income and Dividends \$ _____
- 7 -Total Net Income from Rentals \$ _____
- 8 -Total Capital Gains (refer to combined income
section on instruction page) \$ _____
- 9 -Total Income from Any Other Source \$ _____
- 10-Total Combined Income of Claimant,
Spouse and Cotenants \$ _____
- 11-Deduct Amounts Paid for Nursing
Home Care \$ (-) _____
- 12-Combined Income for Application \$ _____

WRITE THE COMBINED INCOME FOR APPLICATION ON THE
APPROPRIATE LINE OF ITEM 4 ON THE PRECEDING PAGE.

THIS IS A ONE TIME FILING AND QUALIFYING APPLICANTS
NEED NOT APPLY EACH YEAR. PERSONS RECEIVING EXEMPTIONS
MUST NOTIFY THE ASSESSOR OF ANY CHANGE IN STATUS AF-
FECTING ELIGIBILITY.

THIS RETURN IS SUBJECT TO AUDIT BY THE
WASHINGTON STATE DEPARTMENT OF REVENUE.



**PROPERTY TAX EXEMPTION FOR SENIOR CITIZENS
AND DISABLED PERSONS**
INFORMATION AND INSTRUCTIONS

FILING PERIOD The claim for exemption must be filed with the county assessor at any time during the year prior to the year the taxes are payable.

AGE AND DISABILITY A person must be 61 years of age or older on or before January 1 of the year the claim is filed, or, at the time of filing, retired from regular gainful employment by reason of physical disability. (Proof of disability must be furnished.) The surviving spouse of a person who was receiving an exemption at the time of his/her death shall qualify if 57 years of age or older, or will attain age 57 in the year of the claimant's death and otherwise meets the requirements for the exemption.

OWNERSHIP At the time of application the person making the claim must own the property upon which the exemption is claimed either as fee owner, contract purchaser, or as a life estate (includes lease for life). The ownership requirement is satisfied if the owner has transferred the property under a revocable trust agreement if the claimant has full use of the property and is able to revoke the trust and take ownership. Irrevocable trusts qualify if they can be deemed a life estate.

Share ownership in a cooperative housing unit also qualifies (see Residence). A residence owned by a marital community or cotenants

shall be deemed to be owned by each spouse or cotenant. Form REV 64 0010 must be filed on Co-operative Housing.

COTENANT "Cotenant" means a person who resides with the person claiming the exemption and who has an ownership interest in the residence.

RESIDENCY A person must have occupied the property as a principal place of residence as of January 1 of the year in which the claim is filed. Confinement to a hospital or nursing home shall not disqualify the claimant if the residence is temporarily unoccupied or if the residence is occupied by a spouse and/or person(s) financially dependent on the claimant for support. Ownership of property is not required for residency.

RESIDENCE The term "residence" shall mean a single family dwelling unit whether such unit be separate or part of a multi-unit dwelling, and includes the land on which the dwelling stands, not to exceed one acre. It includes a single family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality thereof, including an Indian tribe, or in the state of Washington. The term shall also include a claimant's share ownership in a cooperative housing unit if that share represents the specific unit or portion where the claimant resides.

To qualify, a residence must have been occupied by the person claiming the exemption as the principal or main residence of the claimant on January 1 of the year in which the claim is filed. It does not include a residence used merely as a vacation home. A mobile home which has substantially lost its identity as a mobile unit by being fixed in location upon land owned, leased or rented by the owner of the mobile home and placed on a foundation (posts or blocks) with fixed pipe connection with sewer, water or other utilities, shall be considered as real property and subject to the exemption. The exemption would apply to the mobile home even though it is listed and assessed by the county assessor as personal property and would include the land if owned by the claimant.

COMBINED DISPOSABLE INCOME "Combined disposable income" means the disposable income of the person claiming the exemption, plus the disposable income of his or her spouse, and the disposable income of each cotenant occupying the residence for the preceding calendar year. (The sources of income are identified on the application form.)

"Disposable income" means "adjusted gross income" as defined by the Federal Internal Revenue Code as amended prior to January 1, 1980, plus certain nontaxable income as defined by RCW

84.36.383. The Federal Internal Revenue Code defines "adjusted gross income" as "gross income" (defined as all income from whatever source derived) minus certain deductions found in the code.

The following are the most common sources of income that need not be reported:

- Proceeds of life insurance which are paid by reason of the death of the insured;
- Amounts up to \$5,000 paid by an employer due to the death of the employee;
- The value of property acquired by gift, bequest, devise, or inheritance;
- Lump sum amounts received under workmen's compensation for personal injuries or sickness;
- Lump sum amounts received by tort (suit) or agreement due to injuries or sickness;
- Amounts received through accident or health insurance for personal injuries or sickness;
- Amounts paid to claimants as reimbursement for medical expenses.

The following may be deducted from gross income:

- Nonreimbursed nursing home expense for either spouse;
- That portion of Veteran's or military benefits pertaining to attendant care, medical aid, and the care of dependent children.

CLAIMANT RETIRED PRIOR TO NOVEMBER 1 If the person claiming the exemption was retired for two months or more of the preceding year, the combined disposable income of such person including his or her spouse and any cotenant shall be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by twelve.

EXEMPTION AMOUNT All claimants with combined income of \$18,000 or less, are exempted from 100 percent of excess levies. In addition, those claimants with combined income of \$12,000 or less will receive a reduction of not less than \$28,000 or 50 percent of valuation. Those claimants with combined income of \$12,001 through \$14,000 will receive a reduction of \$24,000 or 30 percent of valuation not to exceed \$40,000.

SIGNING CLAIM The claim may be signed by the person entitled to the exemption, by his attorney in fact, or by the holder of a mortgage or contract, or a duly authorized agent or guardian, or other person charged with the care of the person or his property.

CHANGE OF STATUS REPORT If your income category changes, a Change of Status Report must be obtained from and filed with the county assessor.

CHANGE OF OWNERSHIP When a person who is qualified for this exemption timely files his claim, but thereafter dies or sells the property prior to the time the taxes to which the exemption applies are paid, his heirs or other new owners of the property do not receive the benefit of the exemption, unless the surviving spouse qualifies for a continued exemption.

TRANSFER OF EXEMPTION ON SALE, TRANSFER OR DISPLACEMENT Any person who sells, transfers or is displaced from his residence may transfer the exempt status to a replacement residence. No claimant shall receive an exemption on more than the equivalent of one residence in any year.

APPEAL ON DENIAL OF CLAIM If the applicant does not meet the qualifications as provided by law, the claim shall be denied, but such denial shall be subject to appeal to the County Board of Equalization on or before July 1.

REFUND PROCEDURE Taxes may be refunded if they were paid as a result of mistake, inadvertence, or lack of knowledge by any person exempted from paying property taxes under RCW 84.36.381-389. Refund may be made up to three (3) years from date of payment of tax. Information regarding late filing or refunds may be obtained from the county assessor or treasurer.

For more information and application forms, contact the county assessor.

Prepared by: Exempt Properties Section, Property Tax Division, Washington State Department of Revenue, Olympia, WA 98504.

SENIOR CITIZEN AND DISABLED PERSONS
SPECIAL ASSESSMENT AND PROPERTY TAX DEFERRAL

* Information and instructions *

FILING PERIOD:

The claim for deferral of special assessments and/or property taxes must be filed with the county assessor no later than thirty days before the tax or assessment is due or thirty days after receiving notice that a certificate of delinquency is to be issued. For good cause shown, the Department of Revenue may extend the filing period.

EXEMPTION REQUIREMENTS:

To be eligible for the deferral, the claimant must be receiving the Senior Citizen or Disabled Persons Exemption provided for in RCW 43.36.381 thru 43.36.389.

OWNERSHIP:

At the time of application, the person making the claim must own the property upon which the deferral is claimed, either as a fee owner or contract purchaser. The ownership requirement is satisfied if the owner has transferred the property under a revokable trust and is able to revoke the trust and take ownership.

A share interest in cooperative housing, lease for life or a life estate retained in a property does not satisfy the ownership requirement. If there are joint tenants, the deferral only applies to the taxes or special assessments attributable to the share interest of the person qualifying for the claim.

A residence owned by a marital community or owned by cotenants shall be deemed to be owned by each spouse or cotenant.

When two or more individuals of a household file or seek to file a declaration to defer, they may determine between them as to whom the claimant shall be.

SPECIAL ASSESSMENT:

Special Assessment shall mean the charge or obligation imposed by a city, town, county or other municipal corporation upon property specially benefited by a local improvement. The term does not include the charge or obligation for services specially benefiting property not involving the construction of permanent improvements to real property, e.g., mosquito control, weed control, etc. Included shall be assessments for physical construction of and/or addition to property or buildings in local Improvement Districts created for improvement of roads, sewers, water drainage, power, utilities, water, flood control, or irrigation.

INSURANCE REQUIREMENT:

The claimant must also have and keep in force, fire and casualty insurance in sufficient amount to protect the interest of the State of Washington and shall designate the State as a loss payee upon said policy.

DEFERRAL AMOUNT:

For a claimant who meets the specified qualifications, deferred payment of special assessments and/or property taxes may be granted up to 80 percent of the amount of his equity value in said property.

LIEN:

Whenever any special assessments or real property taxes are deferred, the amount deferred, plus interest, shall become a lien in favor of the State upon the property. The interest is 8 percent per annum.

SIGNING THE CLAIM:

The claim may be signed by the person entitled to the deferral, by his or her attorney in face, or by the holder of a mortgage or contract, or a duly authorized agent or guardian or other person charged with the care of the person or the property.

If any residence is under mortgage, deed of trust or purchase contract whereby the explicit wording or terms of the mortgage, deed of trust, or purchase contract requires the accumulation of reserves out of which the holder of the mortgage, deed or trust, or purchase contract is required to pay real property taxes, said holder or his authorized agent shall cosign the declaration to defer either before a notary public or the county assessor or his deputy in the county in which the real property is located.

RENEWAL OF DEFERRAL:

Declarations to defer property taxes and special assessments for all years following the first year may be made by filing a renewal form with the county assessor no later than thirty days before the tax is due. This action will affirm the continued eligibility of the claimant.

Forms will be sent in January by the county assessor to claimants who have been granted deferral of taxes for the previous year.

CHANGE OF OWNERSHIP:

When a person who is qualified for this deferral timely files his claim but thereafter dies or sells the property prior to the time the taxes to which the deferral applies are paid, his heirs or other new owners of the property will become liable for payment of all deferred taxes, plus interest charges.

The deferral would continue for a surviving spouse who could also qualify for the deferral.

WHEN PAYABLE:

The amount deferred, plus interest, shall become due and payable upon the occurrence of any of the following:

- a - Upon transfer or conveyance of the property;
- b - Upon the death of the claimant, unless any surviving spouse qualifies and elects to continue the deferral;
- c - At such time that the claimant ceases to reside permanently in the resident; or
- d - Upon failure of the claimant to have or keep in force fire and casualty insurance in sufficient amount to protect the interest of the State.

APPEAL ON DENIAL OF CLAIM:

If the applicant does not meet the qualification as provided by law, the claim for deferral or renewal of deferral shall be denied. Such denial may be appealed to the County Board of Equalization on or before July 15th.

SENIOR CITIZEN AND DISABLED PERSONS DECLARATION TO DEFER

File application with the county assessor on or before 30 days prior
to the date the special assessments or property taxes are due

Date approved by assessor _____

Application No. _____

Claimant _____

Address _____

County Parcel No. _____

This Deferral is for the Year 19 _____

Special Assessments

Real Property Taxes

Name and address of insurance company carrying fire and casualty insurance on property:

Policy No. _____

Amount of Coverage \$ _____

Local Agent _____

Assessors True and Fair Value as shown on the Real Property Rolls

LAND _____
BLDG _____
TOTAL \$ _____

Liens and Obligations:

Mortgage (s) \$ _____

Unpaid Taxes \$ _____

Special Assessments \$ _____

Deferred Special Assessments
and Taxes (Include Interest) \$ _____

Other \$ _____

Total Liens and Obligations \$ _____

Equity \$ _____

80% of Equity \$ _____

For Special Assessment Deferral the Following Information Must be Supplied:

	Assessment #1	Assessment #2
Total Amount of Assessment Owing	_____	_____
Jurisdiction to Whom the Special Assessment is Paid	_____	_____
Type of Improvement of Special Assessment	_____	_____
LID, ULID or Special Assessment No.	_____	_____
Date(s) Due	_____	_____
Was the Installment Method Selected for Payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Available	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Available

Signatures of Other Owners of Interest:

Percentage of Interest:

If a deed of trust has been given to another party, give name:

Auditors Recording No. _____

If the terms of the purchase contract, mortgage or deed of trust require the accumulation of reserves to pay real property taxes, the holder of the agreement must sign this application.

The accumulation of reserves for payment of real property taxes is :

REQUIRED

NOT REQUIRED

Subscribed and sworn to before me this _____ day
of _____, 19____

Name of Mortgage or Contract Purchase Holder or
Beneficiary

Notary Public or Assessor or Deputy
in and for the State of _____
RESIDING AT _____

Signature of Authorized Agent

Title

I hereby affirm that I am receiving the Senior Citizen and Disabled Persons property tax exemption provided in RCW 84.36.381-389. I further affirm I am aware that any deferred special assessments and/or real property taxes, plus interest, is a lien upon this property. This lien becomes due and payable upon occurrence of any of the following conditions:

1. Upon the sale of this property.
2. Upon the death of the claimant except when the surviving spouse, if qualified, elects to continue the deferment. Such spouse must file an original claim for deferral within ninety (90) days of the date of death.
3. Upon condemnation of this property by a public or private body exercising the power of eminent domain, except as otherwise provided in RCW 84.60.070.
4. At such time that the claimant ceases to reside permanently in this residence.
5. Upon the failure of the claimant to keep in force fire and casualty insurance in sufficient amount to protect the interest of this state. Unless the deferred amount does not exceed the claimants equity vlaue in the land or lot only.

I swear under the penalties of perjury that all of the foregoing statements as marked are true.

Signature of Claimant

Date _____ / _____ / _____

By

Telephone No. _____

Title

Legal description

If property exceeds 1 acre an Excess Acreage form must be filed.

Date: 10/4/90

To: N. Craig Thompson, Snohomish County PUD

From: Harry Gibbons, Ph.D., Jean Jacoby, Ph.D.

Proj. Number:

Subject: Lake Water Quality Mitigation Measures for the Formation
of a Lake Roesiger Local Utility District

The Snohomish County Public Utility District (PUD) Board of Commissioners intends to form a local utility district (LUD) to provide a public water system for the Lake Roesiger area. The LUD will include mitigation measures to assure that lake water quality does not deteriorate due to the public water system. The following mitigation measures were evaluated:

- Water conservation program
- Hypolimnetic aeration of the lake's north and south basins
- Boat lane dredging and subsequent alum treatment of the lake's middle basin
- Routine septic tank pumping
- Water system connection tied to the status of septic disposal systems.

A detailed evaluation of the above mitigation measures is presented below. This evaluation was based on available data (primarily in the 1989 report *Lake Roesiger Phase I Restoration Analysis* prepared by KCM) and professional judgement. The total cost, kilograms total phosphorus (kg TP) removed, and the cost per kg TP are presented for each mitigation measure. Costs were annualized over a 20 year period with a capital recovery factor of 0.07358. Figure 1 compares the mitigation measures on the basis of kg TP removed and costs.

The following analysis is based on the assumption that increased water availability in the Lake Roesiger proposed service area results in the development of an additional 110 lots above current conditions of 340 lots (KCM 1989). Of the 450 developed lots, 370 homes have septic systems and 80 homes have privies. The current annual septic loading of 41 kg TP is expected to increase to 101 kg (KCM 1989). Loading from other sources such as overland flow and streams is also expected to increase under this development scenario. The total estimated increase in phosphorus loading from all sources due to a public water system is predicted to be 71 kg (KCM 1989).

WATER CONSERVATION PROGRAM

The water conservation program would involve the installation of minimum flow fixtures (e.g., toilets, showerheads, faucets) in Lake Roesiger homes that use septic systems. Voluntary water conservation efforts would also be encouraged. However, because compliance will not be enforced or made economically advantageous, voluntary water conservation is not expected to result in significant reductions in phosphorus loading via septic system drainfields to the lake (maximum reduction in phosphorus loading of 5 percent). Therefore, the water quality benefits of voluntary water conservation were not included in the following analysis of mandatory conservation.

The following assumptions were used in the analysis of the mandatory water conservation mitigation measure:

- 370 lots have septic systems.
- Low-phosphate detergents are used in conjunction with low-flow fixtures
- The total cost for the purchase and installation of the fixtures is \$200 per lot.
- The water conservation program reduces annual phosphorus loading from the drainfields by 15 percent or 15 kg.

The benefit derived from the use of low-flow fixtures (i.e., 15 kg) is relatively low because the amount of phosphorus leaving the drainfield is not solely a function of hydraulic loading. Phosphorus migrates from the drainfield when the binding capacity of the soils is exceeded. This can occur without the hydraulic failure of a septic system. In other words, phosphorus can migrate to the lake under low-flow conditions. However, excessive hydraulic loading will exacerbate the situation causing increased phosphorus migration, therefore, some benefit of water conservation on septic phosphorus loading will be realized.

Based on the above assumptions, the total cost of the mandatory water conservation is \$74,000. The cost per kg TP removed is \$363 over a 20 year period $[(\$74,000 \times 0.07358)/15 \text{ kg}]$ (Figure 1). Therefore, this mitigation measure alone will not meet the mitigation goal of 71 kg TP removal.

HYPOLIMNETIC AERATION

Hypolimnetic aeration of Lake Roesiger's north and south basins was recommended by KCM (1989) to reduce phosphorus release from the sediments. Since sediment phosphorus release constitutes a major portion of the TP loading to the lake (39 percent), hypolimnetic aeration is expected to reduce in-lake phosphorus concentrations and improve water quality conditions.

Hypolimnetic aeration is expected to decrease internal phosphorus loading 75 percent, from the current annual loading of 169 kg to 42 kg (i.e., a reduction of 127 kg TP) (KCM 1989). This estimate is conservative based on the success of hypolimnetic aeration observed in other systems. The effectiveness of this mitigation measure in reducing phosphorus loading is not appreciably affected by the increased level of development expected due to increased water availability.

The capital cost of hypolimnetic aeration is \$300,000, plus \$11,000 per year for operation and maintenance (KCM 1989). The cost per kg TP removed over a 20 year period is \$260 $[(\$300,000 \times 0.07358) + \$11,000]/127 \text{ kg TP}$. Therefore, this measure nearly doubles the mitigation goal of 71 kg at a relatively low cost per kg removed (Figure 1).

BOAT LANE DREDGING FOLLOWED BY ALUM ADDITION

Dredging boat lanes in Lake Roesiger's shallow middle basin was recommended by KCM (1989) to improve access, reduce boat-induced sediment/water mixing, improve fish movement, and increase recreational use. This technique would also remove small amounts of nutrient-rich sediments from the lake as well as nuisance plant material. An alum application was recommended for the dredged areas to prevent phosphorus release from newly exposed sediments (KCM 1989).

Some internal sources, such as sediment phosphorus release to the overlying from boat movement through the shallow middle basin, would not be controlled by hypolimnetic aeration. These uncontrolled and undocumented internal sources could account for as much as 25 percent of the internal phosphorus loading to Lake Roesiger. A portion of these undocumented sources was assumed to be due to propellor-induced sediment mixing in the middle basin [i.e., 75 percent of the remaining 42 kg (i.e., 32 kg) not expected to be controlled by hypolimnetic aeration or 32 kg]. Dredging and alum addition were assumed to reduce the loading from the middle basin by 75 percent or 24 kg, from 32 kg to 8 kg.

The total cost of the boat lane dredging and alum treatment is \$1,240,000 (KCM 1989). Assuming an annual reduction of 24 kg TP, the cost per kg removed over a 20 year period is \$3,800 $[(\$1,240,000 \times 0.07358)/24 \text{ kg}]$. As shown in Figure 1, this cost is very high relative to the other mitigation measures.

ROUTINE SEPTIC TANK PUMPING

Routine pumping of septic tanks will result in reduced phosphorus loading to Lake Roesiger by removing waste solids and that pool of particulate-bound phosphorus that solubilizes and subsequently leaves the septic tank. A pumping schedule could be established based on water use, with higher water consumption resulting in more frequent tank pumping. However, based on average water consumption rates (12,000 cf/yr), routine pumping once every 2.5 years should be sufficient to achieve nutrient control for most systems.

The following assumptions were made to evaluate this mitigation measure:

- 370 lots have septic systems
- The annual cost for pumping averages \$54 per lot (\$3/mon for 500 cf/mon users and \$6/mon for 1,000 cf/mon users)
- Septic tank pumping results in a 30 percent (or 30 kg) reduction in the phosphorus loading attributed to septic systems (i.e., 101 kg).

Therefore, the total annual cost of septic tank pumping is \$19,980. The cost per kg TP removed is \$666 [$\$19,980/30$ kg]. As shown in Figure 1, this mitigation measure falls within the middle range of costs on a per unit kg basis.

WATER SYSTEM CONNECTION TIED TO SEPTIC SYSTEM STATUS

A tie between water system connection and the status of septic disposal systems will provide the LUD with a means to mitigate any increases in phosphorus loading from failing septic systems due to increased water consumption. The evaluation of this mitigation measure is consistent with the categories proposed by the PUD.

- A. Developed lots with installed septic systems with septic permits on file with the Snohomish Health District (SHD) and which show no signs of failure.

The majority of the current and future septic systems are likely to be approved systems (approximately 300 of 370 total). For this category, which is composed of approved and probably properly functioning systems, no reduction in phosphorus loading is expected. Lots falling within this category would be permitted connection to the water supply.

- B. Developed lots with installed septic systems without septic permits on file with the SHD which show no signs of failure.

Of the 70 lots that do not have approved septic systems, 35 lots were assumed to fall within Category B with water consumption limited to 500 cf/month per connection (half of average consumption). This water consumption limitation will result in some reduction in phosphorus loading.

The phosphorus reduction benefit was assumed to be 15 percent for the 35 lots within Category B (i.e., 10 percent of the total 370 lots). Therefore, of the 101 kg /yr from all 370 septic sources, 1.5 kg can be attributed to the 35 lots in this category (0.015×101 kg).

- C. Developed lots with gray water systems and privies, undeveloped lots with documentation that they will not support an on-site septic system, and undeveloped lots with no documentation of suitability for on-site septic disposal.

Lots within this category will be allowed to connect to the system if they have paid the LUD assessment, however, consumption will be limited to 50 cf per month per connection. It was assumed that 4 percent of the septic systems (i.e., 15 systems) fell within this category (lots with privies do not typically contribute phosphorus via septic sources). Therefore, the annual reduction in phosphorus loading expected from this mitigation measure is 4 kg /year (0.04×101 kg).

- D. Developed lots with installed septic systems that have failed.

Lots with installed septic systems that have failed will not be allowed to connect to the water system until the failed system has been corrected. This restriction will result in an annual phosphorus loading reduction of 10 kg. This estimate is based on the following assumptions (KCM 1989):

- Per capita phosphorus loading is 2.4 g/d

- An average residence has three persons
- 180 day period of system failure
- 21 failing septic systems.

Therefore, total benefit of the program for all categories is 16 kg TP removal (i.e., 2 kg + 4 kg + 10 kg). The process that ties the water system connection to the status of the septic system will include a large inspection effort, as well as administrative and enforcement actions. Based on an estimated cost of \$100 per lot, the total cost of the program is \$37,000 or \$2,312/kg TP removed. This is a one-time charge to the residents. Therefore, the cost over a 20 year period is \$116/kg TP removed.

SUMMARY

The combined benefit of the three mitigation measures that directly impact septic system effectiveness (i.e., water conservation, septic pumping, and septic system inspections) is a reduction of 61 kg TP, nearly meeting the mitigation goal of 71 kg. However, their combined cost per kg TP removed is high (i.e., \$1,145/kg). Hypolimnetic aeration results in the largest phosphorus reduction (127 kg). The total cost of aeration is relatively high (\$300,000 capital cost plus \$11,000 annual costs for operation and maintenance) but the cost per kg TP removed is low (\$260/kg) relative to the other measures. Furthermore, hypolimnetic aeration will result in the largest annual reduction in TP (127 kg). Therefore, benefits to lake water quality will be highest with hypolimnetic aeration. The combined septic measures will mitigate most of the predicted increase in phosphorus loading due to the public water system. However, these mitigation measures will not control the water quality problems that already exist. The boat lane dredging followed by alum addition is the most expensive mitigation measure in terms of both total cost and cost per kg TP removed.

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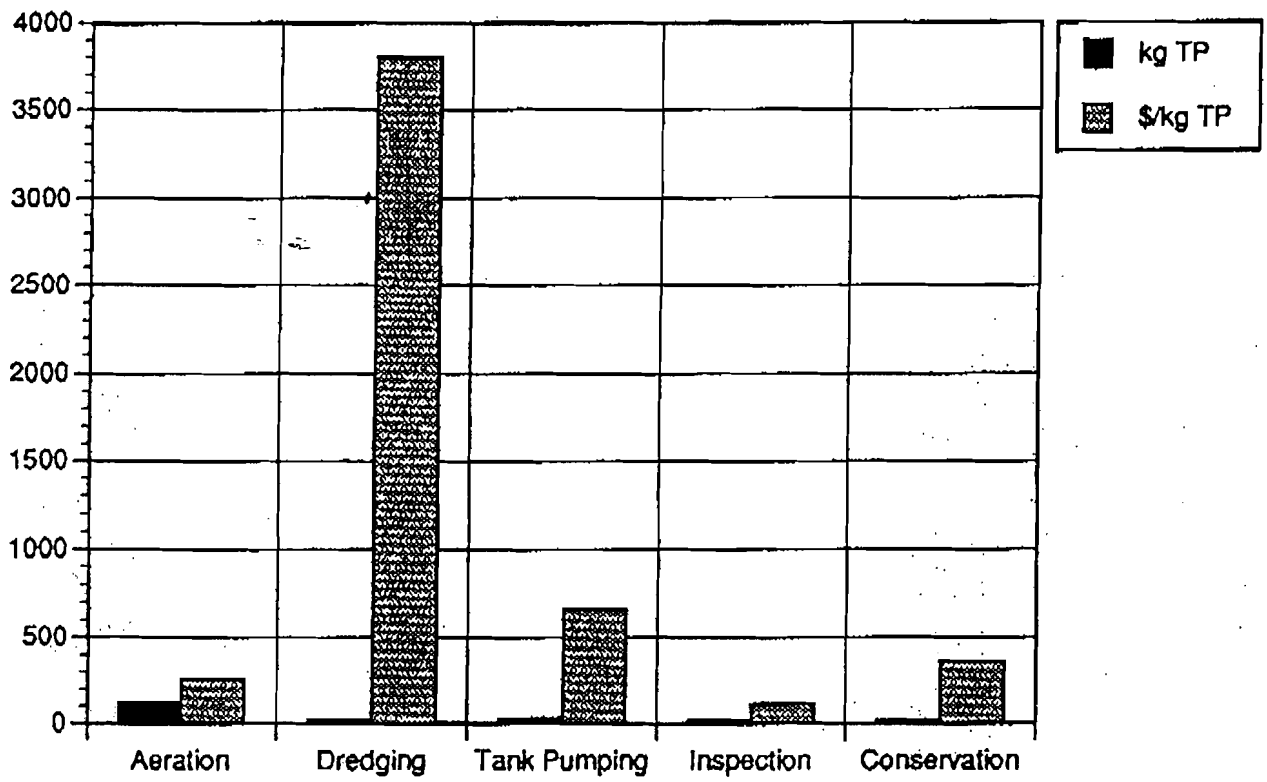


Figure 1a.
 Total Phosphorus (TP) reductions and cost per kg TP removed for mitigation measures.

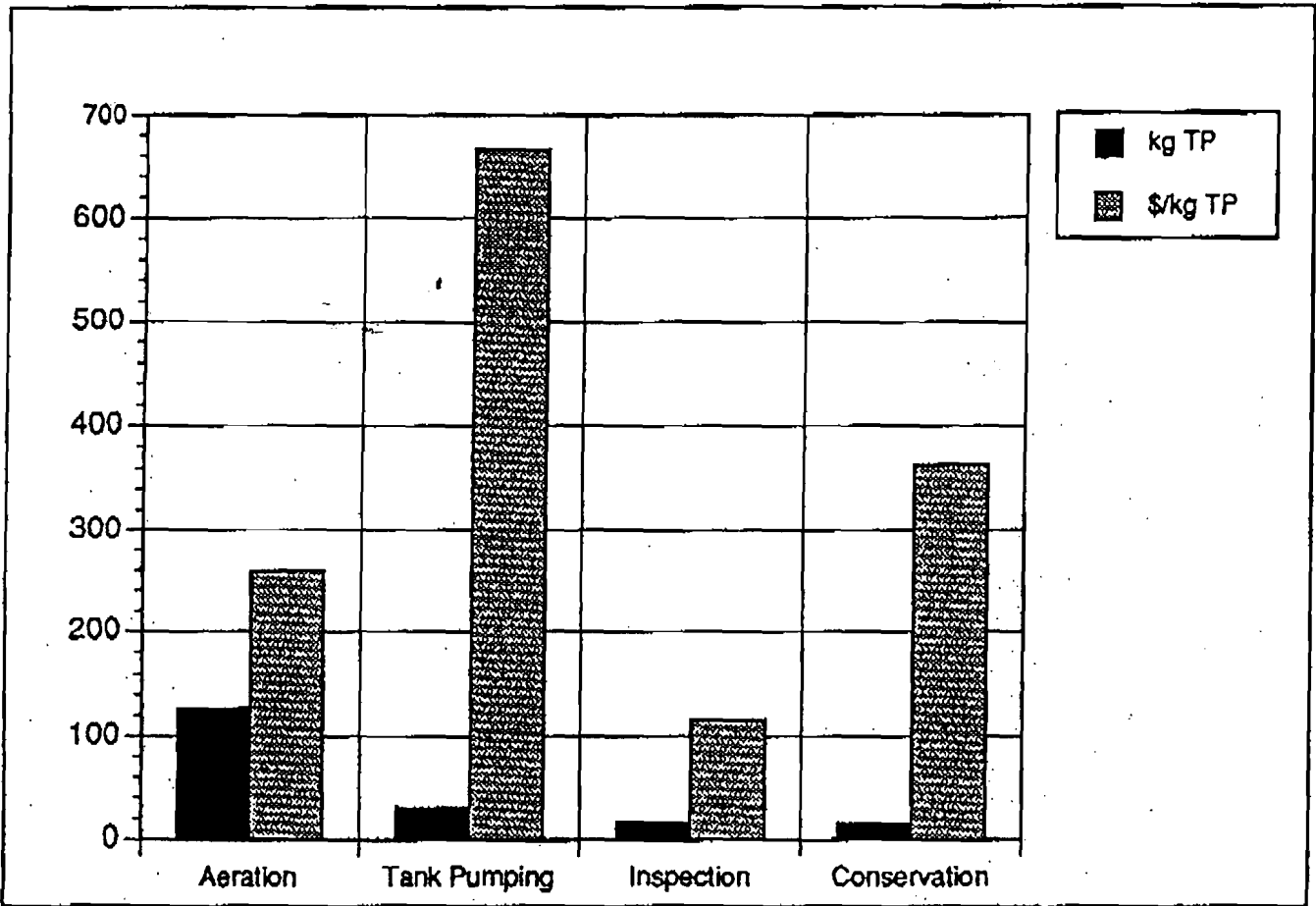


Figure 1b.
Total Phosphorus (TP) reductions and cost per kg TP removed for mitigation measures.
(Dredging mitigation measure removed to facilitate comparison of other measures)

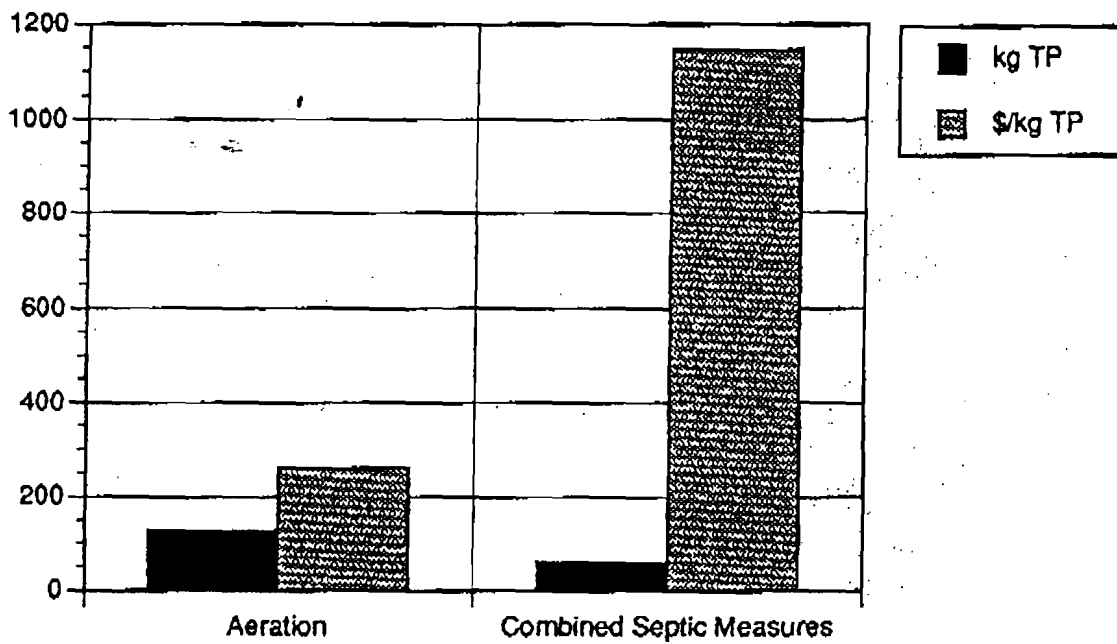


Figure 1c.
Total Phosphorus (TP) reduction and cost per kg TP removed for hypolimnetic aeration and combined septic system measures.

A RESOLUTION authorizing the District Manager to execute on the District's behalf a Joint Operating Agreement with the City of Marysville and the Tulalip Tribes to provide for a regionally developed water supply for certain portions of North Snohomish County.

WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, has supported the current ongoing Coordinated Water System Planning (CWSP) process for North Snohomish County; and

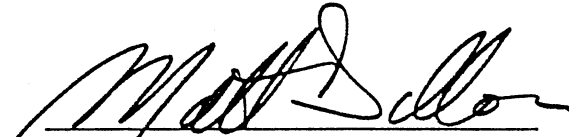
WHEREAS, the Commission, by previous resolution, has declared that concern and solutions for the lack of an adequate and safe water supply in many areas of unincorporated Snohomish County should be a major activity of the District; and

WHEREAS, the CWSP has determined that a Marysville sponsored 30-inch pipeline project fits within the concepts of a "multi-phase project that provides for the joint use and operation of a transmission, storage, and pumping facilities," as defined by the CWSP; and


WHEREAS, participation in a Joint Operating Agreement (JOA) with the City of Marysville and the Tulalip Tribe meets many of the objectives established by the District,

NOW, THEREFORE, BE IT RESOLVED that the District Manager is authorized to execute on behalf of the District a JOA with the City of Marysville and the Tulalip Tribes in substantially the same form and substance as the JOA attached hereto as Exhibit "A" and incorporated herein.

PASSED AND APPROVED this 8th day of January, 1991.



President



Vice-President

Secretary

DRAFT #9
December 18, 1990
(Incorporates all changes to Draft #8)

NORTH SNOHOMISH COUNTY
REGIONAL WATER SUPPLY
JOINT OPERATING AGREEMENT (JOA)

WHEREAS, an adequate and safe water supply for North Snohomish County is important to both existing citizens and the long-term comprehensive plans of the Participants and Snohomish County; and

WHEREAS, the State, Snohomish County, and public water purveyors jointly agreed to prepare a Coordinated Water System Plan (CWSP) for North Snohomish County; and

WHEREAS, the preliminary finding and recommendations of the CWSP concludes that projects that provide for the joint use and operation of transmission, storage, and pumping facilities as defined by the CWSP, is in the best interest of the citizens of the County; and

WHEREAS, independent of the preliminary findings and recommendations of the CWSP, the current and near-term water needs of the City of Marysville (Marysville), Tulalip Tribes (Tribes), and Public Utility District No. 1 of Snohomish County (PUD) require immediate steps to construct a transmission line to the Sunnyside vicinity.

NOW THEREFORE, Marysville, the PUD, the Tribes, (Participants) as the initial signatories to this JOA, agree as follows:

1. GENERAL

- A. There is an immediate need for additional water supply in North Snohomish County; and
- B. A proposed 30 inch pipeline (Pipeline) from the Everett Transmission line to the Sunnyside vicinity, to be contracted and owned by Marysville, is consistent with the preliminary findings of the CWSP and the near-term needs of the Participants; and

- C. The issues concerning the rights of the City of Everett to deliver water to Marysville, the Tribes, and the PUD for retail distribution as defined by the amended agreement between PUD No. 1 of Snohomish County and the City of Everett for multipurpose development of the Sultan River are resolved and met by this JOA; and
- D. The Participants will assist Marysville, as the lead agency, in completing the necessary environmental review of relevant actions proposed, including the construction of the Pipeline per the agreement of the Participants herein and associated SEPA documents (SEIS and FEIS) and be responsive to such environmental findings in accordance with SEPA; and
- E. The Participants acknowledge the requirement to incorporate land use planning in water supply planning; and
- F. The Participants recognize that any delay may result in higher cost for the proposed Pipeline, in which all Participants will share proportionately; and
- G. A fundamental incentive for the Participants to enter into this JOA is the commitment of all of the Participants to cooperate toward regional solutions for long range water supply needs through the year 2040.

2. INTENT

- A. The general intent of the Participants is to cooperatively plan, design, construct, operate, and maintain the water transmission pipelines and related facilities generally identified in Attachment A.
- B. The specific intent of this JOA is to initiate the construction of the Pipeline, allocate its capacity to the Participants, and provide for future cooperation. Prior to completion of the Pipeline the Participants agree to amend this JOA pursuant to 3D.
- C. It is the desire of the Participants that this JOA be incorporated into a final CWSP. When the CWSP is completed and approved by the State Department of Health, (Health) this JOA will be amended to provide for implementation of the CWSP provisions consistent with the JOA.

3. SCHEDULE - REGIONAL PROJECTS

- A. The Participants agree to cooperate with Marysville, the lead agency, in the Environmental Review, as defined in paragraph 1D to be completed on or about February 28, 1991.
- B. The Participants agree to expedite completion of the construction of the Pipeline as early in 1991 as possible, consistent with appropriate environmental review and permitting requirements, with a goal of completing the project by September 1, 1991.
- C. The Participants agree to immediately initiate joint negotiations with the City of Everett for a regional wholesale water contract rate.
- D. Prior to Pipeline completion, the Participants will develop detailed procedures for the management, operation, maintenance, and financing of the Pipeline and associated JOA projects as an amendment to this JOA.
- E. Within 6 months following the CWSP approval by Health and subject to the unanimous agreement of the Participants, the JOA will be amended to incorporate the recommendations for development of additional facilities, as outlined in the CWSP that are consistent with the JOA.

4. WATER SUPPLY - CAPACITY RIGHTS

Unless otherwise modified in writing and agreed to by all parties, the capacity rights and the cost share agreed to herein shall be as outlined below.

- A. Capacity Rights - Each Participant shall be entitled to purchase capacity in the Pipeline in proportion to the year 2010 Peak Day demand forecast, as shown on attachment B. Capacity rights will be based on the percentage of actual pipeline capacity which is estimated to range from 17.3 - 20 MGD, depending on operating conditions. Each participant will pay the percentage of the cost of the pipeline that corresponds to the percentage of capacity, as specified in Table 1, within 60 days of the date that Marysville gives notice to the Participants of completion of the Pipeline and the estimated cost of the same. The final cost will be based on the audited record of the project and Participant payments will be adjusted accordingly. If a Participant fails to make full payment within 60 days, the remaining Participants will have the option to purchase the

capacity rights of the non-paying Participant in the same ratio of their assigned capacity per Table 1. Any capacity not purchased by the PUD or Tribe shall remain with Marysville.

Table-1

Assigned Capacity Rights

	<u>% of Pipeline Capacity</u>
Marysville	56.44
PUD	16.55
Marysville/PUD Overlap	7.21 **
Tribes	<u>19.80</u>
Total	100.00

** The Marysville/PUD overlap area supply will be assigned to the utility eventually providing service to the area, with the initial assignment of the Pipeline capacity being divided equally between Marysville and the PUD. Payment to Marysville will be adjusted when final capacity assignments are determined.

- B. Operation and Maintenance - As provided in 3D, the Participant will establish operation and maintenance (O&M) charges that include a minimum charge and a charge based on quantity of water delivered. O&M payments will be made on a monthly basis.
- C. Additional JOA Participants. Other agencies can purchase capacity rights from the Pipeline only with unanimous consent of the Participants. Other agencies will be given the opportunity to become a JOA participant for future projects.
- D. Wholesaling Water. A Participant claiming the right to wholesale water delivered through the Pipeline may do so as long as the other Participants to the JOA are not negatively impacted, and the Participant in fact has legal authority to wholesale such water.

Wholesaling outside a Participants designated service area (per Attachment A) shall not trigger or impact the provisions of paragraphs 4E or 4H without the agreement and concurrence of the other Participants.

- E. Tulalip Tribes Supply. The Tribes' capacity rights are based on the Pipeline capacity to the Sunnyside Standpipe. Marysville agrees to wheel water to the Tribes' as shown in Table 1, to the extent possible within the capacity limits of the Marysville's existing distribution system while also providing for Marysville's own use of said system. In order to wheel the capacity rights as shown in Table 1, it may eventually be necessary to upgrade Marysville's distribution system. The cost for those necessary upgrades shall be paid proportionately on the basis of benefits received. A wheeling charge shall be established by the two parties.

It is anticipated that additional transmission and storage facilities will be constructed in the 116th Street area when additional capacity for the Tribes and Marysville is needed or other system improvements are made. The estimated quantity of water available to the Tribes by the year 2040 is based on the Tribes' projections as shown on Attachment B.

- F. Additional Facilities. The Participants agree that the Pipeline will meet only a portion of the Participants' future projected needs and that additional facilities, including a second pipeline intertie with Everett and a regional reservoir, will be required.

Projected needs will be identified annually based on the Participants designated service areas. The preliminary designated service area and projections are shown in Attachments A & B.

Planning for these additional facilities will commence no later than the date on which any Participant's demand on the Pipeline reaches 60 percent of said Participant's capacity rights, as enhanced by Lease Backs, if any. Construction of additional facilities will commence no later than the date on which any Participant's demand on the Pipeline reaches 85 percent of said Participant's capacity rights, as enhanced by Lease Backs, if any.

- G. Quality. The objective of the Participants is to maintain the quality of the water in the Pipeline at the same quality required to meet State drinking water standards.
- H. Financing. Financial participation in additional facilities will be based on each Participant's projected need for each such facility.
- I. Lease Back Capacity Rights. The actual water needs of each Participant will be reviewed annually against the projected need which shall be calculated to the completion date of construction for additional capacity.

If additional facilities will not be completed prior to the time projected needs of a Participant exceed the capacity rights of the Participant, then the remaining Participants agree to lease unused capacity rights in excess of their projected needs. Lease terms shall include payments to the lessor based upon a proportionate cost of the lessor's Debt Service and Operation and Maintenance (O & M) for the leased capacity. Leases shall terminate upon availability of additional capacity from additional facilities unless otherwise agreed by the Participants.

5. COSTS

- A. The cost of the Pipeline shall include the cost of construction, as defined in the State BARS system exclusive of legal fees incurred in litigation directly between Participants in this Agreement.
- B. O & M costs for the Pipeline shall include costs as defined in the State BARS system that are directly attributable to operation and maintenance of the Pipeline. Marysville will establish separate accounting for O & M costs for the Pipeline.
- C. Debt Service for each Participant shall include either actual Debt Service on debt issued for the Participant's proportionate share, or the amortized value at 8 percent over 20 years for cash spent by the Participant for its proportionate share, or a combination of both, if applicable.

6. INCENTIVE FOR PARTICIPATION

If a Participant fails to participate in the planning, financing, or construction of additional facilities as outlined in the CWSP and generally identified on Attachments A and B, said Participant will be required to sell to the other Participants any then unused capacity rights in the Pipeline at cost.

7. REOPENER OF AGREEMENT

The Participants agree to act in good faith to assist the City of Marysville in completing the Pipeline by September 1, 1991. The Participants agree to seek all lawful means to expedite completion of the project in accordance with the schedule outlined in the FEIS. Should any Participant breach this covenant of good faith and fail to jointly pursue all lawful means to complete construction of the Pipeline the non-defaulting Participants may reopen the JOA.

8. ADMINISTRATIVE, LEGAL AND OTHER PROVISIONS

All Participants reserve the legal rights to challenge any documents promulgated in relation to the CWSP water supply program, except this document and the related Pipeline project. This document is binding upon the Participants except for allegations of the breach of this agreement by a Participant.

The execution of this JOA and the participation of the Tulalip Tribes in the processes contemplated by the JOA do not constitute nor imply any abrogation, diminishment or waiver of its existing or reserved rights or sovereign powers, whether arising under treaty, statute or common law.

ATTACHMENT A

Water Transmission Pipeline Related Facilities
& Designated Service Areas
(To Be Provided)

ATTACHMENT B

WATER REQUIREMENTS FORECAST FOR
MARYSVILLE - LAKE STEVENS - TULALIP TRIBES SERVICE AREAS (1)

(Peak Day MGD)

SERVICE AREA	YEAR			
	2000	2010	2020	2040
Marysville (2)	9.71	11.66	13.68	17.72
Lake Stevens/PUD	0.75	3.42	5.93	10.96
Marysville/PUD Overlap (3)	1.04	1.49	2.05	3.17
Tulalip Tribes	<u>3.11</u>	<u>4.09</u>	<u>5.34</u>	<u>6.39</u>
TOTAL	<u>14.61</u>	<u>20.66</u>	<u>27.00</u>	<u>38.24</u>

Footnotes:

- (1) Forecast as currently developed through the Coordinated Water System Plan.
- (2) Demand forecast assumes current supply of 1.9 MGD from Edwards Springs and Lake Goodwin wells will serve other users.
- (3) Demand to be assigned to utilities based upon final resolution of service area overlap.

RESOLUTION NO. 3572

A RESOLUTION Authorizing the District Manager to Execute a Wholesale Water Intertie Agreement with the City of Gold Bar.

WHEREAS, the Public Utility District No. 1 of Snohomish County and the City of Gold Bar own public water systems contiguous to each other; and

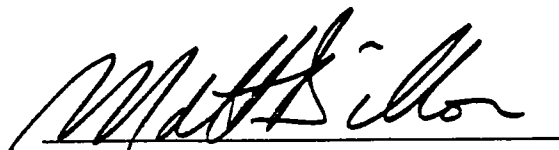
WHEREAS, the City of Gold Bar and the District have identified mutual benefits in making surplus water available for sale to one another; and

WHEREAS, the Commission of the Public Utility District No. 1 of Snohomish County has considered the remarks and recommendations of staff, and has reviewed a proposed Wholesale Water Intertie Agreement to be entered into with the City of Gold Bar; and


WHEREAS, the Commission finds the proposed agreement to be fair and reasonable and in the best interests of the District and the City of Gold Bar,

NOW, THEREFORE, BE IT RESOLVED that the District Manager is authorized to execute on behalf of the District an agreement in the same form as that attached hereto as Exhibit "A."

PASSED AND APPROVED this 19th day of March, 1991.



President



Vice-President

Secretary

PUD No. 1 of SNOHOMISH COUNTY
and
CITY of GOLD BAR

WHOLESALE WATER INTERTIE AGREEMENT

This Agreement made and entered into this 19 day of MARCH, 1991 by and between the City of Gold Bar (hereinafter referred to as City), and Public Utility District No. 1 of Snohomish County (hereinafter referred to as District), witness that:

WHEREAS, Both the District and City operate public water systems; and

WHEREAS, Both utilities endeavor to provide highly reliable water service to customers at reasonable cost; and

WHEREAS, Both utilities recognize that water resources are finite and vulnerable, and the prudent use and management of these resources requires cooperation among water utilities; and

WHEREAS, Both the District and the City have water system facilities which can be interconnected to the mutual benefit of both utilities.

NOW, THEREFORE, it is agreed that the District and the City will maintain an intertie of water mains at 39216 May Creek Road.

It is further agreed that the following terms and conditions shall apply to the operation and maintenance of the intertie:

1. Subject to the District's approval of the design, the City shall be responsible for the construction, operation, and maintenance of the intertie at 39216 May Creek Road. The intertie shall be constructed in a utility vault below ground and shall include 6 inch piping, gate valves, check valves, meters (measuring in cubic feet), and other miscellaneous materials configured such that water delivered by the District to the City will be measured independently from water delivered by the City to the District. The intertie shall also include provisions for the installation of future automatic control valves. The cost of the construction of the intertie is being financed through a grant from the Snohomish County Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). It is further agreed that the operation of the intertie is not a joint undertaking, and the operation of the intertie by the City is solely the City's responsibility and it is not acting in any capacity as an agent or representative of the District; and,
2. The District shall be responsible for the construction, operation, and maintenance of approximately one thousand and fifty (1,050) lineal feet of 8 inch water main from its existing May Creek system, through existing utility easements of record, to the intertie at 39216 May Creek Road; and
3. The line of demarcation and the point of delivery between the two systems shall be five (5) feet east of the east edge of the utility vault containing the intertie piping, valves, and meters. The City's water service area along May Creek Road shall be west of the line of demarcation and the District's service area along May Creek Road shall be east of the line of demarcation; and,
4. Water shall be made available from the District to the City and from the City to the District only from surplus production capacity, after all needs of the customers of the supplying utility are satisfied. The District estimates that, at the point of delivery, a maximum instantaneous flow of 300 gallons per minute (gpm) and a maximum daily quantity of 300,000 gallons will be available to the City for normal peak consumption and that the total maximum flows available at the point of delivery during an emergency is estimated to be 1,000 gpm. The City shall not exceed these rates and quantities without specific written authorization by the District. Neither party shall be liable for failure to deliver water to the other party at any time; and,

5. The water supplied by either utility under this agreement shall meet all state and federal drinking water standards and shall be of the same standard and quality as that normally delivered by the supplying utility to its customers. In the event that the water delivered by either utility does not meet the purchasing utility's standards, the purchasing utility's only recourse shall be to discontinue further purchases; and,
6. The District shall endeavor to provide water to the City at hydraulic grade line elevations ranging from 370 to 392 feet above mean sea level (msl) at the point of delivery. The City shall endeavor to provide water to the District at a hydraulic grade line elevation of 360 feet msl or higher; and,
7. Unit cost of water supplied by the District shall be based on Attachment A. The unit cost of water supplied by the City shall be based on Attachment B. Each utility shall bill either monthly or every two months for water supplied and said bills shall be payable within 30 days of receipt of the invoice; and,
8. The utility requesting water shall submit a written request to the supplying utility and the supplying utility must give written permission prior to opening the valve between the two systems. Should, however, a situation arise necessitating the supply of water immediately, a verbal request shall initially be sufficient, followed by the above written request. Each party shall designate an authorized person to evaluate such a verbal request and determine whether such a request should be granted. In the event of an emergency, the following authorized personnel should be contacted:

District	Water Superintendent
City	Water Superintendent; and,
9. Each utility makes no guarantee as to pressure, quantity, or continuity of service. Therefore, neither utility shall be held liable, under any circumstances, for loss or damage from a deficiency or failure to supply water, whether caused by shutting off of water in the case of accident, alterations, extensions, connections, repairs, or for any cause whatsoever including the negligence of either party. In the event of an emergency or other necessity, the supplying utility shall restore service and make water available as soon as it can reasonably do so; and,
10. The District's existing groundwater rights do not allow for the routine sale of water outside of the May Creek Tracts subdivisions. The District has applied to the Washington State Department of Ecology (Ecology) for additional groundwater rights which would allow for routine water sales to the City. As of the date of signing of this Agreement, the District has received a temporary permit which allows for water sales to the City pending a final decision on the groundwater right application. Should the groundwater right application be denied or amended by Ecology in any manner which would prevent or restrict the District's ability to provide water to the City on a routine basis, the City, upon 30 day notice by the District, shall cease routine purchase of water from the District and use of the intertie will be for emergency purposes only; and,
11. The use of the intertie will be governed by the terms of this Agreement and the provisions of the applicable attachment. Termination of use of the intertie by either utility prior to the termination of this Agreement shall be preceded by not less than twelve (12) months written notice unless such termination is the result of a fundamental and material breach of this Agreement in which case this Agreement can be terminated within sixty (60) days written notice; and,
12. The period of this Agreement shall commence on the 19 day of MARCH, 1991 and terminate on December 31, 1995 unless extended by mutual agreement; and,

- 13. This Agreement is for the benefit of the parties hereto only and does not create any benefits for third parties; and
- 14. All notices complying with this Agreement shall be sent by registered mail as follows:

Manager
 PUD No. 1 of Snohomish County
 2320 California
 Everett, WA 98201

Mayor
 City of Gold Bar
 P.O. Box 107
 Gold Bar, WA 98251

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their proper Officers on the 19 day of MARCH, 1991.

Public Utility District No. 1
 of Snohomish County

The City of Gold Bar

By: Charles N. Earl
 Charles N. Earl, District Manager

By: Fred Meehan
 Fred Meehan, Mayor

Approved as to form:

By: _____
 Dated: _____

APPROVED

AS TO
 FORM

ATTORNEY D. Hale
 DATE 3/12/91

ATTACHMENT A

District Water Rate

Availability

Water under this rate is available to the City of Gold Bar through the intertie between the District's May Creek system and the City's system at 39216 May Creek Road, Gold Bar, WA.

Rate

\$0.41 per 100 cubic feet of water

Adjustments

This rate is subject to annual review and adjustment based actual cost of service. Changes in the rate must be approved by the District's Board of Commissioners.

ATTACHMENT B

City Water Rate

Availability

Water under this rate is available is available on an emergency basis only. Permission must be granted by the City of Gold Bar prior to using any water.

Rate

\$0.41 per 100 cubic feet of water

Adjustments

This rate is subject to annual review and adjustment, in January, for increases in labor and power rates and treatment costs only.

RESOLUTION NO. 3665

A RESOLUTION authorizing the District Manager to execute on behalf of the District a Water Supply Contract with the Cities of Everett and Marysville and the Tulalip Tribes.


WHEREAS, the District Commission has previously approved and entered into a Regional Water Supply Joint Operating Agreement with the City of Marysville and the Tulalip Tribes; and

WHEREAS, the Joint Operating Agreement anticipated the negotiation of a water supply contract with the City of Everett; and

WHEREAS, a proposed water supply contract has been negotiated with the City of Everett, and the Commission has reviewed the proposed agreement and finds it to be fair and reasonable,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 that the District Manager is authorized to execute on behalf of the District the Everett and JOA Participants Water Supply Contract, attached hereto as Exhibit A and by this reference incorporated herein.

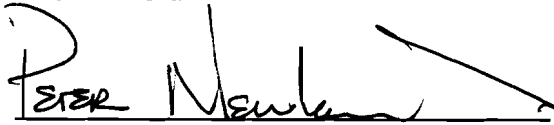
PASSED AND APPROVED this 7th day of October, 1991.



President



Vice-President



Secretary

**EVERETT AND JOA PARTICIPANTS
WATER SUPPLY CONTRACT**

THIS CONTRACT is made and entered into by and between the City of Everett, a municipal corporation of the State of Washington, hereinafter referred to as "Everett," and the City of Marysville (Marysville), and Public Utility District No. 1 of Snohomish County (PUD), municipal corporations of the State of Washington, and the Tulalip Tribes of Washington (Tribes), a federally recognized Indian Tribe, hereinafter referred to as "Participants."

WHEREAS, Everett owns and operates a water supply system located in the Sultan Basin of Snohomish County, Washington. Said system has regional supply capability for domestic, commercial and industrial water consumption; and

WHEREAS, pursuant to RCW 35.92.170, RCW 35.92.200 and RCW 39.94, Everett is authorized to enter into contracts with other municipalities and recognized tribes to supply said municipalities with water. Pursuant to WAC 248-54, Everett has prepared a Water System Plan identifying certain areas of north Snohomish County as being within its long-range wholesale water supply service area; and

WHEREAS, the Participants own and operate water supply systems in north Snohomish County, Washington, and distribute said water on a retail basis to domestic, commercial and industrial customers within their respective service areas; and

WHEREAS, the Participants have entered into a Joint Operating Agreement (JOA) for the purpose of initiating construction of a 30-inch pipeline by Marysville from the Everett transmission line to the Sunnyside vicinity, allocating pipeline capacity among the Participants, and cooperating in a regional solution to meet future water supply needs; and

WHEREAS, the Participants together with Washington State, Snohomish County, Everett and other public water purveyors have jointly agreed to prepare a Coordinated Water System Plan (CWSP) for north Snohomish County; and

WHEREAS, the execution of this contract and the participation of the Tribes in the processes contemplated by the contract do not constitute nor imply any abrogation, diminishment or waiver of the Tribes existing or reserved rights or sovereign powers, whether arising under treaty, statute or common law; and

WHEREAS, the preliminary findings and recommendations of the CWSP demonstrate an immediate need for additional water supply to meet current and near term water needs of the Participants and a need for long-term regional solutions through joint use and operation of water transmission and storage facilities; and

WHEREAS, a study of available and alternative sources has identified Everett as being the best source for water supply for the Participants' service areas in the foreseeable future. Pursuant to WAC 248-54, Marysville and Everett have updated their respective Water System Plans to include an intertie with Everett;

NOW, THEREFORE, for the mutual benefits to be derived, the parties agree as follows:

1. Delivery of Water. Everett hereby agrees to deliver to the Participants, and the Participants hereby agree to pay Everett for the delivery and treatment of water to be used as their primary source of supply in accordance with its usual and accustomed rates and conditions for customers similarly situated and as provided in Section 5 hereof.

2. Point of Delivery. Everett shall deliver water to the Participants at agreed connection points along Everett's Northern Transmission Pipeline corridor. Said agreed connection points include existing connections located at 73rd Avenue S.E., 91st Avenue S.E., 103rd Avenue S.E. and at Williams Road. Said agreed connection points also include new connections to be located at Woods Creek Road and the Seattle City Light power line right-of-way (Seattle R/W). Other future connection points shall be subject to mutual agreement. Participants shall install, at their cost, a master meter system at the Seattle R/W new connection point. Said master meter installation shall include telemetry of flow data and any necessary control functions and shall meet the specifications and approval of Everett and shall become the property of Everett after its installation. The Woods Creek Road new connection and other future connections shall be installed per Everett's standard policies for new service connections or by other mutually agreeable means. The actual point of delivery at each connection point shall be the upstream flange of the valve downstream of each master meter and check valve.

3. Quantity of Water. Marysville will construct a 30-inch pipeline from the Seattle R/W point of delivery as Phase 1 of the preliminary CWSP and JOA. Everett and the Participants agree that each have, and will continue to make significant capital

investments in water supply facilities which are interdependent, and that coordinated planning will be required throughout the term of this contract to maximize public benefits and minimize costs. In the design of Marysville's 30-inch pipeline and future Participants' water supply projects, Everett shall not be responsible for storage except as it relates to Everett's existing storage at Lake Chaplain. Everett agrees to use best efforts, subject to meeting the requirements of all Everett customers, to provide a regular and uninterrupted supply of water at said point of delivery. (Everett will exercise best efforts to operate so as to supply water at a hydraulic head of not less than 440' mean sea level at the Seattle R/W connection point and the hydraulic equivalent at other connection points throughout the term of this contract.) It is understood that the Participants will reach peak demands of 18 million gallons per day through Marysville's transmission pipeline before the expiration of this contract and that additional facilities, including a second pipeline connection to Everett and a regional reservoir, will be required to meet long range demands. Estimated average daily demands and peak day demands of the Participants, for the near future (Phase 1) are shown on Exhibit A attached hereto. Everett's facilities have, or will have in the future, the capacity to supply the Participants' water quantity demands. Everett and the Participants shall develop a technical operating plan to accommodate the operational needs of the parties. The quantity of water delivered shall be measured by the master meters referred to in paragraph 2 above. Nothing herein, however, shall be construed as obligating the Participants to take or purchase any minimum quantity of water from Everett at any time except as Everett's rates require minimum payment related to each connection.

4. Quality of Water. Everett agrees that all water delivered to the Participants at the points of delivery shall be of the same standard and quality as that normally delivered by Everett to master meter customers east of the Snohomish River. Everett shall be responsible for meeting state and federal standards for safe, high-quality drinking water at the point of delivery. All water supplied by Everett for use or sale by the Participants shall be upon the express condition that after it has passed the point of deliver the same becomes the property of the Participants, and Everett shall not be liable for any damages or loss resulting from degradation of water quality which may occur beyond said point. Further, Everett shall not be responsible for changes in water quality or operating problems which may result from mixing of different sources of water in the Participants' systems. Participants shall provide means to assure that water will not backflow into the Everett system.

5. Rates and Charges. Rates shall be established by ordinance of the City of Everett. The charges for water service shall include a base rate, a minimum charge for each connection, and a filtration charge. The base rate for water and the minimum charge for each connection shall be established by ordinance of the City of Everett and shall be based on cost of service principles; provided that it is agreed that rates may include usual and accustomed charges imposed on the City utility by the City's general fund. The rate structure may include a minimum charge for each point of connection without regard to consumption plus a commodity charge. The Participants agree to read each of the master meters on a monthly basis and provide Everett with the readings by the 7th day of each month. Everett agrees that the Participants shall be served with notice of any future rate modifications that will impact the Participants at least thirty (30) days prior to consideration of said modifications by the Everett City Council.

In addition to the base rate for water, Participants agree to pay the ordinance filtration rate. If flow telemetry is installed on all of the Participants' connections, or mutually agreeable daily meter-readings are arranged and the Participants' daily average of water consumption exceeds 3 MGD, the Participants may elect to pay the filtration charge in accordance with the following formula:

$$R = \frac{P}{X} \frac{(M + C + DS + O)}{Q}$$

R = Additional cost for filtered water computed to the nearest ten-thousandth of a dollar per 100 cubic feet.

M = Maintenance & Operation costs for Lake Chaplain filtration plant for preceding year.

C = Additional Capital Outlay costs attributable to filtration plant for preceding year.

DS = Annual debt service, exclusive of reserve interest income, if reserve funded from bond proceeds, attributable to total project costs for all past and future construction of Lake Chaplain filtration plant, including coverage.

O = Annual overhead attributable to filtration plant to be determined from previous years expense as follows:

O = 2% of filter plant material, supplies and utilities costs and 14% of labor costs at filter plant including fringe benefits.

P =
$$\frac{\text{JOA Participants Maximum Daily Demand} \times \text{(day of highest Participant use in preceding year)}}{\text{JOA Participants Average Daily Demand} \text{ (for preceding year)}}$$

Q = Quantity of water produced in previous year expressed in 100 cubic feet. (Filter Plant Meter Reading)

X =
$$\frac{\text{System Maximum Daily Demand} \times \text{(day of highest system use in preceding year)}}{\text{System Average Daily Demand} \text{ (for preceding year)}}$$

The filtration charge according to the above formula shall commence in April following one full calendar year (January through December) starting the January after the date of the Participants' election to pay by formula (formula date). Commencing on said formula date Everett agrees to establish a Participants' sinking fund made up of the bond coverage funds required for the Annual Debt Service (DS) for the Lake Chaplain filtration plant facilities. Bond coverage funds collected from the Participants under the Rate Formula (R) above shall be placed in this sinking fund and the principal and interest from investments of said funds shall be used for Additional Capital Outlay Costs (C) attributable to the filtration plant before other City funds are used thereby reducing the (C) value in the Rate Formula (R) by the amount used or if revenue bonds are required for future construction the amount of bonds required shall be reduced by the amount collected or remaining in the sinking fund including interest on investments at the time of issue of the bonds.

In the event the Sinking Fund exceeds One Million Dollars (\$1,000,000) during the term of the bond issue(s), funds in excess of One Million Dollars (\$1,000,000) shall be used to defray Maintenance & Operations (M) costs. At the expiration of the term of the bond issue(s) any balance remaining in the Sinking Fund shall be credited to Maintenance and Operations (M) until fully utilized.

6. Payments by Participants. On a monthly basis, Everett shall bill Marysville for water delivered through the Phase I JOA pipeline master meter and each Participant, directly, for water delivered through master meters at connection points which serve one Participant only. Bills for water delivered at future

connection points which serve more than one Participant shall be sent to an agency designated by the Participants. Said bills shall be payable within thirty (30) days after receipt of the invoice. Delinquent bills shall accrue interest at the rate of twelve percent (12%) per annum for any delinquency greater than sixty (60) days.

7. Resale or Distribution of Water by the Participants. After water has passed the points of delivery and has entered the PUD's system or Marysville's transmission pipeline, said water becomes the property of the Participants according to the point of delivery and/or their respective capacity right as established in the JOA and the use and distribution of the same shall be under the exclusive authority of the Participants, subject only to the following express limitations.

a. Ordinance No. 1347-87 (EMC 14.15.460) requires that new connections outside the City of Everett greater than 12 inches are subject to Everett Water System Plan modification. Participants agree not to allow any customer connection to Participants' water systems which is using water purchased from Everett if said connection is greater than 12 inches in diameter, or supplies more than one million gallons per day, unless Participants first obtain approval from Everett for said connection. Everett's approval shall not be unreasonably withheld and shall be based on the water supply impacts to the Everett water system caused by said connection.

b. The Participants will distribute water received from Everett in a manner consistent with the Everett Water System Plan, the CWSP, and the individual Participants' Water Systems Plans, as approved by the Washington State Department of Health if appropriate.

c. The Participants shall not serve water received from Everett, pursuant to the terms of this agreement, in areas outside the service area shown in Exhibit B attached hereto.

8. Term of Contract. The term of this Contract shall be from the date of its mutual acceptance by all parties until July 1, 2020, with provisions for amendment to incorporate Phase 2 facilities and demands to be consistent with the CWSP. The Participants shall have a right to renew this Contract for an extended term of similar duration and for a quantity of water consistent with the demands projected by the CWSP.

9. Construction, Operation and Maintenance of Capital Improvements. The Participants shall construct all capital

improvements to their water systems and shall own all capital improvements downstream from the points of delivery and shall assume exclusive responsibility for the operation, maintenance and repair of the same. All construction, operation, and maintenance and repairs shall be in strict compliance with standards approved by the Washington State Department of Health as appropriate. By separate agreement, the Participants may contract with Everett for certain inspection, repair and maintenance services relating to the 30-inch pipeline. The Participants shall annually provide to Everett a water system report to include number of customers, peak use and other information useful in optimizing joint operations.

10. Uncontrollable Forces. None of the parties hereto shall be considered to be in default in respect to any obligations hereunder if prevented from fulfilling such obligations by reason of uncontrollable forces. All parties rendered unable to fulfill any obligation hereunder by reason of an uncontrollable force shall exercise due diligence to deal with such uncontrollable force with all reasonable dispatch.

11. Assignment; Successors Bound. Neither this Contract nor any right or privilege herein shall be assigned by any party without the written consent of the other parties. This Contract shall apply to and be binding upon the lawful successors of all parties.

12. Notices. All notices complying with this Contract shall be sent by registered mail as follows:

To Everett

Mayor
City of Everett
Everett City Hall
3002 Wetmore Avenue
Everett, WA 98201

To the PUD

Manager
PUD No. 1 of Snohomish County

2320 California
Everett, WA 98201

To Marysville

Mayor
City of Marysville
Marysville City Hall
514 Delta Avenue
Marysville, WA 98270

To the Tribes

Executive Director
Tulalip Tribes of
Washington
6700 Totem Beach Road
Marysville, WA 98270

IN WITNESS WHEREOF, the parties have caused this Contract to be executed by their proper Officers on the 15th day of October, 1991.

CITY OF EVERETT

CITY OF MARYSVILLE

Pete Kinch
PETE KINCH, Mayor

Rita Matheny
RITA MATHENY, Mayor

ATTEST:

ATTEST:

Donna L. Rider
DONNA L. RIDER, City Clerk

Phillip E. Dexter
PHILLIP E. DEXTER, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Bruce E. Jones
BRUCE E. JONES, City Attorney

Grant K. Weed
GRANT WEED, City Attorney

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY

THE TULALIP TRIBES OF
WASHINGTON

Charles N. Earl
CHARLES N. EARL, District Manager

Stanley G. Jones Sr.
STANLEY G. JONES SR., Chairman

APPROVED AS TO FORM:

ATTEST:

By: *Donald E. Halo*
Dated: 10/19/91

By: *Marie M. Zackuse*
MARIE M. ZACKUSE, Secretary

(0110)

EXHIBIT A

**WATER REQUIREMENTS FORECAST FOR
MARYSVILLE - LAKE STEVENS - TULALIP TRIBES SERVICE AREAS (1)**

(Peak Day MGD)

SERVICE AREA	YEAR			
	2000	2010	2020	2040
Marysville (2)	9.71	11.66	13.68	17.72
Lake Stevens/PUD	0.75	3.42	5.93	10.96
Marysville/PUD Overlap (3)	1.04	1.49	2.05	3.17
Tulalip Tribes	<u>3.11</u>	<u>4.09</u>	<u>5.34</u>	<u>6.39</u>
TOTAL	<u>14.61</u>	<u>20.66</u>	<u>27.00</u>	<u>38.24</u>

Footnotes:

- (1) Forecast as currently developed through the Coordinated Water System Plan.
- (2) Demand forecast assumes current supply of 1.9 MGD from Edwards Springs and Lake Goodwin wells will serve other users.
- (3) Demand to be assigned to utilities based upon final resolution of service area overlap.

EXHIBIT B

PLATE 1

CITY OF EVERETT

WASHINGTON

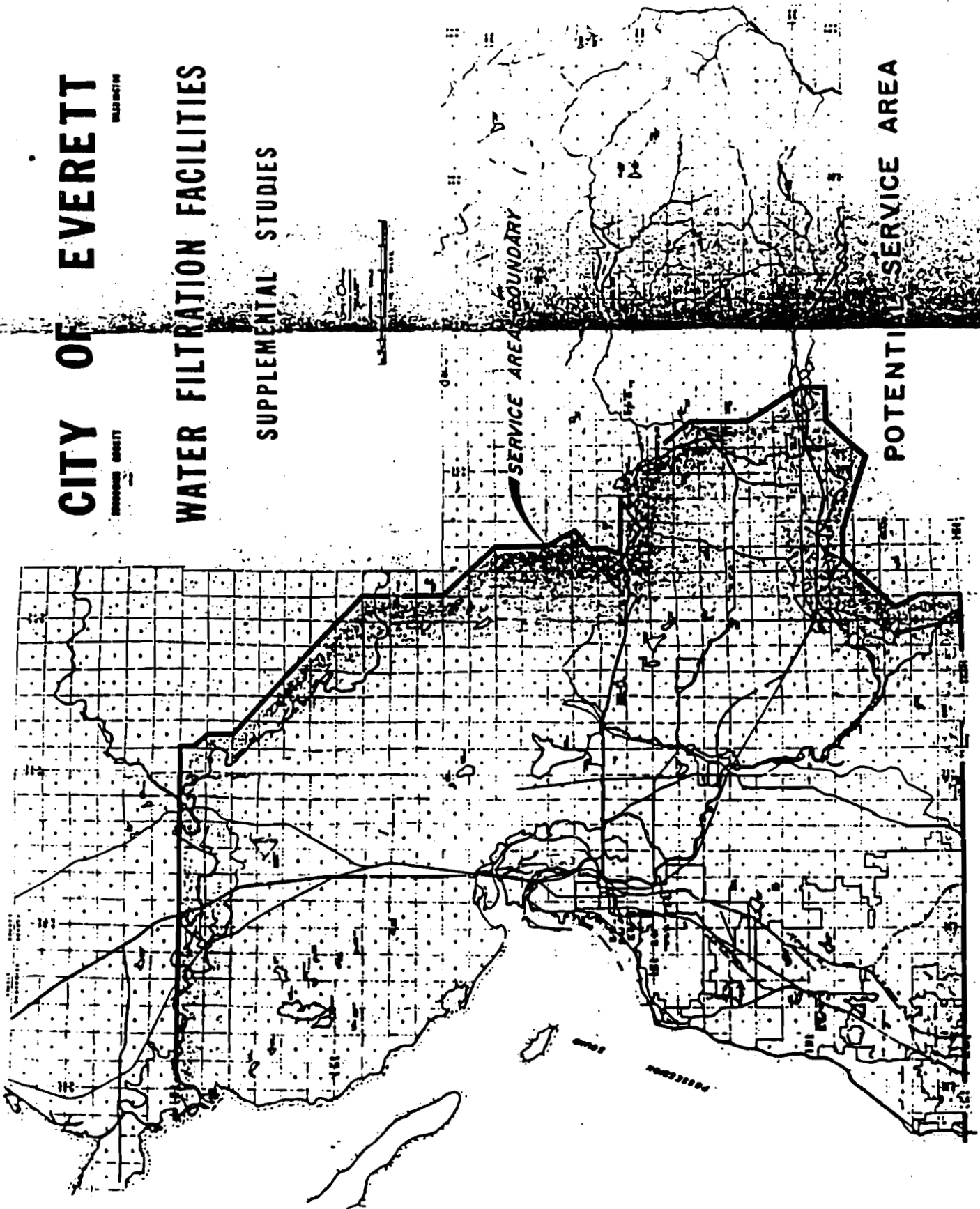
EVERETT, WASH.

WATER FILTRATION FACILITIES

SUPPLEMENTAL STUDIES

SERVICE AREA BOUNDARY

POTENTIAL SERVICE AREA



RESOLUTION NO. 3703

A RESOLUTION establishing December 31 as the date for the commencement of LUD foreclosure proceedings.

WHEREAS, the Commission of Public Utility District No. 1 has established procedures in matters relating to local utility districts; and

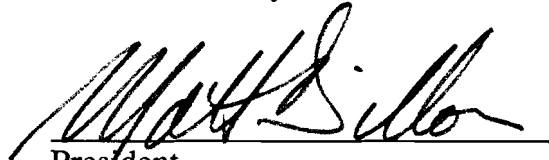
WHEREAS, RCW 35.50.030 directs the District to proceed with the foreclosure of delinquent local improvement assessments on or before March 1 or on or before such other date each year as may be fixed by resolution of the Commission; and

WHEREAS, the Commission finds that it would be in the best interest of the District and its customers to amend Resolution No. 2011 to provide for a new foreclosure commencement date,


NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, that Section VII, Paragraph D of Resolution No. 2011, as amended, shall be and hereby is amended to provide that foreclosure proceedings of delinquent assessments or installments shall be commenced on or before December 31 each year.

BE IT FURTHER RESOLVED that Resolution No. 2967 be and it is hereby repealed and shall have no further force and affect.

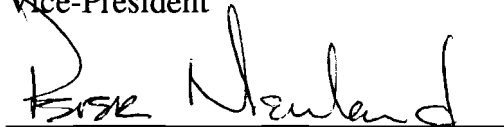
PASSED AND APPROVED this 17th day of December, 1991.



President



Vice-President



Secretary

RESOLUTION NO. 3756

A RESOLUTION Authorizing the District's General Manager to Accept on Behalf of the District a Bill of Sale and Statutory Warranty Deed Conveying to the District the Water System and Associated Properties of Skylite Tracts, Inc.

WHEREAS, Skylite Tracts, Inc., an association of property owners within the subdivision of Skylite Tracts located near the Town of Sultan, Snohomish County, Washington, has requested that the District take over its water system, including but not limited to wells, pumps, underground distribution lines, hydrants, valves, real property and easements, wellsite, licenses, permits, water rights and all other interests associated with and appurtenant to said water system; and

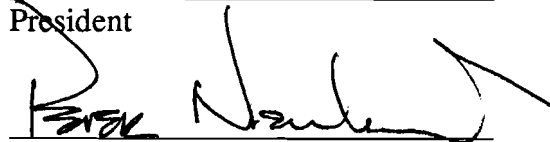
WHEREAS, the Commission has considered the request of Skylite Tracts, Inc. and the report and recommendations of District staff; and the Commission finds that acceptance of a Bill of Sale and Statutory Warranty Deed from Skylite Tracts, Inc. conveying the water system is reasonable and proper and in accordance with District policy,

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, Washington, that the District accepts the Skylite Tracts, Inc. water system for the sum of ten dollars (\$10.00) and other consideration as provided in that Bill of Sale and Agreement attached hereto as Exhibit "A" and incorporated by this reference; and the General Manager is hereby authorized to do and perform such other acts and proceedings as may be necessary or convenient to accomplish the foregoing.

PASSED AND APPROVED this 24th day of March, 1992.



President



Vice-President



Secretary

AFTER RECORDING MAIL TO:

Public Utility District No. 1
of Snohomish County
P.O. Box 1107
Everett, WA 98206

copy

STATUTORY WARRANTY DEED

THE GRANTOR Skylite Tracts, Inc.
for and in consideration of Ten and no/100 Dollars
conveys and warrants to the Public Utility District No. 1 of Snohomish
County
the following described real estate, situated in the County of Snohomish,
State of Washington:

Lots 44 and 46, Block 5, Replat of Blocks 5 and 6, Skylite
Tracts, according to plat thereof recorded in Volume 21 of
Plats, pages 96 and 97, records of Snohomish County,
Washington.

DATED THIS 12 day of February, 1992.

[Handwritten Signature]

President, Skylite Tracts, Inc.

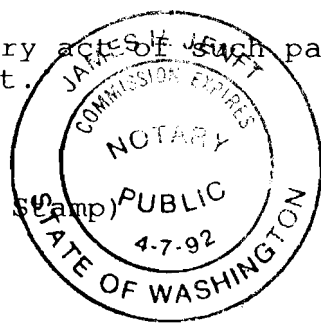
(REPRESENTATIVE ACKNOWLEDGEMENT)

State of Washington
County of Snohomish _____

I certify that I know or have satisfactory evidence that Laurie Campbell
signed this instrument, on oath stated that (~~he~~, she, ~~they~~) (was, ~~were~~)
authorized to execute the instrument and acknowledged it as the
President and _____
(Officer, Trustee, President, etc.)

of SKYLITE TRACTS, INC to be the
(Name of party on behalf of who instrument was executed)

free and voluntary act of each party for the uses and purposes mentioned
in the instrument.



Dated 2-12-92
Signature of Notary Public James H. Jeffa
Title Notary Public

My appointment expires 4-7-92

BILL OF SALE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That SKYLITE TRACTS, INC. (herein after "Skylite Tracts"), for and in consideration of the sum of Ten (10) Dollars, to Skylite Tracts in hand paid by the Public Utility District No. 1 of Snohomish County, Washington (hereinafter "District"), the receipt of which is hereby acknowledged, does hereby convey and warrant unto the District and its successors and assigns:

The entire existing Water System now owned and operated by Skylite Tracts for the use and benefit of its membership and owners of properties within the Skylite Tracts subdivision in Section 2, Township 27, Range 8 East, W M, as recorded in Volume 20, pages 41, 42 and Volume 21, pages 96, 97 (Replat of Blocks 5 and 6), Records of Snohomish County Washington; said Water System to include all underground distribution lines, valves, hydrants, wells, pumps, wellhouse, wellsite, fittings, services and appurtenances, and all easements, licenses, permits, water rights and other rights and interests associated with and appurtenant to said Water System which are necessary or desirable for its operation and maintenance.

Covenants and Conditions:

1. Skylite Tracts hereby agrees that as a part of the sale of the Water System and at no additional cost, it shall, and does hereby assign, convey and warrant unto the District, its successors and assigns any and all water rights and interests it has acquired or that may have been granted it under State of Washington Permit No. G1-22033P and Certificate No. G1-22033C, for water rights appropriated by Skylite Tracts in 1974.

2. The wellsite, consisting of lots 44 and 46 of Division 5 of Skylite Tracts, shall be conveyed to the District to facilitate sanitary control of the well, provide a site for construction of a water reservoir and any other or additional purposes that the District may deem proper or necessary for water utility operation and maintenance.

3. Skylite Tracts also hereby agrees that it shall cause to be conveyed to the District at no additional cost, any easements, permits, and licenses that are or may be reasonably necessary for the use and enjoyment of the existing Water System or additions to the Water System to be installed and maintained by the District to Serve Skylite Tracts, its membership and owners of properties within the Skylite Tracts subdivision.

4. Skylite Tracts warrants and represents that the matter of transferring ownership of the water system to the District was duly considered at an annual meeting of Skylite Tracts, and in accordance with Article V, Section 3 of its Bylaws, a quorum was present and the required majority voted in favor of the transfer of the water system to the District.

5. Skylite Tracts, for itself, its successors and assigns, covenants and agrees to warrant and defend the sale of said rights, real property, personal property, goods, and chattels hereby made unto the District and its assigns, against all and every person and persons whomsoever lawfully claiming the same. Skylite Tracts does further warrant to the District and its assigns that said property and rights are free and clear of all encumbrances of any kind; that no other persons have any legal or equitable ownership interest in said property and rights; that said Skylite Tracts has not received any assistance or contribution in the form of money, labor or material giving rise to any ownership or lien interest in said property and agreements

as to the future cost, expenses, or usage of such property and rights; and that Skylite Tracts has free and clear title thereto and is authorized to convey the same.

6. Skylite Tracts agrees that it will defend and hold harmless the District from and against any and all claims of whatsoever nature having to do with or arising from Skylite Tracts' ownership, use, or operations of the aforementioned Water System existing prior to the execution of this Bill of Sale and Agreement.

7. Skylite Tracts represents and warrants that as of the date of execution of this Bill of Sale and Agreement:

- a. There are no actions, suits, claims or proceedings of any nature affecting the Water System property, real or personal, before any court or governmental agency, except for notification of violation of bacteriological sampling requirements by the Washington State Department of Health (DOH), of which the District has been fully informed.
- b. Skylite Tracts has received no notice from any government agency, except the DOH as described above, pertaining to an unresolved violation of any law or regulation affecting the Water System property, real or personal, and has no knowledge of any facts which might form a basis for any such notice.
- c. Skylite Tracts has no knowledge of dangerous, toxic, or hazardous substances or solid wastes as defined by state or federal law having been generated, treated, released, stored or disposed of, or otherwise deposited or located in or on Water System real property. Further, Skylite Tracts has no knowledge of underground or aboveground storage tanks (except water storage tanks) having been located on the property, and to the best of its knowledge, there are no substances or conditions in or on the Water System property which may support a claim or lawsuit under any state or federal "superfund," hazardous waste, toxic substances or other environmental law or regulation.
- d. Skylite Tracts, its successors and assigns agrees to defend, indemnify and hold District harmless from any and all claims, losses, environmental harm, damage to natural resources, damages, suits, penalties, liability and expenses, including but not limited to reasonable attorney fees, engineering and consultant costs, arising out of or having to do with any environmental condition existing as of or prior to the date hereof, regardless of whether such condition resulted from activities of Skylite Tracts, or its predecessors in interest. Without limiting the generality of the foregoing, Skylite Tracts obligations under this paragraph extend to liability arising under common law or under any federal, state, or local governmental claim or requirement brought under any applicable state, federal or local environmental law.

8. The parties agree that the effective date of the transfer of ownership and maintenance responsibility shall be the first day of the month following the execution of this Bill of Sale and Agreement. Skylite Tracts will be responsible for all maintenance, water quality monitoring and testing until the effective date of the transfer of ownership and maintenance responsibility.

9. This Bill of Sale and Agreement has been executed by the parties in contemplation of improvements being made by the District in accordance with a plan for providing improved (limited) fire protection, reliability and system control, estimated to cost approximately \$120,000. The cost of the improvements will be supported by a District contribution of \$600 per lot (times 150 lots, totaling \$90,000), a general facility charge (in accordance with District Resolution 2352) for all connections made to the system after the effective date of this agreement, and a hookup charge not to exceed \$200 for existing users, payable within 30 days following the installation of a District water meter. If payment is not received within 30 days, the amount will be included on the monthly District water bill for collection over a 12 month period.

IN WITNESS WHEREOF, the seller herein has executed this Bill of Sale and Agreement this _____ day of ~~Feb 12~~, 1992
Feb. 12

Skylite Tracts, Inc.

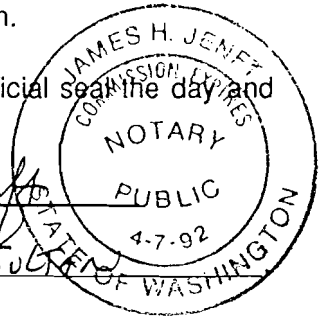
By: [Signature]
Title: ~~Vice President~~
President

State of Washington)
 :SS
County of Snohomish)

On this 12 day of February, 1992, before me personally appeared, _____ LAURIE CAMPBELL to me known to be the PRESIDENT of the corporation that executed the within and foregoing instrument, and acknowledges said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

James H. Jenet



Notary Public in and for the State of Washington residing at SUCHEW Washington.

APPROVED

AS TO
FORM

ATTORNEY: [Signature]

DATE: 2/6/92

RESOLUTION NO. 3879

A RESOLUTION amending the Lake Roesiger Mandatory Water Conservation Program.

WHEREAS, the Commission of the Public Utility District No. 1 of Snohomish County (District) authorized the formation of LUD No. 12 to finance the construction of a public water system for the Lake Roesiger area; and

WHEREAS, the Commission determined that the water system would result in increased water use in dwellings near or adjacent to Lake Roesiger, thus contributing to increased wastewater production to septic tanks; and

WHEREAS, to mitigate adverse environmental impacts, the Commission adopted several measures, including a Mandatory Water Conservation Program (Program); and

WHEREAS, under the Program each water customer within LUD No. 12 must have installed ultra low volume (ULV) toilets and low-flow faucet aerators and showerheads before connecting to the water system; and

WHEREAS, some property owners with wall-mount toilets have been unable to obtain ULV toilets that are compatible with existing plumbing; and

WHEREAS, the cost to change from a wall-mount toilet to a ULV floor-mount toilet is significantly higher than replacing a floor-mount toilet with a ULV toilet,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, that where the installation of a ULV toilet requires the conversion from a wall-mount to a floor-mount toilet, the District will reimburse the property owner for the additional cost of

converting from a wall-mount to a floor-mount toilet subject to the following:

1. Eligible conversion costs shall be limited to plumbing, wall and ceiling patching, a \$100 allowance for each converted toilet, and any other costs which in the option of the District's Director of Water, Facilities and Environmental Affairs is directly attributable to the conversion from a wall-mount to a floor-mount toilet, but not to exceed the maximum set forth in Paragraph 2 below.
2. The property owner must obtain three written quotations from qualified contractors or plumbers for each conversion. District reimbursement will be based on the lowest of the three quotations up to a maximum allowable reimbursement of \$600 per each ULV toilet, plus the \$100 allowance for each ULV toilet.
3. The standard \$150 rebate will not apply for wall-mount conversions, but will apply to any existing floor-mount toilets owned by the property owner.

PASSED AND APPROVED this 29th day of December, 1992.



President



Vice-President

Secretary

RESOLUTION NO. 3985

A RESOLUTION ordering the acquisition, construction and installation of the plan or system of additions to and extensions of the District's Water Utility, as adopted on June 8, 1993 by Resolution No. 3963 and applicable to the local utility district hereafter described, and creating Local Utility District No. 16 of Public Utility District No. 1 of Snohomish County, Washington.

WHEREAS, by Resolution No. 3963, passed by the Board of Commissioners of the District, a plan or system of additions to and extensions of the District's Water Utility, all in accordance with Exhibit B thereto, which by this reference are made a part hereof, and related appurtenances thereto, was adopted, which resolution also declared the intention of the Board of Commissioners of the District to form a local utility district to be known as and designated as Local Utility District No. 16 of Public Utility District No. 1 of Snohomish County, Washington, in connection with carrying out such plan; and

WHEREAS, notice of the adoption of said Resolution No. 3963, as amended by Resolution 3973 on June 29, 1993, was duly published and notice was duly given that a public hearing on the formation of the proposed local utility district would be held before the Board of Commissioners of the District at 1:30 o'clock p.m. Local Time on the 27th day of July, 1993, at the Electric Building, 2320 California Street, Everett, Washington; and

WHEREAS, such hearing was duly and regularly held at the aforementioned time and place before the Board of Commissioners of the District, and the Board heard all persons desiring to be heard on the matters affecting the formation of the proposed local utility district; and all protests timely filed in writing were duly considered by the Board; and

WHEREAS, the District determined it was a lead agency for this project and properly circulated a Determination of Non-Significance to potentially interested parties and agencies; and thereafter took into account all comments received; and

WHEREAS, the Board finds the proposed improvement to be feasible; and further that it appears proper that the proposed improvement be ordered and that Local Utility District No. 16 be created,

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Snohomish County, Washington, as follows:

Section 1. The acquisition and construction of the plan or system of additions to and extensions of the District's Water Utility as adopted in Resolution 3963 as more particularly set forth in Exhibit B thereto, is hereby ordered to be carried out. It is a part of such plan or system of additions and extensions aforesaid that the Commissioners may make such changes in the details of such plan prior to or in the actual course of acquisition, construction and installation which may be found necessary or desirable providing the same do not substantially change such plan or such system as hereinabove set forth.

Section 2. There is hereby created a utility local improvement district to be known and designated as "Local Utility District No. 16 of Public Utility District No. 1 of Snohomish County, Washington", and more particularly described in Exhibit A.

Section 3. The estimated cost and expense of carrying out the plan or system provided in Section 1 hereof, including acquisition, construction and

installation, overhead and general expenses and engineering and legal expenses, is hereby declared to be, as near as may be, \$697,200. Not to exceed 90% of such cost and expense shall be borne by assessments against property within said local utility district specially benefitted by the improvement.

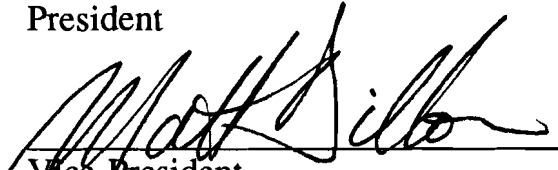
Section 4. In the opinion of the Commission, the nature of the improvement authorized herein is such that the special benefits conferred on the property included in the local utility district described in Section 2 hereto are not fairly reflected by the use of zone and termini method of assessments, but are fairly reflected by a per buildable lot method of assessment. The assessments, therefore, shall be made against the property within said local utility district on a per buildable lot basis, without regard to the zone and termini method.

Section 5. The cost of the plan described in Section 1 hereof shall be met and defrayed from the District's Water Utility General Fund and the proceeds of assessments or the proceeds of bonds or warrants payable from the proceeds of assessments levied and assessed against all property within the local utility district created by Section 2 hereof, legally and properly assessable therefor and specially benefitted by said improvement, as provided by the laws of the State of Washington and the resolutions of the District. The entire principal of and interest on such assessments, as well as penalties for late payment, shall be paid into a local improvement fund which is hereby created and established in the office of the Snohomish County Treasurer to be known as "Local Utility District No. 16 (Water System) Sunday Lake Area" and shall be used for the sole purpose of paying the cost of the plan described in Section 1 and/or paying

principal of and interest on District warrants and/or bonds to be issued in payment of the cost and expense of the improvement herein ordered. The assessments in such utility district, may be paid in cash at any time within thirty days from the first day of publication by the Treasurer of Snohomish County, Washington, that notice of the assessment roll is in his or her hands for collection without penalty, interest or cost, and if not then paid may, at the option of the several property owners, be paid in such number of equal installments and with interest at such rate as may hereafter be fixed by the Board at the time the final assessment roll is confirmed. The final assessment roll will be confirmed at a future public hearing which date will be set following completion of the acquisition, construction and installation of the plan or system of additions. The levying, collection and enforcement of all assessments in such local utility district shall be in the manner now or hereafter provided by law or resolution of the District.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, at a regular meeting thereof this 27th day of July, 1993.

President



Vice-President

Secretary



Secretary

EXHIBIT A

All that portion of the following plat within Snohomish County, Washington:

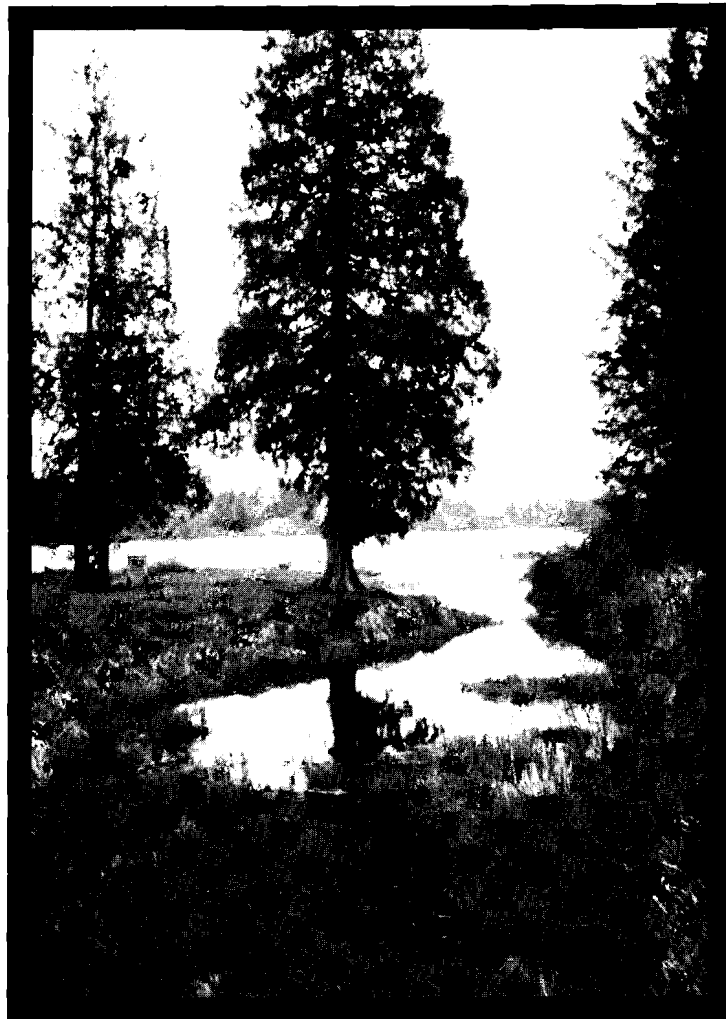
- Sunday Lake Plat, as recorded in Volume 25 of Plats at Pages 67, 68, and 69, Records of Snohomish County, Washington.



PUD No. 1 of Snohomish County
Water Utility Satellite System

Sunday Lake

LUD No. 16



*Feasibility Study Report and
Water System Plan Supplement*
June 1993

Adopted June 8, 1993 by Resolution 3963.

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

**WATER UTILITY
SATELLITE SYSTEMS**

**SUNDAY LAKE LUD NO. 16
FEASIBILITY STUDY REPORT**

AND

WATER SYSTEM PLAN SUPPLEMENT

JUNE 1993

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3	Vicinity Map
4	Zoning and Service Area
5	Comprehensive Plan Designation
6A	Distribution System, Parcel C Storage - Two Pressure Zones
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6D	Distribution System, Low Level Reservoir and Pump
7	Cost Comparison of Storage Alternatives
8	Preliminary Assessment Roll
9	Property Tax Exemption
10	SEPA Checklist and Determination of Nonsignificance

I. INTRODUCTION

On August 5, 1980, the Board of Commissioners of the Public Utility District No. 1 of Snohomish County (District) established a Satellite Water System Program (SWSP) which provided for the policy and guidelines under which the District would assume ownership and operation of water systems external to its existing system near Lake Stevens. Since that time, the District has constructed two new systems to serve May Creek Mountain View Tracts near the Town of Gold Bar, and the Lake Roesiger area north of the City of Snohomish, respectively. In addition, the District has assumed ownership of an existing system serving the development of Skylite Tracts southeast of the Town of Sultan.

In 1987, in response to recurring problems with the existing water system serving the Sunday Lake Plat (the Plat), the Sunday Lake Community Club (the Community) retained a consulting engineer to evaluate the water system and prepare an abbreviated water system plan. The abbreviated plan evaluated the system's source and storage needs and alternatives for meeting the needs but did not recommend a means of financing the improvements. Because no means of financing the improvements had been identified, the abbreviated plan's recommendations focused on short-term, low-cost source and pumping improvements based on "available funds". The abbreviated plan's recommendations did not include improvements to address unreliability of the distribution system, provision of fire flows, water treatment or provision of additional storage capacity. The abbreviated plan was never formally adopted by the Community and except for the drilling of an additional well (hereinafter described as Well 2), none of its recommendations have been implemented.

In June 1992, petitions in favor of the formation of an LUD to acquire, construct, repair, modify, operate and maintain the existing water system serving the Plat (the System) were submitted to the District by property owners within the Plat. The petitions were reviewed by the District's Real Estate Department, and on July 29, 1992 the petitions were validated as representing a majority of property owners within the boundaries of proposed LUD No. 16, which correspond to the boundaries of the Plat (Exhibit 1). On August 25, 1992, the District's Board of Commissioners accepted the petition for formation of LUD No. 16 and authorized the District's General Manager to prepare an estimate of the cost of a feasibility study for LUD No. 16 and upon receipt of funds from the petitioners, to proceed with the feasibility study (Exhibit 2).

In January 1992, the Community deposited \$3,500 with the District, which represented the estimated cost of the feasibility study, and the District conducted such feasibility study during the period of September 1992 to April 1993. The purpose of the District's feasibility study (as distinguished from that of the prior abbreviated plan) was to determine the feasibility of developing and implementing an improvement and financing plan consistent with the North Snohomish County Coordinated Water System Plan (CWSP), the District's standards, and the long-term water needs of the Plat. This report summarizes the results of the District's feasibility study and also serves as a Sunday Lake area supplement to

the District's Water System Plan.

II. SUMMARY AND CONCLUSIONS

For a period of at least ten years, the System has been experiencing recurring leakage and breakdowns resulting in increasing disruptions to service. In addition, the System currently has insufficient developed source and storage capacity to meet minimum standards for adequacy as defined by the Washington State Department of Health (DOH). The problems with insufficient source capacity are aggravated by leakage, which results in increased pumping of the source. The breakdowns have resulted in repeated draining of the System which increases the potential for water contamination from cross connections or seepage of shallow ground water into the unpressurized distribution system. As a result of the problems with the System, a building moratorium in the Plat has been in effect since 1990. These factors have resulted in a direct, adverse economic impact to the lots and water users within the Plat.

Evaluation of the data collected in connection with the District's feasibility study has led to the conclusion that because of such excessive leakage and insufficient source and storage capacity, and the System's overall poor condition, the existing System should be replaced with the exception of the two existing wells, land and easements. An analysis of such data and conclusions has indicated that such replacement System could be constructed at a reasonable cost to the property owners and that bonds could be sold to finance the LUD. The total estimated cost of the proposed replacement System including studies, construction costs, contingency, LUD administration costs and financing cost during construction is \$697,200. The proposed replacement System would include the following:

1. Replacement of existing distribution system with one consisting of a combination of 4-inch, 6-inch and 8-inch mains and capable of providing fire flows of 500 gpm with hydrant spacing of 600 feet.
2. Drilling and equipping of one new well, equipping of an existing drilled well which is not currently in use (Well 2), and replacement of the pump and pumphouse at the well which constitutes the existing source of supply (Well 1).
3. Installation of storage having a minimum effective capacity of 50,000 gallons.

A SEPA Checklist was prepared and a Determination of Nonsignificance issued by the District in connection with its evaluation of the potential for adverse environmental impacts related to the replacement of the System. The data suggested that:

1. The direct adverse environmental impacts of construction, operation, and maintenance of the proposed replacement System would be limited and mostly temporary.
2. Replacement of the System would result in the lifting of a building moratorium which is currently in effect within the Plat due to insufficient water supply. Lifting of the moratorium would enable the construction of up to 39 additional homes in the Plat, which would result in secondary impacts including increased

waste water production and traffic.

3. Increased utilization of ground water would result from the project.

In developing the design requirements and calculating the assessment per lot, development projections for the Plat and the immediate vicinity were made. The projections estimated that up to 135 homes would ultimately be served by the replacement System, consisting of 115 homes within the Plat and up to 20 homes outside (but in the immediate vicinity of) the Plat. Of the 20 homes outside the Plat, it is estimated that up to 15 could be served directly by the facilities installed by the LUD. Service to the other 5 homes would require main extensions.

The assessments have been developed based on the following assumptions:

1. Financing of the replacement System would be structured such that the District's standard Lake Stevens water rates (Schedule 11) would apply. The District's standard rates include debt service and thus, to equate debt service for the proposed System to the District's other water systems, the District would contribute \$600 per anticipated connection that could be served directly from the replacement System (115 within the LUD and 15 outside). It is expected that this District contribution of approximately \$78,000 would be recovered over time through water rates, connection charges and General Facilities Charges.
2. Assessments would be on the basis of buildable lots. Consequently, lots that have been combined into one building lot would have one assessment and lots with documentation that they will not support a septic system would not be assessed unless the owners request a connection to the replacement System.
3. Costs associated with service connections would be included in the assessment for all existing homes. Vacant lots would not be assessed for the cost of a service connection unless the owner requests the installation of a service connection.
4. The costs of oversizing source and storage facilities to provide capacity for potential customers outside of the LUD would not be included in the LUD assessments. Such costs would be financed by a portion of the District's financial contribution to the project. It is anticipated that such costs will be recouped through a General Facilities Charge to be collected from future customers of the System, as further described in section VIII.E. hereof.
5. As part of the conservation program which would be implemented within the LUD, owners would be provided the option of financing the cost of converting from conventional toilets to Ultra Low Volume (ULV) toilets through an optional addition to their assessment.

The total estimated cost of the project is \$697,200. After subtracting the District's estimated participation of \$78,000 (\$600 X 130 connections), the net cost to the LUD is estimated to be \$619,200, resulting in an assessment of \$5,380 per buildable lot.

Estimated operating receipts and expenditures were compared for a range of estimated customer counts for the System and it was determined that through using the District's existing water rates, revenues would offset expenses and allow a small reserve to be built up over time.

Based on all of the data collected and developed, it was concluded that it is financially, economically and technically feasible for the District to acquire and upgrade the System as described herein and that no significant adverse environmental effects would result.

III. WATER SYSTEM PLANNING AREA

A. Physical Description

The Plat is located approximately one mile west of Interstate 5, between Highways 530 and 532 in Section 26, Township 32 North, Range 4 East W.M. in Snohomish County (Exhibit 3). The Plat is located in the southwestern portion of the Sunday Lake Watershed, and approximately 15% of the Sunday Lake shoreline is included within the Plat.

Sunday Lake is a shallow, "perched" lake, meaning that it occupies a depression in impervious soils which is filled with precipitation, local runoff and shallow groundwater. Its surface is approximately 220 feet above mean sea level (msl). According to the United States Geological Survey Water Supply Bulletin #43, Vol 2, Sunday Lake is approximately 43 acres in size, with a mean depth of 8 feet and maximum depth of 20 feet. The Sunday Lake Watershed is estimated to occupy 1.67 square miles, less than 4% of which is occupied by the Plat.

The ground elevation of the Plat ranges from 223 feet to 348 above feet msl, with the highest elevations located in its southeasterly portion. The soils near the Lake are characterized by relatively shallow topsoils underlain by compacted, very low permeability glacial till/clay. Well logs from wells located in the area surrounding the Plat indicate that this till layer is relatively thick, ranging from 60 to 125 feet in thickness. The higher portions of the Plat are underlain by well-drained sands and gravels.

B. Land Use

Exhibit 4 shows the zoning in the Plat and vicinity. The Plat is zoned Rural-20,000 (1-2 dwelling units/acre) or Rural Residential, with flood hazard area conservance shorelines of 100 feet setback from Sunday Lake and from a stream corridor feeding Sunday Lake, which runs through the northern portion of the Plat. Of the 141 lots platted, 76 have been improved with homes. The dominant land uses in the Sunday Lake Watershed as a whole are low-density residential, hobby farms and forestry. There is no commercial/industrial activity in the Watershed. The Snohomish County Comprehensive Plan designations for the Plat and surrounding areas are discussed in Section III. D. below.

C. Population

The population currently served by the System is estimated at 228 (76 homes). Based on the assumptions more fully described in Section VII, the maximum population anticipated to

be served by the replacement System is 405 (135 homes).

D. Existing Plans

The Snohomish County Comprehensive Plan for the Northwest County Area, adopted in October, 1986 and most recently amended in December 1989, covers the Sunday Lake area (see Exhibit 5). The Plat and the area immediately east of the Plat are designated Residential Estate (1-2 D.U./acre), while the remainder of the proposed service area for the replacement System is designated Rural (1 D.U./ 2.3-5 acres). The stream corridor feeding Sunday Lake, which runs through the northern portion of the Plat, is designated as an Environmentally Sensitive Area.

The regional water supply plan for the area is contained in the CWSP, which identifies the Sunday Lake area as "unclaimed" by any nearby or adjacent water utilities. In unclaimed areas, the District's SWSP is identified as the preferred alternative to the creation of new public water systems, and is available to existing systems that may wish to "restructure" to comply with the Safe Drinking Water Act (more fully described in Section V. A. hereof). Common forms of restructuring for privately owned water systems includes satellite ownership (acquisition by a publicly owned utility such as the District) or mergers with nearby water systems.

E. Adjacent Water Systems

Two Group A (>15 connections) public water systems, Stanwood and Silver Springs Estates (Silver Springs), are located in the vicinity of the Plat. The CWSP designates Stanwood as an "expanding" water system, meaning that Stanwood plans to increase its service area in size through future additions to source, storage, transmission or distribution facilities. Silver Springs is designated as a "non-expanding" system.

The service area boundary of the Stanwood system is approximately one mile west of the western boundary of the Plat; however, the nearest available Stanwood distribution main is approximately 3 miles west of the western boundary of the Plat.

A distribution main from Silver Springs is located approximately 600 feet east of the Plat. Silver Springs currently serves about 20 homes and was approved by the DOH to serve up to 34 lots in the Silver Springs subdivision. Silver Springs is supplied by an 8 inch diameter well, 381 feet deep, that was test pumped in 1969 at 50 gallons per minute (gpm). Storage is provided by a pressure tank. The distribution system was installed in 1969.

Since the Silver Springs and Sunday Lake water systems are in close proximity to the System and serve similar topography, the feasibility of an intertie has been considered as a part of this study and is discussed in Section VII. C. of this report. If a satisfactory agreement could be reached, it appears that an intertie would offer mutual benefits to both water systems. Specifically, increased storage and the availability of fire flows would be available to Silver Springs, while additional supply and improved reliability would be gained by Sunday Lake.

During preparation of this study, the District made several contacts with a

representative of Silver Springs, seeking to determine if Silver Springs would be interested in participating with the District in constructing an intertie to connect the two systems. To date, Silver Springs has demonstrated no interest in an intertie.

IV. EXISTING SYSTEM

A. Source of Supply

The System is supplied by Well 1, which was drilled in the late 1960s. Well 1 is located adjacent to Lot 32 in the Plat, near the intersection of 25th Ave N.W. and 256th St N. W., and is 209 feet deep with a firm yield of 32 gpm. In 1990, Well 2 was drilled in the Plat's community playfield/lake access area adjacent to Lot 21. Well 2 is over 200 feet south of the lake shoreline and is approximately 400 feet southeast of Well 1. Well 2 was drilled to a depth of 396 feet in an unsuccessful effort to locate a deeper aquifer and was perforated at a depth of 190 to 210 feet, in the same aquifer as Well 1.

Well 2 was drilled into a sandy, less porous portion of the aquifer and has a lower yield than Well 1, estimated at 20 gpm. Test pumping results conducted in connection with this study indicated that Well 2 produced an unacceptable quantity of sand in the water. To correct this problem, installation of a well screen in Well 2 is proposed as a part of this project. While Well 2 has not yet been equipped or placed into service, it would be in connection with the proposed upgrading of the System.

While the wells will draw from the same aquifer, the test pumping results indicate that concurrent pumping of both wells would not adversely affect their combined yield. Wells 1 and 2 pass through approximately 180 feet of glacial till/clay (with some sand lenses), which provides an excellent natural barrier to surface contamination. Well logs and test pumping results are set forth in Appendices A and B, respectively.

Over the next two years, in response to emerging federal requirements, the District will be establishing a wellhead protection program for all of its systems. Given the well depths, the natural protection afforded by the glacial till surrounding the wells and the relatively low yield of the wells, this wellhead protection program is not expected to impose significant requirements with respect to Wells 1 and 2 in addition to the minimum 100 foot radius sanitary control area around the wellheads that is currently required under state regulations.

A review of land use and facilities within the immediate vicinity of Wells 1 and 2 raises one issue of concern over possible ground water contamination. Specifically, a private well is located within 100 feet of Well 1. The private well does not have appropriate sanitary protection (the well casing is located in a depression in the ground where runoff from a pasture area may accumulate, and the well does not have a proper sanitary seal on the casing). Since inadequate sanitary protection of a well represents a possible means of aquifer contamination, the District would work with the well owner to correct the deficiencies. It is estimated that the needed improvements, including surface grading in the vicinity of the well, a surface seal, and a sanitary seal on the well casing, represent a cost of less than \$300. Since the private well does not comply with the Washington Department of Ecology's standards for protection of wells, the District would seek an enforcement action through the Department if the owner of the well failed

to cooperate with the District.

Currently, neither Well 1 nor Well 2 has a legally established 100 foot sanitary control zone under the ownership and/or control of the Community. It would be necessary for the District to obtain legal rights (land ownership, easements or restrictive covenants) sufficient to ensure such sanitary control zones with respect to each well in connection with the project.

The following Table sets forth the results of the water quality testing performed with respect to Wells 1 and 2. With the exception of manganese (Mn) levels in water produced by Well 1, all test results are below the allowable Maximum Contaminant Level (MCL). Treatment for Mn reduction is addressed in Section VII. D. hereof. Given the similar depth and proximity of the wells, the Volatile Organic Chemical (VOC) test results for Well 1 are deemed to be representative of the aquifer that serves both wells; hence, separate VOC testing for Well 2 has not been performed.

TABLE 1
Water Quality Test Results - Inorganic Chemicals

<u>Test</u>	<u>Units</u>	<u>MCL</u>	<u>Well #2</u> <u>5/2/91</u>	<u>Well #1</u> <u>10/17/88</u>	<u>Well #1</u> <u>11/4/91</u>
Arsenic	mg/l	0.05	<0.01	<0.01	
Barium	mg/l	1.0	<0.25	<0.25	
Cadmium	mg/l	0.01	<0.002	<0.002	
Chromium	mg/l	0.05	<0.01	<0.01	
Iron	mg/l	0.3**	<0.03	<0.1	
Lead	mg/l	0.05	<0.005	<0.01	
Manganese	mg/l	0.05**	<0.005	0.101	
Mercury	mg/l	0.002	<0.001	<0.0005	
Selenium	mg/l	0.01	<0.005	<0.005	
Silver	mg/l	0.05	<0.01	<0.01	
Sodium	mg/l	-	8	10	
Hardness	mg/l	-	54	80	
Conductivity	Mmh/cm	700	131	180	
Turbidity	NTU	1.0	0.2	0.1	
Color	CJ	15.0	<5.0	<5.0	
Fluoride	mg/l	2.0	<0.2	<0.2	
Nitrate	mg/l	10.0	1.8	<0.2	
Chloride	mg/l	250	4	<5.0	
Sulfate	mg/l	250	<1		
TDS	mg/l	500	133		
Copper	mg/l	1.0	<0.1		
Zinc	mg/l	5.0	<0.1		
VOC*	ug/l	varies			0.0

* * Secondary MCL. Exceeding a Secondary MCL raises aesthetic concerns, such as staining of plumbing fixtures, but raises no public health concerns.

* Includes regulated compounds, unregulated compounds, and trihalomethanes.

B. Storage

The original storage for Well 1 was a 1,000 gallon concrete storage tank installed in 1967 at approximately 235 feet elevation above msl. This tank was replaced in the early 1970s by a 15,000 gallon concrete tank installed adjacent to Well 1, at the same elevation as the original tank. Water is pumped from Well 1 into the tank, and repumped to the distribution system. Two distribution pumps are controlled by a pressure tank and pressure switches. Normal pressures in the distribution system range from 86 psi at the lower elevations to 38 psi at the upper elevations.

The reservoir does not have sufficient capacity to meet the DOH's minimum storage requirements for the Plat. In addition, it is located at the lowest elevation of the area served by the System and thus it does not provide service during power outages. The structure is sound and would be retained as a holding basin for filter backwash from the Mn treatment unit more fully described in Section VII. D. hereof.

C. Distribution System

The distribution system was installed in 1967, and is comprised of approximately 1,550 lineal feet (LF) of 2" plastic pipe, and 5,090 LF of 4" asbestos cement (AC) pipe. The condition of the distribution system is poor, as no isolation valves were installed and low quality fittings (which become brittle and fragile with age) were used during initial construction. Many of these fittings have reached the end of their useful life, and leakage is becoming a significant problem. Over the past nine years an average of three leaks per year have occurred, largely due to failure of brittle fittings. During the past six months, six leaks have occurred and as of this date another has been reported. This leakage has also increased cycling of the System's pumps, which are showing signs of wear.

These factors indicate that a greater incidence of repairs and breakdowns will occur in the future, which will increase the use of and stress on the existing well and pumps. Leakage further reduces the System's ability to meet domestic demands with the existing well. In addition, due to the lack of isolation valves (which violates DOH and District standards), when a breakdown or leak develops the entire System must be shut down to facilitate repair, resulting in disruption of service to all customers of the System.

System shutdowns without gravity storage and isolation valves also results in the upper portion of the System being dewatered (i.e., water is siphoned from homes located at higher elevations to homes located at lower elevations), which creates a risk of water contamination. Such contamination can occur as a result of water from the plumbing of homes at higher elevations draining into the mains and becoming available for use in the homes at lower elevations, which in many cases creates a negative pressure or vacuum which may permit contaminants to be "sucked" into the mains through flaws (leaks) or cross connections such as a hose submerged in contaminated water.

The Community has begun instituting a metering program, with less than half of the services now metered. The metering effort has been halted, pending the completion of this

study, to ensure that any improvements made to the System are consistent and compatible with the PUD's standards.

D. Water Usage

Estimates of current water usage based on data generated by an hour meter on the pump serving Well 1 have been prepared. These estimates indicate that for the period analyzed (January, 1992 through January, 1993), the average total daily consumption for the 76 homes (customers) served by the System was approximately 18,600 gallons per day, or 245 gallons per customer per day (981 cubic feet per month). The average total daily consumption during the peak month (August) was approximately 23,600 gallons per day, or 310 gallons per customer per day (1250 cubic feet per month). The average total consumption during the peak day of the peak month was estimated to be 41,000 gallons, or 540 gallons per customer per day.

E. Fire Protection

The Plat is in Fire District #14. The existing water system has no fire hydrants and the size of the water mains is not sufficient to provide for fire flows. The Comprehensive Plan Designation for the Plat and the area immediately east of the Plat is Residential Estate (1-2 D.U./acre), while the surrounding property is designated Rural (1 D.U./2.3-5 acre).

The CWSP states that new or expanding systems serving dwelling units on lots between 0.5 acre and 2.3 acres in size shall provide fire flow at a minimum rate of 500 gpm for one hour. Since service is anticipated to be provided outside of the Plat, the proposed replacement System would be considered an expanding system, which would require the provision of fire flows. Other considerations include the following:

1. Since the existing distribution system would be replaced due to its unreliability, the incremental cost of upsizing from 2-inch and 4-inch (non-fire flow), to 6-inch and 8-inch mains with hydrants represents a nominal (5%) increase in the replacement System's overall cost.
2. Storage sizing would be unaffected since 30,000 gallons of fire storage (sufficient to provide 500 gpm for one hour) would already be met by the storage required to comply with DOH standards for standby storage.
3. The provision of fire hydrants would improve public safety and may reduce homeowner's insurance premiums.

V. PLANNING AND DESIGN CRITERIA

A. State and Federal Standards

In 1974, Congress passed the Safe Drinking Water Act which established quality standards for drinking water supplies. In 1986, Congress passed amendments to the Act which are being implemented over several years and which include more stringent standards for

public water systems. The Act also provided for each state to assume the responsibility for enforcement of the Act's requirements if it adopted standards equal to those in the Act and met certain other requirements. Washington State has adopted standards consistent with those in the Act and the DOH enforces the requirements of the Act and its amendments.

Washington State's drinking water standards are contained in Section 246.290 of the Washington Administrative Code, which was most recently revised in February, 1992. The DOH has published a booklet entitled "Sizing Guidelines for Public Water Supplies", which complements the Drinking Water Regulations and contains details as to specific design procedures and standards. These design standards are the minimum acceptable to the DOH and many water utilities have design standards which exceed them.

B. County Standards

The CWSP, developed pursuant to the Public Water System Coordination Act, includes minimum design standards for water systems in northern and eastern Snohomish County. The recommendations of this study are consistent with the standards set forth in the CWSP.

C. District Standards

The District's design standards exceed the minimum state, federal and county standards. The standards are intended to achieve high reliability, minimize operation and maintenance costs, and facilitate standardization of materials and construction techniques. Specific examples of the District's standards include:

- Minimum main size of 8-inch unless a 6-inch looped system is provided. Where looping is not feasible (i.e. a dead end main on a cul-de-sac street), a 6 or 8-inch main would be provided to serve fire hydrants. Where service is extended beyond a fire hydrant (the terminal 300 feet of a cul-de-sac), a 4-inch main would be used.
- Class 52 ductile iron water mains
- Type K copper water services
- Provisions for adequate fire flows using CWSP criteria as a baseline
- Fire hydrants at spacings of 600 feet

VI. WATER CONSERVATION

DOH regulations require that water utilities develop a water conservation program in conjunction with their Comprehensive Water System Plan (Plan). The District is updating its Plan to include a water conservation program which will be applicable to all water systems operated by its Water Utility (including the replacement System if acquired by the District). Pending completion and implementation of the District's overall program, a specific conservation program for the proposed LUD is proposed as a part of the project due to the limited source capacity within the System.

The proposed water conservation program for the LUD would include the following:

1. **Retrofits:** Under this program, all homes before being connected to the

replacement system, would be required to have installed low flow faucet aerators and showerheads, and ULV toilets. The aerators and showerheads would be provided free of charge by the PUD.

Because of the existing System's insufficient source capacity, some property owners may have previously installed ULV toilets, hence a rebate program funded through assessments on all parcels would not be proposed. For homes not having ULV toilet(s), the program would provide owners with the option of financing the cost of retrofitting to ULV toilets, by including an optional \$150 per toilet increase on their assessment. For the property owners financing the cost, the District would provide a \$150 per toilet cash rebate following purchase and installation of ULV toilet(s).

On July 1, 1993, the State Plumbing Code was revised to require the use of ULV toilets and low volume fixtures; hence this program would only apply to homes built prior to that date.

2. **Metering:** Universal metering and billings based on consumption would be implemented, which is expected to improve awareness of water use and reduce consumption. Further, by routinely comparing water production and accumulated water sales, the District would be able to identify and take steps to eliminate any leakage within the distribution system.

When the District's overall conservation program is implemented, the preceding elements would be incorporated into the overall plan.

VII. SYSTEM DESIGN CONSIDERATIONS AND SYSTEM PLAN

A. Service Area

The primary service area of the replacement System would be the Plat, the boundaries of which would also constitute the boundaries of the LUD. All buildable parcels within the Plat would be assessed for the improvements to the System. Service to lots outside of the LUD would be provided only if: 1) such service would not impair the System's ability to serve all buildable lots within the LUD, 2) owners of additional lots to be served would pay a proportionate share of the cost of service, and 3) the provision of service to such lots would be consistent with applicable zoning and land use plans.

The existing and future service areas are shown on Exhibit 4. The future service area is based on proximity to the proposed facilities, physical and topographic barriers (ground elevation, streams, bluffs, wetlands, hills and roadways), land use designations and existing development patterns. Specifically, it is anticipated that service would be provided to development on parcels adjacent to or near the Plat, where gravity service could be provided in an economical manner compared with the cost of drilling a private well. Extensive service outside the Plat is not anticipated because of the low density zoning and the availability of ground water in suitable quantities to serve private wells.

Based upon the potential service area described above, it is anticipated that the total number of homes served by the replacement System over the next 20 years would not exceed 135, consisting of 115 homes within the Plat and 20 homes outside the Plat, as more fully described in Section VII.B. Of the potential homes outside of the Plat, it is estimated that 15 could be served directly from the proposed system and that 5 would require main extensions. This estimate does not contemplate service to Silver Springs since that water system has shown no interest in participating with the District to construct an intertie to benefit both systems.

B. System Demands/Timing

The Snohomish County Planning Department has forecast population growth for Census Tract 533, which includes the Plat, as part of its Comprehensive Plan which will be completed by July 1994. The forecast growth for Census Tract 533 (taken from the most current draft of the Comprehensive Plan) between years 1993 and 1999 is estimated at 10 percent, and between years 1993 and 2013 is estimated at 23 percent. However, a building moratorium has been in effect within the Plat since 1990 due to the insufficient water supply. Hence, it has been assumed that upon completion of the replacement System, the moratorium would be lifted and that building activity within the Plat would subsequently increase at a rate faster than forecasted for the Census Tract as a whole. Based on this assumption, the projected number of homes to be served by the System in the years 1993, 1999 and 2013 are shown below.

	<u>1993</u>	<u>1999</u>	<u>2013</u>
Number of homes within Plat	76	97	115
Number of homes outside Plat	<u>1</u>	<u>6</u>	<u>20</u>
Total	77	103	135

Estimated system demands and source and storage requirements are shown on Table 2, using DOH design criteria and data from similar systems. These estimated demands and requirements are based on DOH requirements that water systems have a source of supply capable of satisfying maximum daily demands of up to 800 gallons per connection in the absence of an effective conservation program, plus the ability to replenish standby storage over a 72 hour period, and not on the historical usage data described in Section IV.D. hereof. These DOH requirements indicate a domestic supply requirement of 75 gpm to serve the anticipated service area, plus approximately 12 gpm for standby storage replenishment, for a total requirement of 87 gpm, in the absence of an effective conservation program.

Studies have shown that through an effective conservation program, such as that proposed in Section VI hereof, it is reasonable to assume that peak water usage may be reduced to approximately 600 gallons per household. (As more fully described in Section IV.D. hereof, peak water usage for the System, which does not currently have a conservation program, is currently estimated to be approximately 540 gallons per household.) Utilizing a peak water usage estimate of 600 gallons per household results in a domestic supply requirement of 57 gpm for the anticipated service area, plus 7 gpm for standby storage replenishment, for a total supply requirement of 64 gpm.

TABLE 2
Estimated System Demands, Source & Storage Requirements for 135 Homes

<u>REQUIREMENT</u>	<u>No Conservation</u>	<u>Conservation</u>
Maximum Day Demand	108,000 gal	81,000 gal
Source Requirements:		
Peak Day	75 gpm	57 gpm
Replenishment	<u>12 gpm</u>	<u>7 gpm</u>
Total	87 gpm	64 gpm
Storage Requirements:		
Standby	50,400 gallons	30,000 gallons
Equalizing	<u>15,825 gallons</u>	<u>17,025 gallons</u>
Total	66,255 gallons	47,025 gallons

C. Source of Supply

The combined capacity of Wells 1 and 2 is approximately 52 gpm, representing a deficiency of 35 gpm assuming an effective conservation program is not implemented. As part of the project, Well 2, which is not currently used, would be equipped (including installation of a well screen, a pump, and associated piping) and utilized. In addition, Well 1 would continue to be used and the existing pump would be replaced. In addition, because of poor accessibility for maintenance and treatment, the existing pumphouse serving Well 1 would be reconstructed on its existing site. The reconstructed pumphouse would occupy similar square footage as the existing structure, but it would be used to control and meter both Wells 1 and 2. The replacement pumphouse's wall height and roof configuration would be modified to provide improved aesthetics, energy efficiency, space utilization, and access for maintenance.

Three options to provide the necessary additional supply were identified, including: 1) water conservation, 2) drilling of additional well(s), or 3) construction of an intertie to the Silver Springs water system, each as further described below.

1. **Water Conservation.** As discussed in Section VII. B. above, it is estimated that an effective conservation program could lower the additional supply requirement from 35 gpm to approximately 12 gpm.
2. **Additional Well(s).** Based on the findings with respect to Wells 1 and 2, a suitable aquifer is known to exist at an elevation of approximately 10 feet above msl. Since these findings further indicate that the potential yield is highest in the western portion of the aquifer, a well site or sites west of the Plat (within 1,500 feet of the Plat's western boundary) would be recommended. It would be necessary to acquire a minimum area of one acre surrounding each wellhead in order to provide for sanitary control.

3. Intertie with Silver Springs. The well serving the Silver Springs water system, with an approximate total capacity of 50 gpm, has sufficient capacity to meet the needs of its present and future customers (34 homes at 800 gallons per day, requiring approximately 22 gpm), with sufficient surplus capacity (28 gpm) to meet the needs of the System if an effective conservation program was implemented within the System. Several letters and telephone contacts have been made by the District to representatives of the Silver Springs system, requesting a meeting or dialogue to discuss a possible intertie. To date, the District's requests have not been answered.

While such an intertie would eliminate the costs of acquiring an additional wellsite, and of drilling and equipping a well, the intertie would require development of a more complex control system, construction of approximately 600 feet of pipe, installation of two-way metering capabilities, amendment of existing water rights and execution of an agreement between Silver Springs and the District addressing compensation, water quality, storage capacity, maintenance and other items. These factors, when coupled with Silver Springs' apparent lack of interest in an intertie, make this alternative less attractive than the construction of an additional well.

The preferred approach for providing adequate source capacity is a combination of Options 1 and 2. An effective conservation program alone would not eliminate the need for an additional well; however, without a conservation program, the projected shortfall of 35 gpm may not be satisfied by a single additional well. With an effective conservation program, the additional supply needed is approximately 12 gpm, which is anticipated to be available from a single additional well.

D. Treatment

As shown in Table 1 in Section IV. A. hereof, the results of water quality tests on the water produced by Well 1 exceed the Maximum Contaminant Level (MCL) for Mn. Mn is not a health threat, but at concentrations at or above the MCL, it leads to unacceptable staining of plumbing fixtures and laundry.

Two treatment techniques are commonly used for Mn removal, including softening or oxidation/filtration. Since softening involves higher maintenance costs, oxidation/filtration (involving periodic backwashing of a filter with water to remove accumulated Mn) is recommended for this project. It is proposed that the backwash water would be directed to the existing 15,000 gallon reservoir, where the Mn solids would settle out, leaving a supernatant of clean water that would be recycled to a treatment unit to be installed within the reconstructed pumphouse. The solids would be periodically removed, dried and disposed of as solid waste at the County's transfer station. Thus, such treatment would result in no discharge to the nearby stream, lake or ground water.

While the quality test results examined in connection with this study did not indicate a Mn problem with respect to Well 2, the occurrence of Mn at concentrations that require treatment is common in the area's ground water. Accordingly, treatment as described above

may be required for the proposed third well. The need for such treatment cannot be determined until the well is drilled and its water quality tested. If such treatment were required, the necessary equipment would be provided at that location and the need for such treatment would not materially affect the proposed costs of the LUD, as there is a sufficient contingency included in the cost estimates to address such treatment.

The Environmental Protection Agency has adopted a rule that requires disinfection of wells serving public water systems; however, exemptions are typically granted where it is determined that sufficient safeguards and "natural" disinfection exist to protect a well from contamination. Given the depth of impervious soils that Wells 1 and 2 penetrate, it is anticipated that such wells (and the proposed third well) would qualify for exemptions. Consequently, while the two pumphouses to be constructed in connection with the project would be sized to accommodate disinfection if required, such disinfection is not proposed as a part of the project.

E. Transmission

Water transmission mains would be required from the new reservoir and the third well to the distribution system. The transmission main from the reservoir to the distribution system would be 8-inches in diameter in order to convey peak flows with minimal loss of pressure. The main from the third well to the distribution system would be 2-inches or 4-inches in diameter (depending on the location and yield of the well), as necessary to provide sufficient capacity to convey the flow from the third well. By locating the third well and reservoir in the same vicinity and as close to the Plat as practical, transmission costs would be minimized. Where possible, the transmission mains would be located adjacent to all-weather roadways to facilitate maintenance and repair.

F. Storage

Table 2 in Section VII. B. above shows the total estimated storage requirements for the proposed replacement System with and without an effective conservation program. These estimates are based on DOH requirements that standby storage be adequate to provide 24 hours of storage at maximum daily demand.

As more fully discussed in Section IV. B. hereof, the existing reservoir does not provide service during power outages and is not of sufficient size to meet DOH standards or to provide for one hour duration of fire flows as is required by the CWSP. Accordingly, it is proposed that the existing reservoir be utilized in connection with the Mn treatment of water produced by Well 1, as more fully described in Section VII.D. above, and no longer be used for storage.

In order to meet the storage needs for the proposed replacement System, four potential storage sites and configurations were identified, including:

1. Two pressure zones, with an intermediate level reservoir having an overflow elevation of approximately 370 feet above msl, located adjacent to lot 132, on Parcel C (see Exhibit 6A). This would require the installation of a booster pump and generator at the reservoir to serve the upper lots on 254th St. NW.

This alternative would result in relatively high maintenance costs, as all water used by the upper lots would be repumped. In addition, a generator capable of operating a fire pump would be required to serve the upper lots. The generator would be designed to automatically start during power outages. Fuel storage and noise control issues and the limited size of parcel C also complicate this alternative.

2. A single pressure zone, with a high-level reservoir having an overflow elevation of approximately 420 feet above msl, located on parcel C (see Exhibit 6B). No additional pumping or electrical generation would be required.

To provide adequate pressure to the highest homes in the Plat, the reservoir would have to be a minimum of 75 feet in height. The aesthetic, structural, seismic, permit, and setback requirements for such a structure made this proposal impractical.

3. A single pressure zone, with a high-level reservoir having an overflow elevation of approximately 440 feet above msl, located on higher ground west of the Plat (see Exhibit 6C).

This approach would involve construction of a transmission main to reach the site, but the higher elevation would allow a lower structure to be built to serve all parcels in the proposed service area with gravity flow. Placement in a relatively undeveloped area would allow for screening, runoff controls and less rigorous permit requirements. Land with the highest elevation in the proposed area is desirable residential view property; thus, property with a lower elevation could be purchased with the required elevation being achieved by constructing the reservoir to the desired elevation.

4. A low level reservoir, with an overflow elevation of approximately 260 feet above msl, located adjacent to Well 1 (Exhibit 6D). Each of the three proposed wells would pump into the reservoir, and all water would be repumped to the distribution system. Service pumps, a fire pump and generator(s) would be required.

This alternative is expected to be the most costly in terms of ongoing maintenance, and is most dependent on electrical/mechanical systems for reliable service.

Alternative 3 was selected as providing the most reliable service for the least cost, considering both initial capital and ongoing operating costs. Exhibit 8 sets forth a comparison of alternative storage costs for each of the four options described above. In connection with Alternative 3, it is anticipated that a concrete, Mt. Baker Silo-type reservoir of approximately 50 feet in height would be provided, requiring minimal maintenance. Since these structures are available only in standard dimensions, the actual reservoir volume would be equal to or greater than the minimum requirements shown in both columns of Table 2.

G. Distribution System

Exhibit 7C represents the proposed distribution system. The design has been analyzed by a computerized hydraulic model, and meets all DOH standards for sizing, pressure and flow. The system would be constructed to comply with the District's standard specifications, which meet or exceed the standards contained in the CWSP. The system would have a single pressure zone served by a gravity reservoir with an overflow elevation of 440 feet above msl.

Static pressures would range from 40 psi at the upper lots to 90 psi at the lower lots. The approximately 40 lots having pressures exceeding 80 psi would be advised to install individual pressure reducing valves, which would be at the owner's cost (estimated at \$45) and would not be included in the LUD assessment. The replacement System has been designed to maintain a minimum pressure of 20 psi at the upper lots during fire flow and maximum demand conditions.

During construction of the replacement distribution system, the existing distribution system would remain in service until all customers have been connected to the new system. The existing distribution system would then be abandoned in place, with no removal of the existing piping system.

Service outside of the Plat would require the persons seeking service to extend the distribution system to serve their property, at their cost, if the property could not be served directly by the replacement System.

H. Service Connections

Service connections (including meters and service lines), would be necessary for all existing homes and would be included in the LUD assessment. Service connections to vacant lots would not be installed unless requested by the owner. If requested they would be included in the LUD assessment. Deferral of the service connection would not preclude future water service to the lot; however, the cost of the service connection would have to be paid in full at the time that water service is requested.

To facilitate ease of meter reading, the replacement System would utilize meters with remote reading capabilities. The existing meters would be replaced with units that are compatible with the District's remote meter reading equipment.

I. Fire Protection

The proposed source, storage and distribution system would be capable of providing a minimum of 500 gpm of fire flow for one hour duration. Within the Plat, fire hydrants would be located within 300 feet of each lot with hydrant spacing of 600 feet. The availability of fire flows and hydrant placement to parcels outside of the Plat would be dependent on the density of development to be served.

VIII. FINANCIAL IMPLEMENTATION PROGRAM

A. Capital Improvement Financing

Interim financing during construction would be provided by loans from the District's Water Utility to the LUD. Long term financing would be accomplished through the issuance of 20 year LUD or ULID bonds, or a combination of both.

Estimated capital improvement costs are shown in Table 3. The estimated costs include feasibility studies, construction costs, LUD administration costs and financing costs during construction. Each cost item includes a 10 percent contingency.

**TABLE 3
LUD Costs**

Source of Supply	\$135,700
Transmission	\$ 36,400
Storage	\$190,400
Distribution	<u>\$334,700</u>
 TOTAL	 \$697,200
 District Participation ¹	 \$78,000
Net LUD Cost	\$619,200
Per Lot Assessment ^{2,3}	\$5,380

1 \$600/Connection X anticipated 130 service connections. (Includes only anticipated service connections which could be served directly by the replacement System, as further described in Section VII.A.)

2 This amount is based on 115 assessed lots and assumes each lot will request a service connection. Assessments for vacant lots whose owners do not request a service connection would be \$300 less (which would lower the assessment cost by a corresponding amount).

3 Parcels participating in the toilet replacement program (see Section VI hereof) would add \$150 per toilet.

B. LUD Assessment

The assessment formula for the LUD includes all costs except the District's participation and is predicated on a per buildable lot basis assuming one dwelling unit per buildable lot. The rationale for this type of assessment lies in the fact that a water system is primarily designed on the basis of number of connections and fire protection requirements. Front footage and total area are not major factors.

A lot will not be considered buildable if it is documented as unbuildable under any

Snohomish County or Snohomish Health District regulation or if it has been combined with another lot through property tax accounts, building locations, septic locations, etc. Lots that have been combined into a single building lot would be assessed as a single building site. Since it is not within the scope of this study to evaluate each parcel as to whether it is buildable, research of County Assessor's records was used and judgement was exercised in determining whether a particular parcel was buildable for purposes of preparing the preliminary assessment roll. The intent, however, is that through the public notice and hearing process, property owners will respond with concerns if they believe the assessment is incorrect and changes will be made as appropriate.

The preliminary assessment of \$5,380 was calculated on the basis of; 1) an estimated water system cost of \$697,200, 2) 115 assessable lots within the LUD, 3) inclusion of service connections (owners of vacant lots may choose to delete the service connection at an estimated savings of \$300), and 4) District participation of \$600 per each assessed lot within the LUD and per each lot outside the LUD which could be served directly by the facilities installed by the LUD. Property owners choosing optional financing of ULV toilet replacements would add \$150 per toilet to their assessment.

The preliminary assessment roll (Exhibit 8) shows 121 parcels being assessed. As property owners receive preliminary assessment notices and respond with more accurate information on whether their property is buildable the assessment roll will be adjusted to reflect the more accurate information.

If in the future an unbuildable lot becomes buildable through a community drainfield or other means, and the lot has not been assessed, its owner will be charged a General Facilities Charge (GFC) as a condition for connection to the System. The GFC is explained under "Other Estimated Charges" in paragraph E. of this Section.

Senior citizens and disabled persons within the LUD boundaries may be eligible for deferral of the LUD assessment by making application with the Snohomish County Assessor's Office. Further information on this program is included in Exhibit 9.

The LUD will not bear the cost of oversizing source or storage capacity to accommodate service to lots outside of the LUD. Such costs would be financed by a portion of the District's financial contribution to the project. It is anticipated that such costs will be recouped through the GFC to be collected from future customers of the System.

C. Water Rates

The District's standard water rate schedule 11 (single family residential) would be used for all customers of the System. This rate includes a \$6.60 minimum monthly charge and \$0.86 per 100 cu ft of water (100 cu ft equals 748 gallons). Included in this rate is debt service which has ranged from \$3.50 to \$5.00 per month per customer in the Lake Stevens System over the past 10 years. This debt service component of the rates will reimburse the District for a portion of its \$600 per customer participation in the capital costs shown in Table 3. The \$600 per customer contribution is based on the number of assessments within the LUD and the anticipated number of customers outside of the LUD that could be served directly by the

replacement System.

Because of the proposed water conservation program, it is anticipated that water consumption would be lower than the average PUD customer's usage of 1,000 cu ft per month; hence it is estimated that average water use for each customer in the LUD would be 900 cu ft per month. This would result in an average monthly bill per customer of \$14.34, or \$172 per year.

D. Grants and Loans

Two potential sources of financial assistance have been evaluated for this project. The Washington State Public Works Trust Fund (PWTF) offers low interest loans (1% to 3%) for projects that are repairing "infrastructure" such as public water systems. The Farmers Home Administration (FmHA) also has grants and loans available for similar projects.

The FmHA has variable interest loans available, with lower interest rates being available to low income areas. The availability of grant money is limited, and available only where incomes are low and the monthly rates for water service will represent a hardship for the customers of the system. This project does not appear to qualify for either a low interest loan or for grant money under the FmHA program.

The project may qualify for a 70% loan at 1% interest from the PWTF which would lower the effective interest rate for the assessment within the proposed LUD. An application for PWTF assistance would be prepared upon formation of the LUD.

E. Other Estimated Charges

For all properties outside the LUD which may desire to connect to the System or properties within the LUD that are not assessed initially and desire to connect to the System in the future, a service connection fee would be applied. The service connection fee would reflect the average cost at the time of installation for labor, material, and equipment to install a 3/4 inch water service from the main to the right-of-way line (estimated to be \$350 to \$450 at the current time). In addition, all costs associated with installing the service line from the meter to the house would be the responsibility of the property owner.

In addition, a General Facilities Charge (GFC) would also be collected from the owner of any property outside the LUD which may desire to connect to the System or any property within the LUD that is not assessed initially and desires to connect to the System in the future. This GFC will be based on the cost to construct new water system facilities at the time of connection. If the parcel could be served directly from the LUD-constructed System, without extension of a water main, the GFC would be based on the costs of providing source, storage, transmission and distribution facilities and would be equivalent to the amounts assessed against assessed parcels, adjusted for inflation (no financing would be available). If a main extension was necessary to provide service, the owner of the parcel would be required to pay all costs associated with the main extension and the GFC would represent a proportional share of the LUD's source, storage and transmission costs (estimated at \$2,400 per connection), adjusted for inflation. The GFCs collected would be retained by the District and used to finance future water system

improvements and repay a portion of the District's participation in the LUD.

The GFC would not apply to lots that have been assessed by the LUD provided that the assessment properly reflected the actual development density of the lot.

F. Schedule

The schedule for formation of the LUD and construction and installation of the replacement System will be dependent on several factors, some of which are difficult to predict at this time. The following schedule sets forth some of the major steps included in each stage of the process and reflects the estimated minimum and maximum time frames for each stage based on past experience.

LUD process	
-LUD Formation	2 to 3 months
* LUD Formation Hearing	
* Mailing of Prelim. Assessment Notices	
* Preliminary Assessment Hearing	
-Design and permits	4 to 10 months
* Engineering Design	
* Land Acquisition	
* Right of Way, Building, Shoreline Permits	
* Plans, Specifications and Bid Documents	
-Construction and Installation of Improvements	4 to 6 months
-Final Assessment Roll	2 to 3 months
* Finalize all Costs	
* Prepare Final Assessment Roll	
* Mailing of Final Assessment Notices	
* Public Hearing - Final Assessment	
* File with Co. Treasurer for Collection	
-Issuance of LUD/ULID Bonds	2 to 3 months

IX. ENVIRONMENTAL CONSIDERATIONS

The proposed upgrading of the System is anticipated to result in the lifting of a building moratorium currently imposed within the Plat due to insufficient water supply, thus contributing to additional housing construction (up to 39 additional homes are anticipated). In addition, future development on nearby undeveloped areas may obtain service from the replacement System in lieu of drilling individual wells. The additional housing will contribute to additional traffic, disposal of waste water through septic systems and withdrawals of ground water.

Construction and installation of the project improvements would result in temporary

disruptions of soil and neighborhood traffic. The reservoir would be approximately 50 feet in height; thus, careful siting would be required to avoid obstructing views. Replacement of the pumphouse serving Well 1 would require construction adjacent to a seasonal stream, in an environmentally sensitive area. Equipping Well 2, located in a community playfield/lake access area, would require special precautions to avoid disrupting recreation and enjoyment of the area.

However, upgrading of the existing System would result in more efficient use of water resources and electrical energy. The existing System is subject to substantial leakage, over half of the services are not metered, and all water used by the System (including the leaks) is pumped twice. A water conservation program would be included to minimize water use and production of waste water. The reservoir would be located in a heavily wooded area for screening.

During construction, particularly in the environmentally sensitive area near the stream, measures to reduce runoff, dust, noise and disruption would be included in the project. Well 2 (located in the community playfield/lake access area) would be designed so that with the exception of the existing well casing, all facilities would be underground or located in the pumphouse serving both Wells 1 and 2.

The Mn treatment process to be implemented with respect to Well 1 will recycle backwash water, and the solids (oxidized Mn) would be dried for disposal as a solid waste at the County's Solid Waste Transfer Station. The solids resulting from the treatment process would not constitute a hazardous waste; thus, no discharge of hazardous materials would result.

An Environmental Checklist has been prepared for the proposed project (see Exhibit 10). Based on this checklist, a Determination of Nonsignificance has been issued by the District's responsible official.

X. DISTRICT ADMINISTRATION CONSIDERATIONS

A. Legal

There are a variety of legal issues which would normally be associated with the District assuming ownership of an existing water system including, among other things, transfer of ownership of existing land, facilities, easements, water rights and other assets. In addition, the administration of the LUD process requires legal services. Except for the LUD bond sale, which would normally require an outside attorney to provide a legal opinion as to the tax exemption of the bonds, most of these legal services can be provided by the District's Corporation Counsel staff. In some cases, outside attorneys are retained in situations where specialized legal services are required.

B. Policy

All District customer service policies and procedures for its Water Utility, as they exist or are subsequently amended, would apply to the System if acquired by the District.

The GFC for the System would be patterned from the Lake Stevens System GFC (as opposed to the May Creek System in-lieu of assessment charge) and will be based on the costs of providing source, storage, transmission, and distribution facilities if a customer is connecting directly to the LUD constructed system or on the cost of providing source, storage and transmission facilities if distribution main extensions are involved. The GFC would not apply to properties that have been assessed by the LUD provided the assessment properly reflected the actual development density of the property.

C. Financial

1. **Interim Financing:** The interim financing for the LUD during construction would be through loans to the LUD from the District's Water Utility reserves.
2. **Permanent Financing:** Permanent financing of the LUD would be through the sale of 20 year LUD bonds, ULID bonds, or a combination of both. LUD bonds are secured only by the property being assessed while ULID bonds are secured by both the property being assessed and the revenues of the Water Utility. The current assessed valuation of the properties within the proposed LUD boundaries is \$5,959,600 which gives an assessed property valuation to LUD assessment ratio of 9.7 to 1. It is anticipated that an opinion of bond counsel confirming the validity and tax exemption of the LUD bonds would be obtained and that such bonds would be saleable on the open market.
3. **Operating Receipts and Expenditures:** Operating receipts and expenditures for the replacement System were projected for 77, 103, and 135 connections which represent current, 6-year, and 20-year projections, respectively. The estimated receipts are based on a single customer class, with an average consumption per customer of 900 cu ft per month, using the District's Schedule 11 rates set forth in Section VIII. C. hereof. The estimated average consumption is below the average per customer consumption in the District's Lake Stevens System (which serves a commercial/multiple-family residential/single-family residential area), but it is consistent with the consumption patterns for the rural/single-family residential communities served by the District's May Creek and Skylite Tracts Systems. The estimated expenditures are based on the average operating costs per customer for the Lake Stevens and May Creek Systems, the same estimated consumptions as used for receipts, and an annual debt service based on District participation of \$78,000.

The projected receipts and expenditures are summarized in Table 4. As shown in the Table, it is anticipated that the operating revenues of the proposed System will offset expenses for operations, maintenance and debt service. The System is anticipated to generate a small positive cash flow, allowing a small reserve to be

built up over time.

TABLE 4
Projected Operating Receipts and Expenditures

	<u>77 Customers</u> (1993)	<u>103 Customers</u> (1999)	<u>135 Customers</u> (2013)
Operating Receipts			
Water Sales	\$13,200	\$17,700	\$23,200
General Facilities Charge ¹	<u>\$ 2,400</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>
Subtotal	\$15,600	\$20,100	\$25,600
Operating Expenditures			
General Ops. & Maint. ²	\$ 6,400	\$ 8,500	\$11,200
Water Source ³	\$ 5,200	\$ 5,800	\$ 6,400
Debt Service	<u>\$ 3,400</u>	<u>\$ 4,500</u>	<u>\$ 6,000</u>
Subtotal	\$15,000	\$18,800	\$23,600
Net Receipts	\$ 600	\$ 1,300	\$ 2,000

¹ Assumes one connection per year from properties outside the LUD

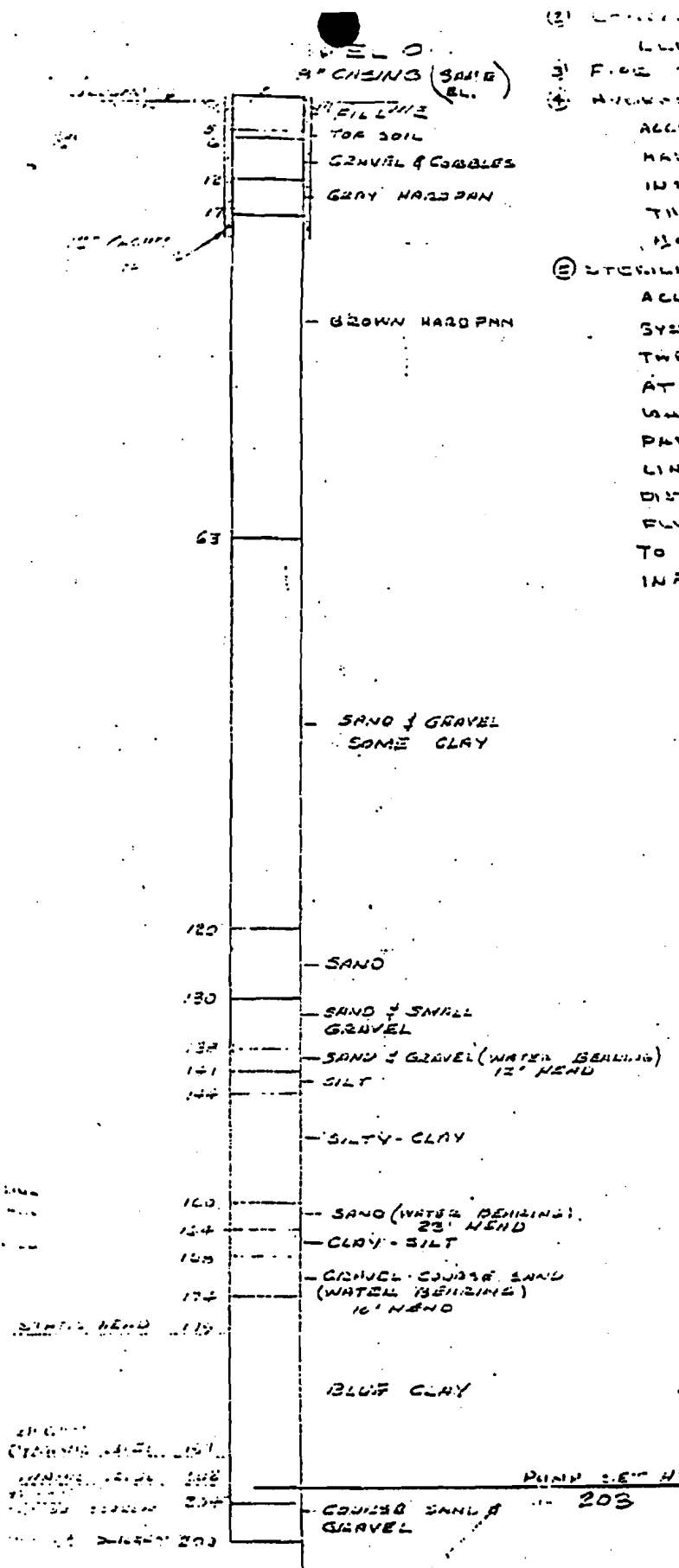
² Includes labor, materials, taxes and misc. expenses

³ Includes labor, pumping, treatment and repair of wells

XI. RECOMMENDATIONS

Based on the information summarized in this report, it is financially, economically and technically feasible for the District to acquire, upgrade and operate the System. Financially, LUD or ULID bonds can be sold to provide permanent financing for the LUD and interim financing capital is available through loans from the District's Water Utility. Economically, the assessed property valuation to LUD assessment ratio is high, which suggests that the risk of LUD assessments not being paid is low. Technically, there is little difference between construction of the improvements proposed in connection with the replacement System and those which have been constructed in connection with the District's other water systems.

APPENDICES



- (2) ...
- (3) FINE SAND ...
- (4) ...
- (5) STABILIZATION OF SYSTEM SHALL BE ACCORDANCE WITH REQUIREMENTS ...

Sunday Lake
No. 1 well log



WELL LOG

APPENDIX A

AS BUILT 8

WATER WELL REPORT

Start Card No. 072537

STATE OF WASHINGTON

Water Right Permit No. Applied for

OWNER: Name Sunday Lake Community Club Address Box 471 Stanwood Wa. 98292

LOCATION OF WELL: County Snohomish SW x NW x Sec 26 T. 32 N. R. 4 W.M.

STREET ADDRESS OF WELL (or nearest address) 256 Stanwood Wa. Lot 21

PROPOSED USE: Domestic Irrigation Industrial Municipal DeWater Test Well Other

(10) WELL LOG or ABANDONMENT PROCEDURE DESCRIPTION

Formation: Describe by color, character, size of material and structure, and show thickness of aquifers and the kind and nature of the material in each stratum penetrated, with at least one entry for each change of information.

MATERIAL	FROM	TO
Top Soil	0	5
Blue Clay	5	16
Brown Clay & Gravel	16	125
Blue Clay	125	190
Brown Clay, Sand, Water	190	200
Blue Clay	200	320
Fine Salty Sand & Clay w/Water	320	396

TYPE OF WORK: Owner's number of well (if more than one)
Abandoned New well Deepened Reconditioned
Method: Dug Cable Rotary Bored Driven Jetted

DIMENSIONS: Diameter of well 8 inches
Drilled 396 feet. Depth of completed well 196' 4"

CONSTRUCTION DETAILS:
Casing installed: 8 inch diam. from 0 ft. to 373 ft.
Welded Liner installed Threaded

Perforations: Yes No
Type of perforator used PERFORATOR
SIZE of perforations 3/4" in. by 34 in.
perforations from 192 ft. to 200 ft.

Screens: Yes No
Manufacturer's Name _____
Type _____ Model No _____
diam. _____ Slot size _____ from _____ ft. to _____ ft.
diam. _____ Slot size _____ from _____ ft. to _____ ft.

Gravel packed: Yes No Size of gravel _____
Gravel placed from _____ ft. to _____ ft.
Surface seal: Yes No To what depth? 18 ft.
Material used in seal BENTONITE
Did any strata contain unusable water? Yes No
Type of water? _____ Depth of strata _____
Method of sealing strata off _____

PUMP: Manufacturer's Name _____
Type: _____ H.P. _____

WATER LEVELS: Land-surface elevation above mean sea level _____ ft.
Static level 172 ft. below top of well Date 7-7-90
Artesian pressure _____ lbs. per square inch Date _____
Artesian water is controlled by _____ (Cap. valve, etc.)

WELL TESTS: Drawdown is amount water level is lowered below static level
Was a pump test made? Yes No If yes, by whom? _____
Yield: _____ gal./min. with _____ ft. drawdown after _____ hrs.

Recovery data (time taken as zero when pump turned off) (water level measured from well top to water level)					
Time	Water Level	Time	Water Level	Time	Water Level

Date of test _____
Soaker test _____ gal./min. with 18 ft. drawdown after _____ hrs.
Airtest 126 g.p.m. gal./min. with stem set at _____ ft. for _____ hrs.
Artesian flow _____ g.p.m. Date _____
Temperature of water _____ Was a chemical analysis made? Yes No

RECEIVED
AUG 27 1990
DEPT. OF ECOLOGY

Work started 6-29-90 Completed 6-7-9-1990

WELL CONSTRUCTOR CERTIFICATION:

I constructed and/or accept responsibility for construction of this well, and its compliance with all Washington well construction standards. Materials used and the information reported above are true to my best knowledge and belief.

NAME Dahlman Pump & Well Drilling Inc.
(PERSON, FIRM, OR CORPORATION) (TYPE OR PRINT)
Address P O Box 422 Burlington Wa. 98292
(Signed) Ed Rieckers License No. 0623
(WELL DRILLER)
Contractor's Registration No. Dahlmpw123IC Date 7-9-1990

Box 422, Burlington, WA 98233
 1531 Cook Rd. Bow, WA 98232
 DAHLMPW1231C

DAHLMAN PUMP & WELL DRILLING, INC.
 1531 Cook Rd. Bow
 P. O. Box 422
 Burlington, WA 98233
 (206) 757-8668

AQUIFER TEST FIELD DATA SHEET

Project No. _____ Date 5-1-91 Page 1 of 3
 Owner Sunday Lake Community Location _____ off Sunday Lake Rd.
DAHLMAN PUMP & Well Drilling, inc.
 Pumping Company _____ Operator Scott Fowler
 Observers H. Ken Fowler Well No. #1 - old well
 Measuring point is casing which is _____ feet above/below surface.
 Static water level 179'9½" feet below land surface at 10:17 am/pm.
 Depth to intake ?206 feet. Well depth ?209 feet.
 Discharge rate of pumped well ?32 gpm (gallons per minute).
 3 HP Flint & Walling set @ 203' 1 Ø 230V. Well monitored while #2 well pumped
 Well # 2 pumped for 24 hours

	Clock Time	Static	Drawdown or recovery (feet)	Pumping Rate GPM	Remarks
5-1-91	10:17 A.M.	179'9½"			#1 Pump Off
	10:38	200'		32	#1 Pump On
	11:20	204'		"	
	11:26	204'		"	
	11:33	204'1"		"	
	12:02 P.M.	204'5"		"	
	12:32	204'4½"		"	
	12:35	195'9"	Hour Meter 8330.5		#1 Pump Off
	12:37	188'7"			
	12:39	184'6"			
	12:41	183'1"			

Project Engineer _____

APPENDIX B

Lake Community Water System Cont.

Bring Well #1 while "new" well pumps for 24 hrs.

	Clock Time	Static	Drawdown or Recovery	GPM	Remarks
1-91	12:45PM	182'			Well #1 Pump OFF
	12:50	181'6"			
	12:55	181'1"			
	1:15	180'6"			
	1:50	180'2"			
	2:45	179'10"			
	3:45	179'10"			
	4:07	179'10"			
	5:05	196'5"		32	#1 Pump Running
	6:05	203'7"	Hr. Meter 83331.5	32	" "
	7:07	203'9"		"	" "
	8:05	203'10"		"	" "
	9:05	183'8"	Hr. Meter 8334.3	0	#1 Pump OFF
	10:05	180'5½"			
	11:10	180'4"			
2-91	12:00 AM	180'2"			
	1:00	180'1"			
	2:00	180'2"			
	3:00	180'1"	Hr. Meter 8334.3		
	5:00	195'4"	8334.6	32	#1 Pump Running
	6:00	203'7"	8335.8	32	" "
	7:00	182'11"	8336.7	32	" "
	8:00	120'10"		0	#1 Pump OFF
	9:00	120'10½"			
	10:00	202'2"	8337.0	32	#1 Pump Running
	#2 Pump Shut off @ 10:20 A.M.				

Box 422, Burlington, WA 98233
 1931 Cook Rd. Bow, WA 98232
 DAHLMPW1231C

DAHLMAN PUMP & WELL DRILLING, INC.
 1531 Cook Rd. Bow
 P. O. Box 422
 Burlington, WA 98233
 (206) 757-8888

AQUIFER TEST FIELD DATA SHEET

Project No. _____ Date 5-1-91 Page 1 of 4
 Owner Sunday Lake Community Club Location 256th off Sunday Lake - Park
DAHLMAN PUMP & WELL DRILLING, INC.
 Pumping Company _____ Operator Scott J. Fowler
 Observers H. Ken Fowler Well No. #2 Drilled 7-9-90
 Measuring Point is Top of Casing which is 3 feet above/below surface.
 Static water level 157' feet below land surface at 10:20 am/pm.
 Depth to intake 191' feet. Well depth 196'6" ^{Perforated} 152' - 200' feet.
 Discharge rate of pumped well 25 gpm (gallons per minute).

	Clock Time	Static	Drawdown or recovery (feet)	Pumping Rate GPM	Remarks
5-1-91	10:20 A.M.	157'			
	10:23	171'2"		3	
	10:24	170'6"		3	Cloudy
	10:26	170'4"		3	Clearing
	10:28	171'5"		4½	
	10:32	171'4"		4½	
	10:35	171'4½"		4½	
	10:40	171'4"		4½	
	10:43	174'		10	Clearing
	10:44	174'3"		10	
	10:45	174'6 3/4"		10	

Project Engineer _____

Sunday Lake Community Water System
24 hr. test Well #2

P.2

	Clock Time	Static	Drawdown or Recovery	GPM	Remarks
-1-91	10:48	178'3"		30	Slight Color
	10:49	179'7"		30	Getting dirtier
	10:50	180'		30	Dirty
	10:51	180'5"		30	Clearing
	10:54	180'10"		30	Still Cloudy
	10:58	181'2"		30	Cloudy
	10:59	181'5"		30	Clearing
	11:02	180'8"		20	Silty
	11:04	180'1½"		20	
	11:13	180'2"		20	Clear
	11:39	180'9"		20	
	11:44	180'9"		20	Clear, but some
	11:50	180'9"		20	particles
noon	12:00	180'9½"		20	
	1:00	180'8½"		20	
	2:00	180'5"		20	
	3:00	180'5½"		20	
	3:56	181'6½"		25	
	4:01	184'3"		30	
	4:06	182'7½"		29-30	
	4:10	182'7-3/4"		25+	1 tsp. sand per 5 gal.
	4:12	182'7"			
	5:00	182'9"		25	Sand free
	6:00	183'3"		25	Clear
	7:00	183'5"		25	Clear
	8:00	183'6½"		25	Clear

Sunday Lake Community Water System 24 Hr. test Well #2		Static	GPM	P.3 Remarks
	Clock Time			
	9:00	183'7½"	25	Clear
	10:00	183'1½"	25	"
	11:00	183'3"	25	"
Midnight	12:00 A.M.	183'2½"	25	"
	1:00	183'3"	25	"
	2:00	183'3"	25	"
	3:00	183'3"	25	"
	4:00	183'4"	25	"
	5:00	183'5"	25	"
	6:00	183'7"	25	"
	7:00	183'9"	25	"
	8:00	183'6"	25	"
	9:00	183'5½"	25	Samples taken
	10:00	183'7"	25	
	10:20	183'6-3/4"	25	Pump off
Recovery	10:21	180'1"		
	10:22	177'2"		
	10:23	175'		
	10:24	174'3"		
	10:25	173'9"		
	10:26	172'		
	10:27	171'6"		
	10:28	Probe Stuck & broke- Different probe inserted		
	10:43	170'10"		
	10:45	170'8½"		
	10:55	170'6"		

Sunday Lake Community Water System

24 Hr. test Well #2

P.3

	Clock Time	Static	GPM	Remarks
	9:00	183'7½"	25	Clear
	10:00	183'1½"	25	"
	11:00	183'3"	25	"
dnight	12:00 A.M.	183'2½"	25	"
	1:00	183'3"	25	"
	2:00	183'3"	25	"
	3:00	183'3"	25	"
	4:00	183'4"	25	"
	5:00	183'5"	25	"
	6:00	183'7"	25	"
	7:00	183'9"	25	"
	8:00	183'6"	25	"
	9:00	183'5½"	25	Samples taken
	10:00	183'7"	25	
	10:20	183'6-3/4"	25	Pump off
overy	10:21	180'1"		
	10:22	177'2"		
	10:23	175'		
	10:24	174'3"		
	10:25	173'9"		
	10:26	172'		
	10:27	171'6"		
	10:28	Probe Stuck & broke- Different probe inserted		
	10:43	170'10"		
	10:45	170'8½"		
	10:55	170'6"		

REPORT: PWSL06P1

DEPARTMENT OF HEALTH
WATER SYSTEM INQUIRY REPORT

DATE: 01/22/92

PAGE: 5

SYSTEM ID: 852050 SYSTEM NAME: SUNDAY LAKE COMM CLUB

QUALITY VIOLATIONS FOR TURBIDITY:

SRC VIOLATION NUM TYPE DATE	COMPLY MO/YEAR EPA EPA DATE	MEASURED QUANTITY	ACT SAM	REG SAM
--------------------------------	--------------------------------	----------------------	------------	------------

*** NO QUALITY VIOLATIONS FOR TURBIDITY ON FILE ***

INORGANIC HISTORY:

SRC LAB NUMBER	COLLECTED	TYPE	PURPOSE
S01 511209	10/17/1988	UNTREATED	
+ARSENIC	< 0.010	: +BARIUM	< 0.25 : +CADMIUM < 0.002
+CHROMIUM	< 0.010	: +IRON	< 0.10 : +LEAD < 0.010
+MANGANESE	0.101	: +MERCURY	< 0.0005 : +SELENIUM < 0.005
+SILVER	< 0.010	: +SODIUM	10.0000 : +HARDNESS 80.0000
+CONDUCTIVI	180.0000	: +TURBIDITY	0.1 : +COLOR < 5.0
+FLUORIDE	< 0.2	: +NITRATE	< 0.2 : +CHLORIDE < 5.0000

MORE

REPORT: PWSL06P1

DEPARTMENT OF HEALTH
WATER SYSTEM INQUIRY REPORT

DATE: 01/22/92

PAGE: 6

SYSTEM ID: 852050 SYSTEM NAME: SUNDAY LAKE COMM CLUB

INORGANIC HISTORY:

SRC LAB NUMBER	COLLECTED	TYPE	PURPOSE
S01 518738	12/26/1985	UNTREATED	
+ARSENIC	< 0.010	: +BARIUM	< 0.25 : +CADMIUM < 0.002
+CHROMIUM	< 0.010	: +IRON	< 0.10 : +LEAD < 0.010
+MANGANESE	0.098	: +MERCURY	< 0.0005 : +SELENIUM < 0.005
+SILVER	< 0.010	: +SODIUM	10.0000 : +HARDNESS 80.0000
+CONDUCTIVI	180.0000	: +TURBIDITY	0.1 : +COLOR < 5.0
+FLUORIDE	< 0.2	: +NITRATE	< 0.2 : +CHLORIDE < 5.0000

MORE

REPORT: PWSL06P1

DEPARTMENT OF HEALTH
WATER SYSTEM INQUIRY REPORT

DATE: 01/22/92

PAGE: 7

SYSTEM ID: 852050 SYSTEM NAME: SUNDAY LAKE COMM CLUB

INORGANIC HISTORY:

SRC LAB NUMBER	COLLECTED	TYPE	PURPOSE
S01 515724	06/14/1982	UNTREATED	
+ARSENIC	< 0.010	: +BARIUM	< 0.25 : +CADMIUM < 0.002
+CHROMIUM	< 0.010	: +IRON	0.32 : +LEAD < 0.010
+MANGANESE	0.035	: +MERCURY	0.0005 : +SELENIUM < 0.005
+SILVER	< 0.010	: +SODIUM	10.0000 : +HARDNESS 70.0000
+CONDUCTIVI	190.0000	: +TURBIDITY	0.1 : +COLOR < 5.0

STATE OF WASHINGTON
DEPARTMENT OF HEALTH

WATER BACTERIOLOGICAL ANALYSIS

SAMPLE COLLECTION: READ INSTRUCTIONS ON BACK OF GOLDENROD COPY
If instructions are not followed, sample will be rejected.

DATE COLLECTED MONTH / DAY / YEAR <u>5 / 29 / 91</u>			TIME COLLECTED <u>6 : 15</u> <input checked="" type="checkbox"/> AM <input type="checkbox"/> PM		COUNTY NAME <u>SNOHOMISH</u>						
TYPE OF SYSTEM <input checked="" type="checkbox"/> PUBLIC <input type="checkbox"/> INDIVIDUAL <small>(serves only 1 residence)</small>		IF PUBLIC SYSTEM, COMPLETE: I.D. No. <table border="1"> <tr> <td><u>8</u></td> <td><u>5</u></td> <td><u>2</u></td> <td><u>0</u></td> <td><u>5</u></td> <td><u>D</u></td> </tr> </table>			<u>8</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>5</u>	<u>D</u>	CIRCLE CLASS 1 2 3 4 <u>2</u>
<u>8</u>	<u>5</u>	<u>2</u>	<u>0</u>	<u>5</u>	<u>D</u>						

NAME OF SYSTEM
SUNDAY LAKE COMMUNITY CLUB

SPECIFIC LOCATION WHERE SAMPLE COLLECTED (ie. kitchen tap @ school, fire station, fountain)
KITCHEN TAP

SYSTEM OWNER/MGR. NAME AND TELEPHONE NO.
JUDITH STRAND
(206) 629-2256 H
206 342-5955 W

SAMPLE COLLECTED BY: (Name)
JUDITH STRAND

SOURCE TYPE
 SURFACE WELL SPRING PURCHASED COMBINATION or OTHER

SEND REPORT TO: (Print Full Name, Address and Zip Code)
J. STRAND
2009 256th ST NW
STANWOOD WASHINGTON 98290

TYPE OF SAMPLE
(Check only one in this column)

1. DRINKING WATER
check treatment → Chlorinated (Residual: _____ Total _____ Free)
 Filtered
 Untreated or Other _____

2. RAW SOURCE WATER

3. NEW CONSTRUCTION or REPAIRS

4. OTHER (Specify) _____

COMPLETE IF THIS SAMPLE IS A CHECK SAMPLE

PREVIOUS LAB NO. _____

PREVIOUS SAMPLE COLLECTION DATE _____

REMARKS:
MF

LABORATORY RESULTS (FOR LAB USE ONLY)

MPN - COLIFORM <u>5</u> tubes positive	STD PLATE COUNT _____ / ml	SAMPLE NOT TESTED BECAUSE: <input type="checkbox"/> Sample Too Old <input type="checkbox"/> Not in Proper Container <input type="checkbox"/> Insufficient Information Provided—Please Read Instructions on Form
MPN DILUTION _____ / 100 ml	TEST UNSUITABLE 1. <input type="checkbox"/> Confluent Growth	
MF COLIFORM <u>0</u> / 100 ml	2. <input type="checkbox"/> TNTC	
FECAL COLIFORM <input type="checkbox"/> MPN <input type="checkbox"/> MF _____ / 100 ml	3. <input type="checkbox"/> Excess Debris	
	4. <input type="checkbox"/> _____	

FOR DRINKING WATER SAMPLES ONLY, THESE RESULTS ARE:
 SATISFACTORY UNSATISFACTORY

SEE REVERSE SIDE OF GREEN COPY FOR EXPLANATION OF RESULTS

LAB NO. <u>6007</u>	DATE, TIME RECEIVED— <u>5/29/91</u>	RECEIVED BY _____
DATE REPORTED	LABORATORY: APPENDIX C	

WATER SAMPLE INFORMATION FOR INORGANIC CHEMICAL ANALYSES

DATE COLLECTED 05.02.91		COLLECTED BY: Dahlman Pump & Drilling	
SYSTEM I.D. NO. NOT FOR DATA ENTRY		SYSTEM NAME Sunday Lake Water District	
SOURCE TYPE <input checked="" type="checkbox"/> 1. Surface <input checked="" type="checkbox"/> 3. Well <input type="checkbox"/> 2. Spring <input type="checkbox"/> 4. Purchase		SOURCE NO. (Well No.) #2	
IF SAMPLE WAS TAKEN <input checked="" type="checkbox"/> Before Treatment <input type="checkbox"/> After Treatment		IF SOURCE IS LAKE OR STREAM ENTER NAME Sunday Lake	
TAKEN AFTER TREATMENT WAS IT _____ FILTERED _____ FLUORIDATED _____ CHLORINATED _____ WATER SOFTENER: TYPE USED _____		SYSTEM CLASS (circle one) 1 2 3 4	
REMARKS: (Water quality problems, address for additional copies, etc.) All below Tests - Pumps Now Filled - (No Bacteria done @ this time)		COUNTY Snohomish	
		FEE SCHEDULE PARTY TO PAY FOR FEE FOR SERVICE TESTING Dahlman Pump & Drilling Signature (Required) (Print Full Name & Address) Dahlman Pump & Drilling Name Box 22 Street Burlington WA 98233 City Zip Code Telephone: (206) 757-6666 Area Code	

LABORATORY REPORT (DO NOT WRITE BELOW THIS LINE)

TESTS	MCL	LESS THAN	RESULTS	UNITS	Compliance		CHEMIST INITIALS
					YES	NO	
anic	0.06	<	0.1	mg/l	✓		MP
ium	1.0	<	0.75	mg/l	✓		MP
mium	0.01	<	0.02	mg/l	✓		MP
omium	0.05	<	0.1	mg/l	✓		MP
	0.3	<	0.03	mg/l	✓		MP
d	0.05	<	0.05	mg/l	✓		MP
rganese	0.06	<	0.1	mg/l	✓		MP
cury	0.002	<	0.01	mg/l	✓		MP
enium	0.01	<	0.05	mg/l	✓		MP
er	0.05	<	0.1	mg/l	✓		MP
ium			8	mg/l			MP
dness			54	mg/l AS CaCo3			MP
nductivity	700		151	Micromhos/cm 25° C	✓		MP
idity	1.0		0.2	NTU	✓		MP
or	15.0	<	0.0	Color Units	✓		MP
ioride	2.0	<	0.2	mg/l	✓		MP
rate	10.0		1.8	mg/l	✓		MP
loride	250		4	mg/l	✓		MP
lfate	250	<	1	mg/l	✓		MP
IS	500		133	mg/l	✓		MP
opper	1.0	<	0.1	mg/l	✓		MP
nc	5.0	<	0.1	mg/l	✓		MP



LABORATORY SUPERVISOR
(Name or Initials)
George Schorhard
CHARGE:

REMARKS:

MP for 5010
MP for 5010
MP for 5010
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RECEIVED

NOV 11 1991

NOV 11 1991

State of Washington
DEPARTMENT OF HEALTH
Public Health Laboratories
1610 N.E. 150th St., Seattle, WA 98155
(206)361-2898

Customer : J Strand
Address : P.O. Box 471
City : Stanwood
State ZIP : WA, 98292
County : Snohomish
Lab Number : 5405050
Date Collected : 11-04-91
Date Received : 11-06-91
Date Tested : 11-07-91

WATER SAMPLE INFORMATION FOR VOLATILE ORGANIC CHEMICAL ANALYSIS
NON COMPOSITED

System Name : Sunday Lake Comm Club
System ID Number : 85205D
DOH Source Number : S01
Source Name : well #1
Source Type : well

RESULTS OF ANALYSIS BY EPA METHOD 524.2

Measurement of Purgeable Organic Compounds in Water by Capillary Column
Gas Chromatography/Mass Spectrometry

Analyst : Cindy
Data File : >1K07P

Date of Report :
Supervisor's Initials :

~ 11-21-91
Cost \$200.00

Regulated Compounds

EPA Code #	Compound Name	* MCL (µg/l)	**Amount (µg/l)
2976	VINYL CHLORIDE	2	0.0
2977	1,1-DICHLOROETHYLENE	7	0.0
2981	1,1,1-TRICHLOROETHANE	200	0.0
2982	CARBON TETRACHLORIDE	5	0.0
2990	BENZENE	5	0.0
2980	1,2-DICHLOROETHANE	5	0.0
2984	TRICHLOROETHYLENE	5	0.0
2969	P-DICHLOROBENZENE	75	0.0

* Maximum Contaminant Level

**NOTE: An amount of 0.0 µg/l indicates that the true concentration is less than the method detection limit of 0.5 µg/l.

RESULTS OF ANALYSIS BY EPA METHOD 524.2 (continued)

Lab Number : 5405050
Data File : >1K07P

Unregulated Compounds
Monitoring Required

<u>EPA Code #</u>	<u>Compound Name</u>	<u>*Amount (µg/l)</u>
2210	CHLOROMETHANE	0.0
2214	BROMOMETHANE	0.0
2216	CHLOROETHANE	0.0
2964	METHYLENE CHLORIDE	0.0
2979	T-1,2-DICHLOROETHYLENE	0.0
2978	1,1-DICHLOROETHANE	0.0
2416	2,2-DICHLOROPROPANE	0.0
2380	CIS-1,2-DICHLOROETHYLENE	0.0
2410	1,1-DICHLOROPROPENE	0.0
2983	1,2-DICHLOROPROPANE	0.0
2408	DIBROMOMETHANE	0.0
2991	TOLUENE	0.0
2985	1,1,2-TRICHLOROETHANE	0.0
2987	TETRACHLOROETHYLENE	0.0
2412	1,3-DICHLOROPROPANE	0.0
2989	CHLOROBENZENE	0.0
2986	1,1,1,2-TETRACHLOROETHANE	0.0
2992	ETHYL BENZENE	0.0
2995	M/P-XYLENE	0.0
2997	O-XYLENE	0.0
2996	STYRENE	0.0
2993	BROMOBENZENE	0.0
2414	1,2,3-TRICHLOROPROPANE	0.0
2988	1,1,2,2-TETRACHLOROETHANE	0.0
2965	O-CHLOROTOLUENE	0.0
2966	P-CHLOROTOLUENE	0.0
2967	M-DICHLOROBENZENE	0.0
2968	O-DICHLOROBENZENE	0.0

* NOTE: An amount of 0.0 µg/l indicates that the true concentration is less than the method detection limit of 0.5 µg/l.

RESULTS OF ANALYSIS BY EPA METHOD 524.2 (continued)

Lab Number : 5405050
 Data File : >1K07P

Unregulated Compounds
Monitoring Required

<u>EPA Code #</u>	<u>Compound Name</u>	<u>*Amount (µg/l)</u>
2212	DICHLORODIFLUOROMETHANE	0.0
2218	TRICHLOROFLUOROMETHANE	0.0
2430	BROMOCHLOROMETHANE	0.0
2994	ISOPROPYLBENZENE	0.0
2998	N-PROPYLBENZENE	0.0
2424	1,3,5-TRIMETHYLBENZENE	0.0
2426	TERT-BUTYLBENZENE	0.0
2418	1,2,4-TRIMETHYLBENZENE	0.0
2428	SEC-BUTYLBENZENE	0.0
2030	P-ISOPROPYLTOLUENE	0.0
2422	N-BUTYLBENZENE	0.0
2378	1,2,4-TRICHLOROBENZENE	0.0
2248	NAPHTHALENE	0.0
2246	HEXACHLOROBUTADIENE	0.0
2420	1,2,3-TRICHLOROBENZENE	0.0

Trihalomethanes (THM)

2941	CHLOROFORM	0.0
2943	BROMODICHLOROMETHANE	0.0
2944	CHLORODIBROMOMETHANE	0.0
2942	BROMOFORM	0.0

* NOTE: An amount of 0.0 µg/l indicates that the true concentration is less than the method detection limit of 0.5 µg/l.

DETAILS OF HYDRAULIC ANALYSIS

To minimize drawdown and to sustain pressures a reservoir diameter of 20 feet was selected. An overflow elevation of 442 feet (provided by a 50 foot high reservoir) is necessary to provide a minimum pressure of 20 psi during fire flows at maximum instantaneous demand (MID).

The results of two hydraulic modelling runs are shown. The first demonstrates the system is capable of providing a minimum of 30 psi pressure at the customers meter during MID flow conditions.

The second run demonstrates the system is capable of providing 500 gpm fire flow at a pressure of 20 psi during MID flow conditions. The hydraulic grade line was selected to represent the water elevation in the tank at the end of one hour of 500 gpm fire flow with the wells providing a maximum of 64 gpm.

 SUMMARY OF ORIGINAL DATA

erNet Version 2.03. Copyright 1991,92 Haestad Methods Inc.
 Run Description: MID, WEST RESERVOIR
 Drawing: SL11

PIPELINE DATA

STATUS CODE: XX -CLOSED PIPE BN -BOUNDARY NODE PU -PUMP LINE
 CV -CHECK VALVE RV -REGULATING VALVE

PIPE NUMBER	NODE NOS. #1 #2	LENGTH (ft)	DIAMETER (in)	ROUGHNESS COEFF.	MINOR LOSS COEFF.	BND-HGL (ft)
10	10 20	100.0	8.0	140.00	0.70	
20-BNPU	0 20	300.0	3.0	140.00	2.50	10.00
30	20 30	210.0	8.0	140.00	0.40	
40	30 70	430.0	8.0	140.00	0.40	
50-BNPU	0 70	300.0	2.0	140.00	2.50	10.00
60	30 40	330.0	8.0	140.00	0.40	
70	40 50	300.0	8.0	140.00	0.40	
80	50 60	250.0	8.0	140.00	0.20	
90-BN	60 0	1400.0	8.0	140.00	0.00	442.00
100	70 80	920.0	8.0	140.00	0.40	
110	80 90	260.0	6.0	140.00	0.20	
120	80 100	590.0	6.0	140.00	1.20	
130	50 100	1150.0	6.0	140.00	0.40	
140	100 110	310.0	6.0	140.00	0.40	
160	110 130	450.0	6.0	140.00	0.20	

PUMP DATA

THERE IS A PUMP IN LINE 20 - USEFUL POWER = 5.00
 THERE IS A PUMP IN LINE 50 - USEFUL POWER = 3.00

JUNCTION NODE DATA

JUNCTION NUMBER	JUNCTION TITLE	EXTERNAL DEMAND (gpm)	JUNCTION ELEVATION (ft)	CONNECTING PIPES
10-1		9.20	248.00	10
20-1	PRESSURE SOURCE	0.00	240.00	10 20 30
30-1		23.67	253.36	30 40 60
40-1		26.30	267.28	60 70
50-1		22.35	300.74	70 80 130
60-1		14.46	317.55	80 90
70-1	PRESSURE SOURCE	0.00	240.00	40 50 100
80-1		30.24	240.00	100 110 120
90-1		3.94	240.00	110
100-1		27.61	320.64	120 130 140
110-1		14.46	347.41	140 160
130-1		5.26	348.22	160

S I M U L A T I O N D E S C R I P T I O N

CyberNet Version 2.03. Copyright 1991,92 Haestad Methods Inc.
 Run Description: MID, WEST RESERVOIR
 Drawing: SL11

P I P E L I N E R E S U L T S

STATUS CODE: XX -CLOSED PIPE BN -BOUNDARY NODE PU -PUMP LINE
 CV -CHECK VALVE RV -REGULATING VALVE TK -STORAGE TANK

PIPE NUMBER	NODE NOS. #1 #2	FLOWRATE (gpm)	HEAD LOSS (ft)	PUMP HEAD (ft)	MINOR LOSS (ft)	LINE VELO. (ft/s)	HL/ 1000 (ft/ft)
10	10 20	-9.20	0.00	0.00	0.00	0.06	0.00
20-BNPU	0 20	47.01	1.97	420.77	0.18	2.13	6.57
30	20 30	37.81	0.01	0.00	0.00	0.24	0.04
40	30 70	24.53	0.01	0.00	0.00	0.16	0.02
50-BNPU	0 70	27.97	5.43	424.35	0.32	2.86	18.09
60	30 40	-10.39	0.00	0.00	0.00	0.07	0.00
70	40 50	-36.69	0.01	0.00	0.00	0.23	0.03
80	50 60	-88.05	0.04	0.00	0.00	0.56	0.18
90-BN	60 0	-102.51	0.33	0.00	0.00	0.65	0.23
100	70 80	52.50	0.06	0.00	0.00	0.34	0.07
110	80 90	3.94	0.00	0.00	0.00	0.04	0.00
120	80 100	18.32	0.02	0.00	0.00	0.21	0.04
130	50 100	29.01	0.11	0.00	0.00	0.33	0.09
140	100 110	19.72	0.01	0.00	0.00	0.22	0.04
160	110 130	5.26	0.00	0.00	0.00	0.06	0.00

J U N C T I O N N O D E R E S U L T S

JUNCTION NUMBER	JUNCTION TITLE	EXTERNAL DEMAND (gpm)	HYDRAULIC GRADE (ft)	JUNCTION ELEVATION (ft)	PRESSURE HEAD (ft)	JUNCTION PRESSURE (psi)
10-1		9.20	428.62	248.00	180.62	78.27
20-1	PRESSURE SOU	0.00	428.62	240.00	188.62	81.74
30-1		23.67	428.61	253.36	175.25	75.94
40-1		26.30	428.62	267.28	161.34	69.91
50-1		22.35	428.63	300.74	127.89	55.42
60-1		14.46	428.67	317.55	111.12	48.15
70-1	PRESSURE SOU	0.00	428.61	240.00	188.61	81.73
80-1		30.24	428.54	240.00	188.54	81.70
90-1		3.94	428.54	240.00	188.54	81.70
100-1		27.61	428.52	320.64	107.88	46.75
110-1		14.46	428.51	347.41	81.10	35.14
130-1		5.26	428.50	348.22	80.28	34.79

S U M M A R Y O F I N F L O W S A N D O U T F L O W S

(+) INFLOWS INTO THE SYSTEM FROM BOUNDARY NODES
(-) OUTFLOWS FROM THE SYSTEM INTO BOUNDARY NODES

PIPE NUMBER	FLOWRATE (gpm)
20	47.01
50	27.97
90	102.51

NET SYSTEM INFLOW = 177.50
NET SYSTEM OUTFLOW = 0.00
NET SYSTEM DEMAND = 177.50

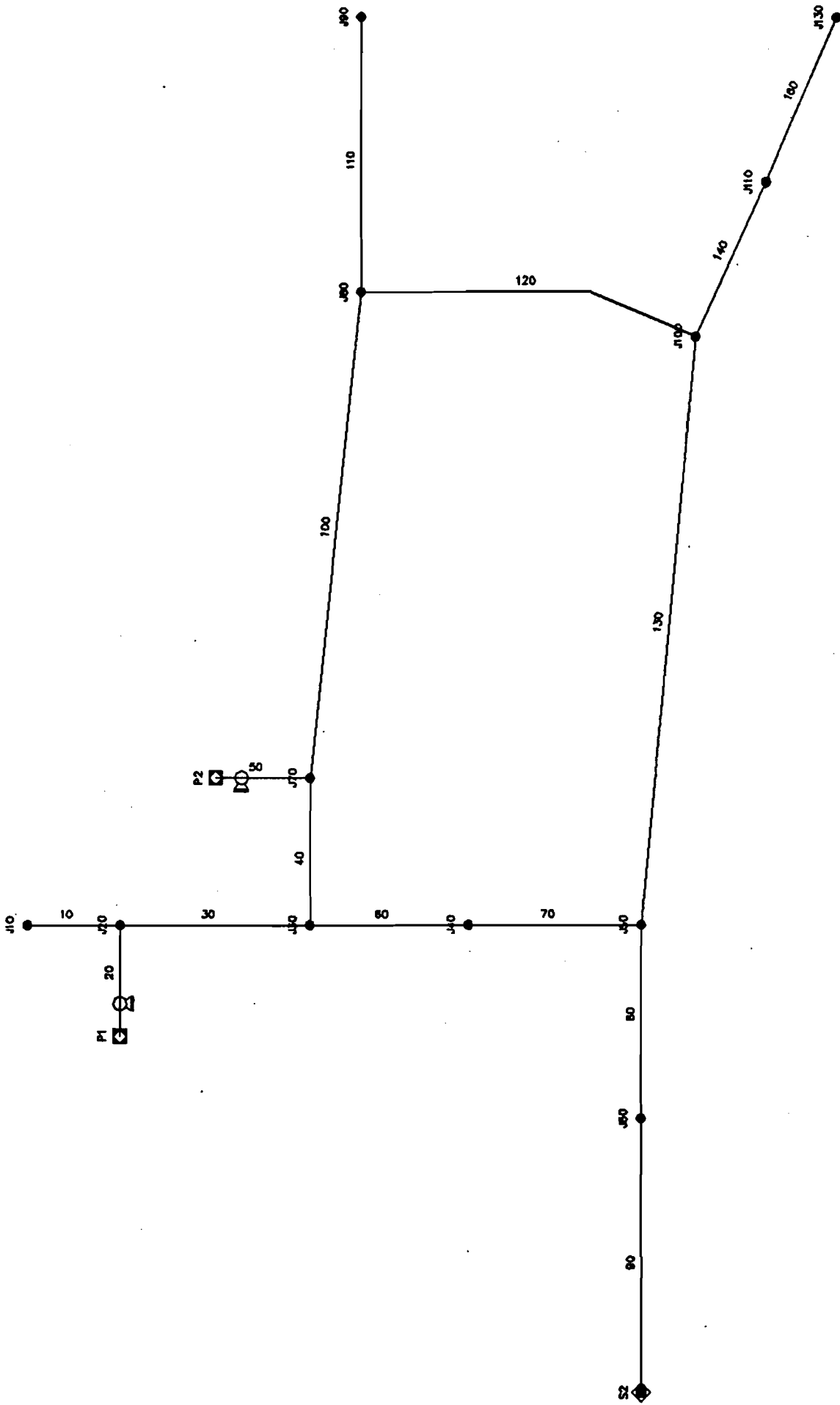
**** CYBERNET SIMULATION COMPLETED ****

DATE: 4/26/1993
TIME: 14:21:27

Cybernet Version: 2.03 SN: 1572030228 26-04-1993
 Description: MID + FF, HGL=429', PUMPS OFF, C=140
 Drawing: C:\CYBERNET\SL11


Fire Flow Summary.

JCT No.	User 1 Demand (gpm)	User 1 Pressure (psi)	Zone No.	Zone Needed Fire Flow (gpm)	Available Fire Flow (gpm)	@Residual Pressure (psi)	Min. Zone Pressure (psi)	@JCT No.
10	9.2	77.9	1	509.2	894.7	60.4	20.0	130
20	0.0	81.4	1	500.0	894.7	64.6	20.0	130
30	23.7	75.6	1	523.7	894.7	60.1	20.0	130
40	26.3	69.6	1	526.3	928.4	54.6	20.0	130
50	22.4	55.1	1	522.4	979.1	40.7	20.0	130
60	14.5	47.9	1	514.5	1084.4	33.4	20.0	130
70	0.0	81.4	1	500.0	862.9	65.6	20.0	130
80	30.2	81.4	1	530.2	812.0	65.4	20.0	130
90	3.9	81.4	1	503.9	812.0	60.3	20.0	130
100	27.6	46.4	1	527.6	718.7	31.9	20.0	130
110	14.5	34.8	1	514.5	598.5	20.3	20.0	130
130	5.3	34.5	1	505.3	501.5	20.0	20.0	130



LIST OF EXHIBITS

Memorandum

TO: Mark Spahr
FROM: Paula Morgan 
DATE: July 29, 1992
SUBJECT: SUNDAY LAKE LUD PETITION VALIDATION

In accordance with your request, the LUD petitions have been validated by ownership for each parcel in the plat of Sunday Lake. Real Estate validated the affirmative petitions of 64 separate landowners, representing more than 50% of the 100 total owners of 139 separate tax accounts. This makes the petition a "majority petition" for purposes of RCW 54.16.150.

The following criteria was used to verify the petitions:

- All landowners were counted with interest of record.
- Security interest were not counted.
- Husband and wife were consider one "landowner".
- If one person owns several pieces of property, the landowner is counted only once.
- The vendee on a real estate contract/deed should be counted as the landowner.

To substantiate the verification process, included are the following documents:

- All documents indicating "owners of record" for each parcel.
- Snohomish County tax records indicating ownership.
- Map indicating returned, unreturned and uncounted petitions.
- Listings by parcel/owner with validation of ownership document and vote tabulation.

If we can be of any further assistance, please contact this office.

Attachments

EXHIBIT 1

SUNDA LAKE L.U.D. PETITION VALIDATION/BY PARCE.

PARCEL	OWNER	VALIDATION DOCUMENT		PETITION RETURNED	VOTE	
		TYPE	RECORDING NO.		YES	NO
1	Strand, John T. & Judith	Warranty Deed	8906190195	No		1
2(3)	Strand, John T. & Judith (formerly Wright)	Decree of Dissolution	140-275	No		
4	Broe, Harley F.	Warranty Deed	9011060331	Yes	1	
5	Hopkins, Paul & Carole	Quit Claim Deed	8001240119	Yes	1	
6	Decker, Wesley R.	Warranty Deed	8106030167	No		1
7	Johnson, Darryl G. & Teresa Jo	Warranty Deed	9112200489	No		1
8	Johnson, Darryl G. & Teresa Jo	Warranty Deed	8705290019	No		
9	Griffiths, H. Lyle & Judy K.	Purch Assign Deed	8208240120	Yes	1	
10	Griffiths, H. Lyle & Judy K.	Warranty Deed	9005220117	Yes		
11	McNutt, Daniel D.	Warranty Deed	9004100318	No		1
12	Maher, Dean O. & Caryann	Mortgage Satisfaction	8406270082	Yes	1	
13	Maher, Dean O. & Caryann	Mortgage Satisfaction	8406270082	Yes		
14(15)	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190059	No		1
16(17)	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190060	No		
18	Mahoney, Daniel P. & Nancy L.	Warranty Deed	8110010129	Yes	1	
19	Billett, Ross G. & Karen D.	Warranty Deed	9005160565	No		1
20	Mahoney, Richard D. & Dona C.	Warranty Deed	1967952	Yes		
21	Sunday Lake Community Club	Warranty Deed	8909260433			
22	Stephenson, Thomas D.	Warranty Deed	8908310221	No		1
23	Escobar, Raul Antonio & Nancy P.	Warranty Deed	9005090614	No		1
24	Walker, Brian V. & Amy E.	Warranty Deed	9005170596	No		1
25	Anderson, Ray W.	Warranty Deed	7612170253	Yes	1	
26	Parks, Thomas A. & Melissa J.	Warranty Deed	8504100289	No		1
27	Parks, Thomas A. & Melissa J.	Warranty Deed	8406260066	No		
28	Parks, Thomas A. & Melissa J.	Warranty Deed	8406260066	No		
29	Glancy, Donald L. & Merrilee F.	Warranty Deed	8501290226	Yes	1	
30	Moody, Patrick & Decuir, Suzanne (h&w)	Warranty Deed	9106250130	Yes	1	
31	Taylor, James W.	Warranty Deed	9006150274	No		1
32-00	Stone, Ivan	Warranty Deed	7901170199	No		1
32-01	Sunday Lake Community Club	Quit Claim Deed	2266432			
33	Anderson, Ray W.	Warranty Deed	8609110306	Yes		
34	Spear, Diana L. (formerly Lasko)	Warranty Deed	2266208	No		1

SUNDAY LAKE L.U.D. PETITION VALIDATION/BY PARCEL						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
35	Cabe, William D. & Janice R.	Warranty Deed	7903280024	No		1
36	Johnson, Frederick C. & Dorothy	Warranty Deed	8908110332	Yes	1	
37	Cook, Anthony R. & Teresa L.	Warranty Deed	8705220229	No		1
38	Roberson, Bradley D.	Warranty Deed	8004180040	No		1
39	Roberson, Bradley D. & Karen J.	Warranty Deed	8608140022	No		
40	Knutson, Deborah K.	Warranty Deed	7807030103	Yes	1	
41	Unruh, David L. & Cari J.	Warranty Deed	8912120484	Yes	1	
42	Vess, Jeffrey S. & Sandra K.	Warranty Deed	9202270234	Yes	1	
43	Fay, Linda A.	Warranty Deed	9207130189	No		1
44	Waters, Willie C. & Gina	Warranty Deed	1982033	Yes	1	
45	Waters, Willie C. & Gina	Warranty Deed	2094783	Yes		
46	Johanson, Bernice L.	Warranty Deed	7811010242	No		1
47	Schmid, Jr., R. David	Warranty Deed	8803230140	Yes	1	
48	Malean, Gary A. & Jodel J.	Warranty Deed	8309290145	Yes	1	
49	Meyer, Philip V. & Charlene A.	Warranty Deed	7811290132	Yes	1	
50	Culbertson, John A. & Agnes M.	Warranty Deed	8310060350	Yes	1	
51	Culbertson, John A. & Agnes M.	Warranty Deed	8310060350	Yes		
52	Thayer, Linda, single	Quit Claim Deed	8507220265	No		1
53	Hanson, Phyllis I. (formerly Henning)	Warranty Deed	1948025	No		1
54	Olsen, Robert O. & Judith A.	Warranty Deed	7904120281	Yes	1	
55	Ottosen, Thomas D. & Kathleen E.	Warranty Deed	9205200857	No		1
56	Mickelson, Elmer L. & Valencia A.	Warranty Deed	9106280409	Yes	1	
57	Engelson, Otto L.	Warranty Deed	2097965	Yes	1	
58	Martin, Donald D. & Robin D.	Warranty Deed	9203040458	Yes	1	
59	Kiepke, Robert E. & Rhonda G.	Warranty Deed	9104250341	Yes	1	
60	Kiepke, Robert E. & Rhonda G.	Warranty Deed	9104250341	Yes		
61	Neisz, Sharon L.	Warranty Deed	7905080311	No		1
62	Chambers, Randal J. & Belinda	Warranty Deed	9204290767	Yes	1	
63	Leifer, Cecilia & Kirk (formerly Loose)	Quit Claim Deed	8712220053	Yes	1	
64	Johnsen, William H. & Kym Allred	Warranty Deed	9103200395	Yes	1	
65	Kary, Michael Paul	Warranty Deed	8203150093	Yes	1	
66	Ressler, Eugene & Rosemary	No Deed Available				
67	Freeman, Albert T. & Sheila M.	No Deed Available		No		

SUNDA. LAKE L.U.D. PETITION VALIDATION/BY PARCEL


PARCEL	OWNER	VALIDATION DOCUMENT		PETITION RETURNED	VOTE	
		TYPE	RECORDING NO.		YES	NO
68	Freeman, Albert T. & Sheila M.	No Deed Available		No		
69	Freeman, Albert T. & Sheila M.	Warranty Deed	7907110102	No		1
70	Stecker, Fred L. & Sudduth C.	Deed of Trust/No WD	8301100178	Yes		
71	Taylor, Christopher R. & Darci J.	Warranty Deed	9203060293	Yes	1	
72	Stecker, Fred L. & Sudduth C.	Warranty Deed	8601150304	Yes	1	
73	Mickelson, Elmer & Valincia	Warranty Deed	8909190093	Yes		
74	Sherrill, Anne M.	Warranty Deed	8410170243	No		1
75	Yula, Jr., Ralph W. & Elizabeth R.	Warranty Deed	7907310333	No		1
76	Boser, Mark C. & Tracey K.	Warranty Deed	8710220113	Yes	1	
77	Burnam, Jean	Warranty Deed	7909120275	Yes	1	
78	Evans, Paul W. & Karen D.	Warranty Deed	9011090390	Yes	1	
79	Tasky, Jeffrey R. & Laura L.	Warranty Deed	8904170411	Yes	1	
80	Meyer, Dar & Heather	Warranty Deed	8904210402	Yes	1	
81	Spence, Marshall C. & Barbara	Warranty Deed	7908100134	Yes	1	
82	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190059	No		
83	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190060	No		
84	Tisdell, Doug A. & Deborah A.	Warranty Deed	9110080277	Yes	1	
85	Schmid, Jr., R. David	Warranty Deed	8803230140	Yes		
86	Harvin, Phillip J. & Lois G.	Warranty Deed	7805040075	Yes	1	
87	Marcks, Terry L. & Kim M.	Warranty Deed	9110080110	No		1
88	Zimmerman, Lyle B.	Warranty Deed	8911290474	Yes	1	
89	Gee, Paul A. & Julie A.	Warranty Deed	9102010006	Yes	1	
90	Bunn, Sam C. & Margaret H.	Warranty Deed	8610240024	Yes	1	
91	Knutson, Deborah K.	Warranty Deed	8301200005	Yes		
92	Torrez, Alfred & Stephanie a.	Warranty Deed	9001290059	Yes	1	
93	Winward, Laura A.	Warranty Deed	8910200261	Yes	1	
94	Larcom, Julia M.	Warranty Deed	8104060022	No		1
95	Bowers, John M. & Shawne S.	Warranty Deed	8910310175	No		1
96	Otto, Michael S. & Jodell J.	Warranty Deed	9005250205	Yes	1	
97	Edwards, Douglas & Tammy L.	Warranty Deed	9008140442	Yes	1	
98	Barton, Garry & Patricia	Warranty Deed	9008210059	No		1
99	Arlsto, Edward S. & Cynthia a.	Warranty Deed	9002150726	Yes	1	
100	Burkenbuel, Richard E. & Mary E.	Quit Claim Deed	7801240018	Yes	1	

SUNDAY LAKE L.U.D. PETITION VALIDATION/BY PARCEL						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
101	Johnson, Evert C. & Jean	Warranty Deed	8204220119	No		1
102	Anderson, Ray W.	Warranty Deed	2175852	Yes		
103	Mickelson, Elmer & Val	Warranty Deed	8904120462	Yes		
104	Mickelson, Elmer & Valencia	Warranty Deed	8804220147	Yes		
105(106)	Mickelson, Elmer L. & Valencia A.	Warranty Deed	8405290021	Yes		
106(107)	Rosenbach, Donald A. & Karen L.	Warranty Deed	8604220117	Yes	1	
108	Brownell, John A. & Rena	Warranty Deed	8504250178	Yes	1	
109	Canaday, John L. & Laura A.	Warranty Deed	8410080007	Yes	1	
110	Canaday, John L. & Laura A.	Warranty Deed	8312290145	Yes		
111	Mihkelson, Sulev & Elga	Warranty Deed	1982942	No		1
112	Guilmet, Jean G.	Warranty Deed	8910160498	No		1
113	Pearson, Douglas C. & Mary T.	Warranty Deed	8605270274	Yes	1	
114	Wayland, Richard L. & Susan L.	Warranty Deed	8908020154	Yes	1	
115	Wayland, Richard L. & Susan L.	Warranty Deed	8908020154	Yes		
116	Wright, Joanne M.	Quit Claim Deed	7604100193	No		1
117	Wilson, Howard J. & Lori J.	Warranty Deed	8709210455	Yes	1	
118	Biwer, Joseph P.	Warranty Deed	8504250344	Yes	1	
119	Jones, James F. & Jolene L.	Warranty Deed	8704020087	Yes	1	
120	Biehl, George E. & Lisa D.	Warranty Deed	9010260310	Yes	1	
121	Hansen & Hansen Construction, Inc.	Warranty Deed	9003080382	Yes	1	
122	Hansen & Hansen Construction, Inc.	Warranty Deed	9003080380	Yes		
123	Barnhill, Donald M.	Warranty Deed	8309300009	No		1
124	Lervick, Roger O. & Linda	Warranty Deed	7709290141	Yes	1	
125	Lervick, Roger O. & Linda	Warranty Deed	2018538	Yes		
126	Lervick, Roger O. & Linda	Warranty Deed	2018538	Yes		
127	Lervick, Roger O. & Linda	Warranty Deed	8901100197	Yes		
128	Larson, Clifford A. & Janet	Warranty Deed	8805100409	Yes	1	
129	Larson, Clifford A. & Janet	Warranty Deed	8404240065	Yes		
130	Larson, Clifford A. & Janet	Warranty Deed	8404240065	Yes		
131	Heaven, Dellena G.	Quit Claim Deed	8709040139	Yes	1	
132	Temple J. David	Warranty Deed	8807130287	Yes	1	
133	Struiksma, Dennis J. & Jeanine L.	Warranty Deed	8607210188	Yes	1	
134	Torgerson, Lincoln E. & Hayton, Lori (h&w)	Warranty Deed	9105140199	Yes	1	

SUNL LAKE L.U.D. PETITION VALIDATION/BY PARCEL						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
135	Hebert, Erin M.	Warranty Deed	8306220057	No		1
136	Lyons, Steven F. & Jeanne M.	Warranty Deed	8309210293	No		1
137	Lyons, Steven F. & Jeanne M.	Quit Claim Deed	9008020248	No		
138	O'Connell, Margaret F.	Warranty Deed	9005100100	Yes	1	
139	Mickelson, Elmer & Valencia	Warranty Deed	9002140580	Yes		
140	Taylor, Elmo M.	Warranty Deed	8708140251	Yes	1	
141	Bickford, Jimmie L. & Anita M.	Warranty Deed	2165972	Yes	1	
TOTALS						
					64	36

RECEIVED
MAR 02 1993
WATER DEPT.

Memorandum

TO: Mark Spahr
FROM: Gene Fierke 
DATE: March 1, 1993
SUBJECT: Sunday Lake LUD Petition Validation

In accordance with your request, the LUD petitions have been validated by ownership for each parcel in the plat of Sunday Lake. Real Estate validated the affirmative petitions of 68 separate landowners, representing more than 50% of the 100 total owners of 139 separate tax accounts. This makes the petition a "majority petition" for purposes of RCW 54.16.150.

The following criteria was used to verify the petitions:

- All landowners were counted with interest of record.
- Security interest were not counted.
- Husband and wife were considered one "landowner".
- If one person owns several pieces of property, the landowner is counted only once.
- The vendee on a real estate contract/deed should be counted as the landowner.

To substantiate the verification process, included are the following documents:

- All documents indicated "owners of records" for each parcel.
- Snohomish County tax records indicating ownership.
- Map indicating returned, unreturned and uncounted petitions.
- Listings by parcel/owner with validation of ownership document and vote tabulation.

If we can be of any further assistance, please contact this office.

Attachments

LIST OF TABLES

1.	Water Quality Test Results - Inorganic Chemicals	7
2.	Estimated System Demands, Source & Storage Requirements	13
3.	LUD Costs	18
4.	Projected Operating Receipts and Expenditures	24

APPENDICES

A.	Well Logs
B.	Pump Tests
C.	Water Quality Analyses
D.	Details of Hydraulic Analysis

LIST OF EXHIBITS

1	Sunday Lake LUD Petition Validation
2	Resolution Authorizing a Feasibility Study for Sunday Lake LUD No. 16
3	Vicinity Map
4	Zoning and Service Area
5	Comprehensive Plan Designation
6A	Distribution System, Parcel C Storage - Two Pressure Zones
6B	Distribution System, Parcel C Storage - Single Pressure Zone
6C	Distribution System, Western Storage Alternative
6D	Distribution System, Low Level Reservoir and Pump
7	Cost Comparison of Storage Alternatives
8	Preliminary Assessment Roll
9	Property Tax Exemption
10	SEPA Checklist and Determination of Nonsignificance

SUND. LAKE L.U.D. PETITION VALIDATION/BY PARC						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
1	Strand, John T. & Judith	Warranty Deed	8906190195	No		1
2(3)	Strand, John T. & Judith (formerly Wright)	Decree of Dissolution	140-275	No		
4	Broe, Harley F.	Warranty Deed	9011060331	Yes	1	
5	Hopkins, Paul & Carole	Quit Claim Deed	8001240119	Yes	1	
6	Decker, Wesley R.	Warranty Deed	8106030167	No		1
7	Johnson, Darryl G. & Teresa Jo	Warranty Deed	9112200489	No		1
8	Johnson, Darryl G. & Teresa Jo	Warranty Deed	8705290019	No		
9	Griffiths, H. Lyle & Judy K.	Purch Assign Deed	8208240120	Yes	1	
10	Griffiths, H. Lyle & Judy K.	Warranty Deed	9005220117	Yes		
11	McNutt, Daniel D.	Warranty Deed	9004100318	No		1
12	Maher, Dean O. & Caryann	Mortgage Satisfaction	8406270082	Yes	1	
13	Maher, Dean O. & Caryann	Mortgage Satisfaction	8406270082	Yes		
14(15)	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190059	Yes	1	
16(17)	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190060	Yes		
18	Mahoney, Daniel P. & Nancy L.	Warranty Deed	8110010129	Yes	1	
19	Billett, Ross G. & Karen D.	Warranty Deed	9005160565	No		1
20	Mahoney, Richard D. & Dona C.	Warranty Deed	1967952	Yes		
21	Sunday Lake Community Club	Warranty Deed	8909260433			
22	Stephenson, Thomas D.	Warranty Deed	8908310221	No		1
23	Escobar, Raul Antonio & Nancy P.	Warranty Deed	9005090614	No		1
24	Walker, Brian V. & Amy E.	Warranty Deed	9005170596	No		1
25	Anderson, Ray W.	Warranty Deed	7612170253	Yes	1	
26	Parks, Thomas A. & Melissa J.	Warranty Deed	8504100289	No		1
27	Parks, Thomas A. & Melissa J.	Warranty Deed	8406260066	No		
28	Parks, Thomas A. & Melissa J.	Warranty Deed	8406260066	No		
29	Glancy, Donald L. & Merrilee F.	Warranty Deed	8501290226	Yes	1	
30	Moody, Patrick & Decuir, Suzanne (h&w)	Warranty Deed	9106250130	Yes	1	
31	Taylor, James W.	Warranty Deed	9006150274	Yes	1	
32-00	Stone, Ivan	Warranty Deed	7901170199	No		1
32-01	Sunday Lake Community Club	Quit Claim Deed	2266432			
33	Anderson, Ray W.	Warranty Deed	8609110306	Yes		
34	Spear, Diana L. (formerly Lasko)	Warranty Deed	2266208	No		1
35	Cabe, William D. & Janice R.	Warranty Deed	7903280024	No		1

SUNDAY LAKE L.U.D. PETITION VALIDATION/BY PARCEL						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
36	Johnson, Frederick C. & Dorothy	Warranty Deed	8908110332	Yes	1	
37	Cook, Anthony R. & Teresa L.	Warranty Deed	8705220229	No		1
38	Roberson, Bradley D.	Warranty Deed	8004180040	No		1
39	Roberson, Bradley D. & Karen J.	Warranty Deed	8608140022	No		
40	Knutson, Deborah K.	Warranty Deed	7807030103	Yes	1	
41	Unruh, David L. & Cari J.	Warranty Deed	8912120484	Yes	1	
42	Vess, Jeffrey S. & Sandra K.	Warranty Deed	9202270234	Yes	1	
43	Fay, Linda A.	Warranty Deed	9207130189	No		1
44	Waters, Willie C. & Gina	Warranty Deed	1982033	Yes	1	
45	Waters, Willie C. & Gina	Warranty Deed	2094783	Yes		
46	Johanson, Bernice L.	Warranty Deed	7811010242	No		1
47	Schmid, Jr., R. David	Warranty Deed	8803230140	Yes	1	
48	Malean, Gary A. & Jodel J.	Warranty Deed	8309290145	Yes	1	
49	Meyer, Philip V. & Charlene A.	Warranty Deed	7811290132	Yes	1	
50	Culbertson, John A. & Agnes M.	Warranty Deed	8310060350	Yes	1	
51	Culbertson, John A. & Agnes M.	Warranty Deed	8310060350	Yes		
52	Thayer, Linda, single	Quit Claim Deed	8507220265	No		1
53	Hanson, Phyllis I. (formerly Henning)	Warranty Deed	1948025	No		1
54	Olsen, Robert O. & Judith A.	Warranty Deed	7904120281	Yes	1	
55	Ottosen, Thomas D. & Kathleen E.	Warranty Deed	9205200857	Yes	1	
56	Mickelson, Elmer L. & Valencia A.	Warranty Deed	9106280409	Yes	1	
57	Engelson, Otto L.	Warranty Deed	2097965	Yes	1	
58	Martin, Donald D. & Robin D.	Warranty Deed	9203040458	Yes	1	
59	Kiepke, Robert E. & Rhonda G.	Warranty Deed	9104250341	Yes	1	
60	Kiepke, Robert E. & Rhonda G.	Warranty Deed	9104250341	Yes		
61	Neisz, Sharon L.	Warranty Deed	7905080311	No		1
62	Chambers, Randal J. & Belinda	Warranty Deed	9204290767	Yes	1	
63	Leifer, Cecilia & Kirk (formerly Loose)	Quit Claim Deed	8712220053	Yes	1	
64	Johnsen, William H. & Kym Allred	Warranty Deed	9103200395	Yes	1	
65	Kary, Michael Paul	Warranty Deed	8203150093	Yes	1	
66	Ressler, Eugene & Rosemary	No Deed Available				
67	Freeman, Albert T. & Sheila M.	No Deed Available		No		
68	Freeman, Albert T. & Sheila M.	No Deed Available		No		

SUND, LAKE L.U.D. PETITION VALIDATION/BY PARCEL

PARCEL	OWNER	VALIDATION DOCUMENT	PETITION	VOTE
		RECORDING NO.	RETURNED	YES NO
69	Freeman, Albert T. & Sheila M.	Warranty Deed	7907110102	No
70	Stecker, Fred L. & Sudduth C.	Deed of Trust/No WD	8301100178	Yes
71	Taylor, Christopher R. & Darci J.	Warranty Deed	9203060293	Yes
72	Stecker, Fred L. & Sudduth C.	Warranty Deed	8601150304	Yes
73	Mickelson, Elmer & Valincia	Warranty Deed	8909190093	Yes
74	Sherrill, Anne M.	Warranty Deed	8410170243	No
75	Yula, Jr., Ralph W. & Elizabeth R.	Warranty Deed	7907310333	No
76	Boser, Mark C. & Tracey K.	Warranty Deed	8710220113	Yes
77	Burnam, Jean	Warranty Deed	7909120275	Yes
78	Evans, Paul W. & Karen D.	Warranty Deed	9011090390	Yes
79	Tasky, Jeffrey R. & Laura L.	Warranty Deed	8904170411	Yes
80	Meyer, Dar & Heather	Warranty Deed	8904210402	Yes
81	Spence, Marshall C. & Barbara	Warranty Deed	7908100134	Yes
82	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190059	No
83	Wood, Charles R. Wood & Sharon K.	Warranty Deed	8909190060	No
84	Tisdell, Doug A. & Deborah A.	Warranty Deed	9110080277	Yes
85	Schmid, Jr., R. David	Warranty Deed	8803230140	Yes
86	Harvin, Phillip J. & Lois G.	Warranty Deed	7805040075	Yes
87	Marcks, Terry L. & Kim M.	Warranty Deed	9110080110	Yes
88	Zimmerman, Lyle B.	Warranty Deed	8911290474	Yes
89	Gee, Paul A. & Julie A.	Warranty Deed	9102010006	Yes
90	Bunn, Sam C. & Margaret H.	Warranty Deed	8610240024	Yes
91	Knutson, Deborah K.	Warranty Deed	8301200005	Yes
92	Torrez, Alfrd & Stephanie a.	Warranty Deed	9001290059	Yes
93	Winward, Laura A.	Warranty Deed	8910200261	Yes
94	Larcom, Julia M.	Warranty Deed	8104060022	No
95	Bowers, John M. & Shawne S.	Warranty Deed	8910310175	No
96	Otto, Michael S. & Jodell J.	Warranty Deed	9005250205	Yes
97	Edwards, Douglas & Tammy L.	Warranty Deed	9008140442	Yes
98	Barton, Garry & Patricia	Warranty Deed	9008210059	No
99	Aristo, Edward S. & Cynthia a.	Warranty Deed	9002150726	Yes
100	Burkenbuel, Richard E. & Mary E.	Quit Claim Deed	7801240018	Yes
101	Johnson, Evert C. & Jean	Warranty Deed	8204220119	No

SUNDAY LAKE L.U.D. PETITION VALIDATION/BY PARCEL						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
102	Anderson, Ray W.	Warranty Deed	2175852	Yes		
103	Mickelson, Elmer & Val	Warranty Deed	8904120462	Yes		
104	Mickelson, Elmer & Valencia	Warranty Deed	8804220147	Yes		
105(106)	Mickelson, Elmer L. & Valencia A.	Warranty Deed	8405290021	Yes		
106(107)	Rosenbach, Donald A. & Karen L.	Warranty Deed	8604220117	Yes	1	
108	Brownell, John A. & Rena	Warranty Deed	8504250178	Yes	1	
109	Canaday, John L. & Laura A.	Warranty Deed	8410080007	Yes	1	
110	Canaday, John L. & Laura A.	Warranty Deed	8312290145	Yes		
111	Mihkelson, Sulev & Elga	Warranty Deed	1982942	No		1
112	Guilmet, Jean G.	Warranty Deed	8910160498	No		1
113	Pearson, Douglas C. & Mary T.	Warranty Deed	8605270274	Yes	1	
114	Wayland, Richard L. & Susan L.	Warranty Deed	8908020154	Yes	1	
115	Wayland, Richard L. & Susan L.	Warranty Deed	8908020154	Yes		
116	Wright, Joanne M.	Quit Claim Deed	7604100193	No		1
117	Wilson, Howard J. & Lori J.	Warranty Deed	8709210455	Yes	1	
118	Biwer, Joseph P.	Warranty Deed	8504250344	Yes	1	
119	Albert, Grant & Linda	Warranty Deed	9211020881	Yes	1	
120	Biehl, George E. & Lisa D.	Warranty Deed	9010260310	Yes	1	
121	Hansen & Hansen Construction, Inc.	Warranty Deed	9003080382	Yes	1	
122	Hansen & Hansen Construction, Inc.	Warranty Deed	9003080380	Yes		
123	Barnhill, Donald M.	Warranty Deed	8309300009	No		1
124	Lervick, Roger O. & Linda	Warranty Deed	7709290141	Yes	1	
125	Lervick, Roger O. & Linda	Warranty Deed	2018538	Yes		
126	Lervick, Roger O. & Linda	Warranty Deed	2018538	Yes		
127	Lervick, Roger O. & Linda	Warranty Deed	8901100197	Yes		
128	Larson, Clifford A. & Janet	Warranty Deed	8805100409	Yes	1	
129	Larson, Clifford A. & Janet	Warranty Deed	8404240065	Yes		
130	Larson, Clifford A. & Janet	Warranty Deed	8404240065	Yes		
131	Heaven, Dellena G.	Quit Claim Deed	8709040139	Yes	1	
132	Temple J. David	Warranty Deed	8807130287	Yes	1	
133	Struiksma, Dennis J. & Jeanine L.	Warranty Deed	8607210188	Yes	1	
134	Torgerson, Lincoln E. & Hayton, Lori (h&w)	Warranty Deed	9105140199	Yes	1	
135	Hebert, Erin M.	Warranty Deed	8306220057	No		1

SUNDAY LAKE L.U.D. PETITION VALIDATION/BY PARCEL						
PARCEL	OWNER	VALIDATION DOCUMENT		PETITION	VOTE	
		TYPE	RECORDING NO.	RETURNED	YES	NO
136	Lyons, Steven F. & Jeanne M.	Warranty Deed	8309210293	No		1
137	Lyons, Steven F. & Jeanne M.	Quit Claim Deed	9008020248	No		
138	O'Connell, Margaret F.	Warranty Deed	9005100100	Yes	1	
139	Mickelson, Elmer & Valencia	Warranty Deed	9002140580	Yes		
140	Taylor, Elmo M.	Warranty Deed	8708140251	Yes	1	
141	Bickford, Jimmie L. & Anita M.	Warranty Deed	2165972	Yes	1	
TOTALS					68	32

RESOLUTION NO. 3827

A RESOLUTION authorizing a feasibility study for Sunday Lake LUD No. 16.

WHEREAS, pursuant to law, a petition to establish a water Local Utility District No. 16, signed by a majority of land owners within the proposed Local Utility District, has been filed with the Clerk of the Board of Commissioners of the Public Utility District No. 1 of Snohomish County; and

WHEREAS, prior to ordering the improvements as requested in the Petition, the Commission has determined that it is prudent that a feasibility study be conducted which will address the financial and economic issues of the proposed improvements; and

WHEREAS, the proposed improvements will benefit those living within the boundaries of the proposed LUD No. 16, and all costs associated with the feasibility study should be borne by petitioners,

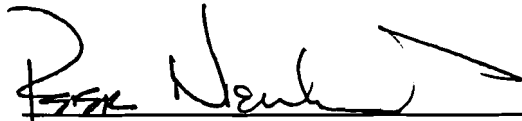
NOW, THEREFORE, BE IT RESOLVED that the Commission of Public Utility District No. 1 of Snohomish County, Washington, accepts the Petition for formation of Water LUD No. 16 and authorizes the Manager to estimate the cost of a financial and economic feasibility study and to collect the same from Petitioners, and upon receipt of such funds, to prepare the study as outlined in the scope of work identified as exhibit "A" attached hereto. If LUD No. 16 is formed, the costs incurred by the feasibility and preliminary studies shall be included as a cost of the Local Utility District. Once the preliminary and feasibility costs have been included as an obligation of the Local Utility District,

funds advanced for the study shall be refunded to the petitioners who advanced the funds.

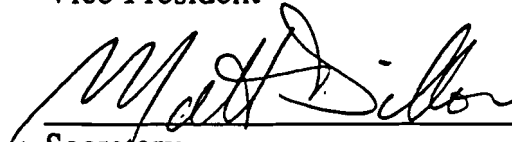
PASSED AND APPROVED this 25th day of August, 1992.



President



Vice-President



Secretary

SUNDAY LAKE WATER SYSTEM

LUD FEASIBILITY STUDY

SCOPE OF WORK

1. Collect, develop and document necessary information relative to the system's service area. The information shall include such things as a physical description, land use designation, regional plans affecting the area, adjacent water systems, system demands, etc.
2. Review federal, state, and county standards for planning, design criteria, and water quality requirements and document the standards to which the system must adhere.
3. Evaluate the existing system and determine its adequacy relative to the standards identified above.
4. Identify water system improvements necessary to upgrade the system to current standards. Estimate the cost of the improvements.
5. Evaluate the feasibility of financing the construction of the water system improvements.
6. Review and evaluate various legal, policy, and financial considerations for the District which may be affected by the acquisition, improvement, and operation of the Sunday Lake water system.
7. Evaluate the environmental impacts of constructing improvements to the Sunday Lake water system.
8. Document specific conclusions and recommendations relative to the overall feasibility of acquiring and upgrading the Sunday Lake water system.

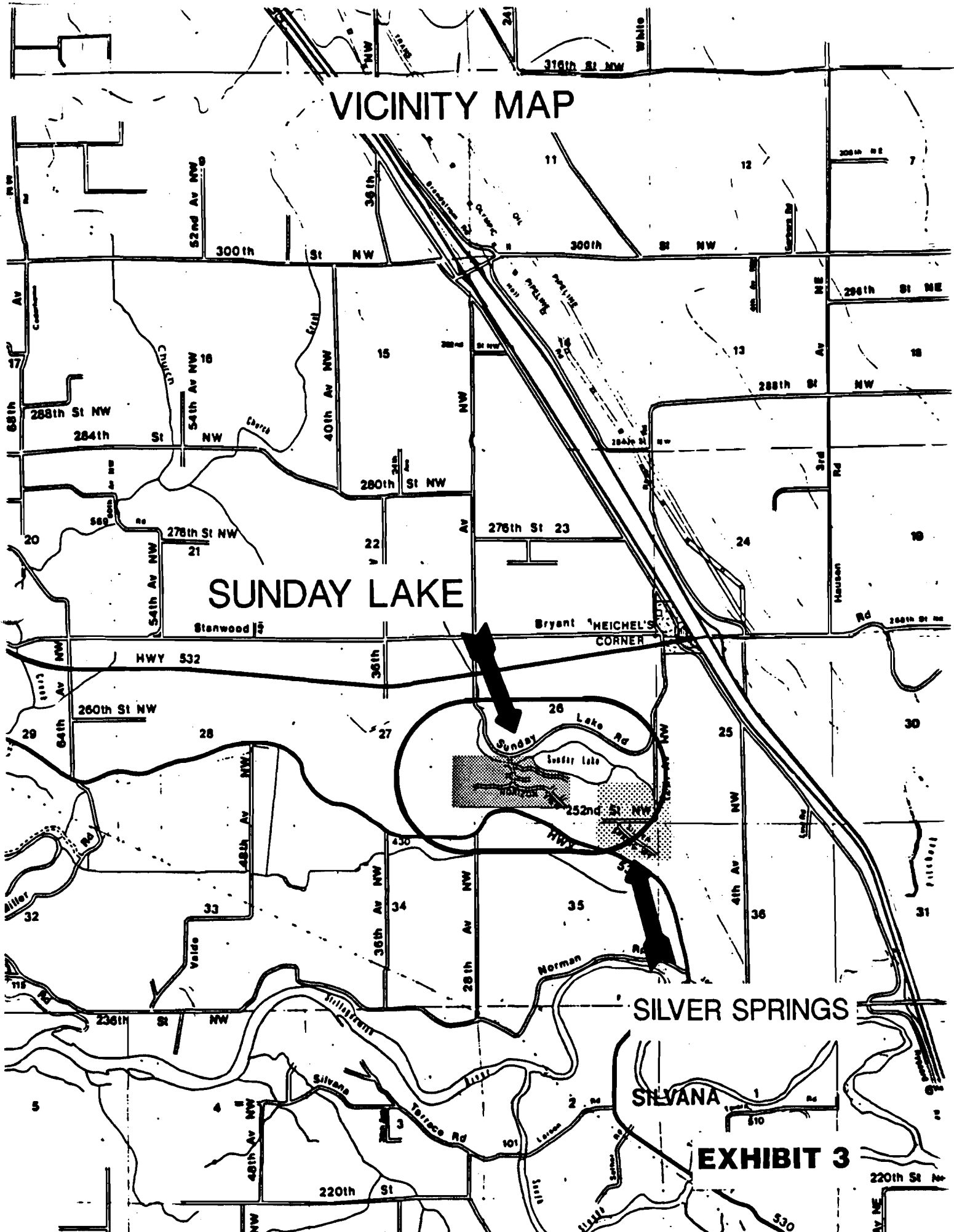
VICINITY MAP

SUNDAY LAKE

SILVER SPRINGS

SILVANA

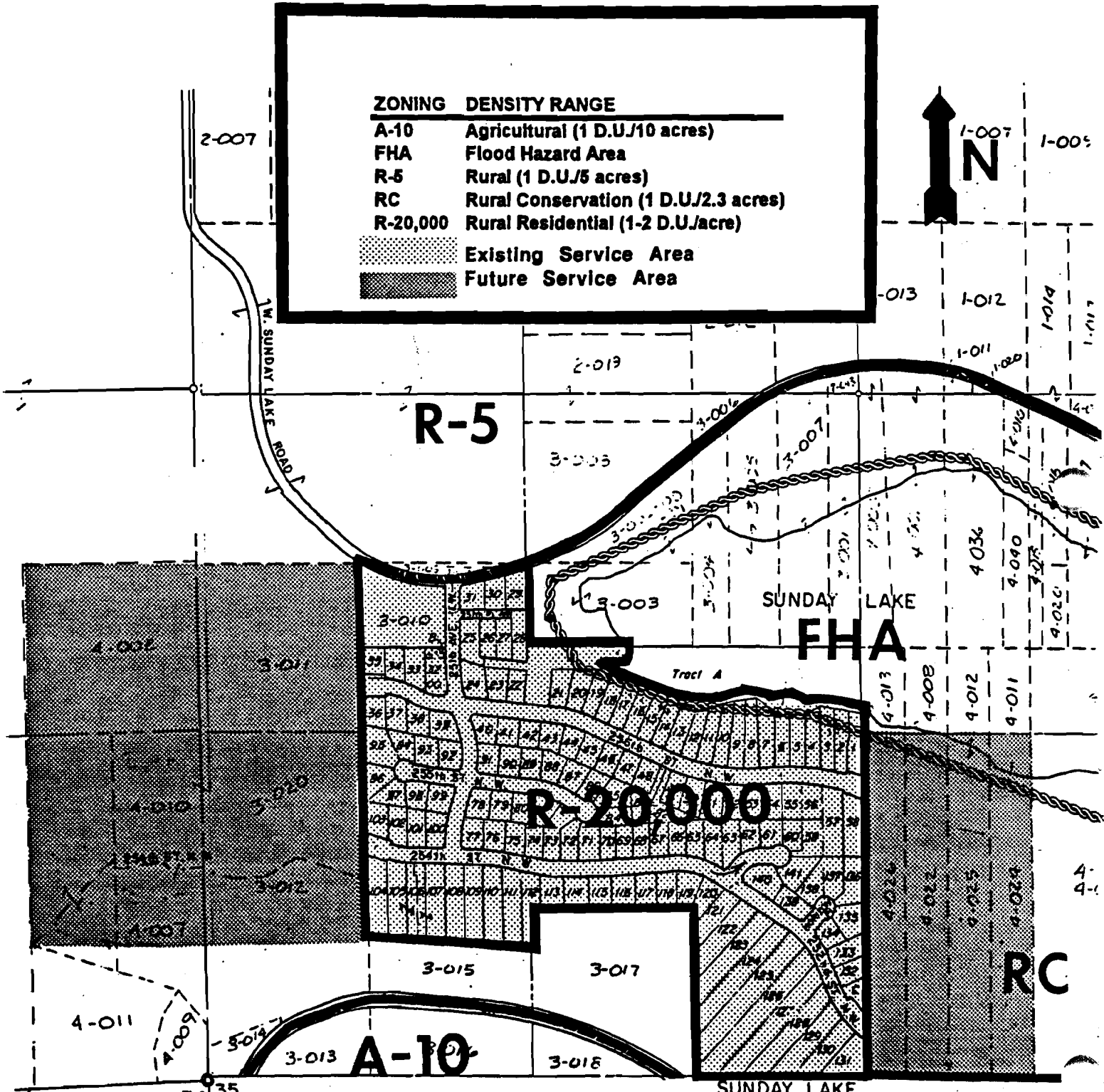
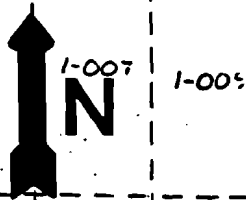
EXHIBIT 3



ZONING AND SERVICE AREA

ZONING	DENSITY RANGE
A-10	Agricultural (1 D.U./10 acres)
FHA	Flood Hazard Area
R-5	Rural (1 D.U./5 acres)
RC	Rural Conservation (1 D.U./2.3 acres)
R-20,000	Rural Residential (1-2 D.U./acre)

 Existing Service Area
 Future Service Area

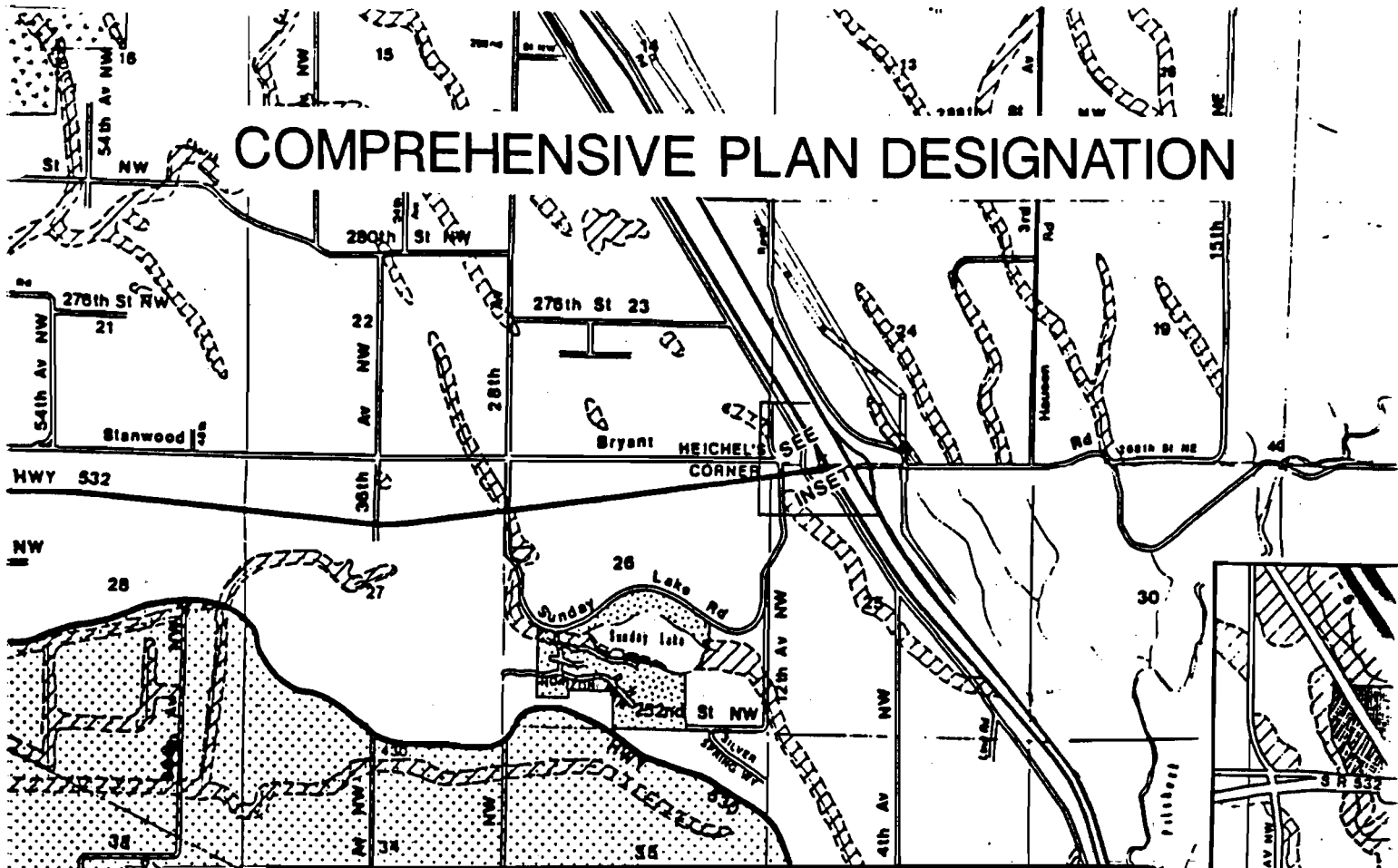


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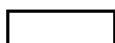


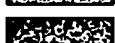





SUNDAY LAKE
 (5896) **EXHIBIT 4**

NOTE:
 This is not a survey, it is a parcel map.

COMPREHENSIVE PLAN DESIGNATION



COMPREHENSIVE PLAN DESIGNATIONS

-  Forestry (1 d.u./5-20 ac.)
-  Agriculture (1 d.u./10 ac.)
-  Secondary Agriculture (1 d.u./5-10 ac.)
-  Rural (1 d.u./2.3-5 ac.)
-  Residential Estate (1-2 d.u./ac.)
-  Suburban (2-4 d.u./ac.)
-  Urban (5-8 d.u./ac.)
-  Parks & Recreation
-  Freeway Service
-  Industrial Park
-  Wetlands
-  Environmentally Sensitive Areas
(Stream Corridors, etc.)

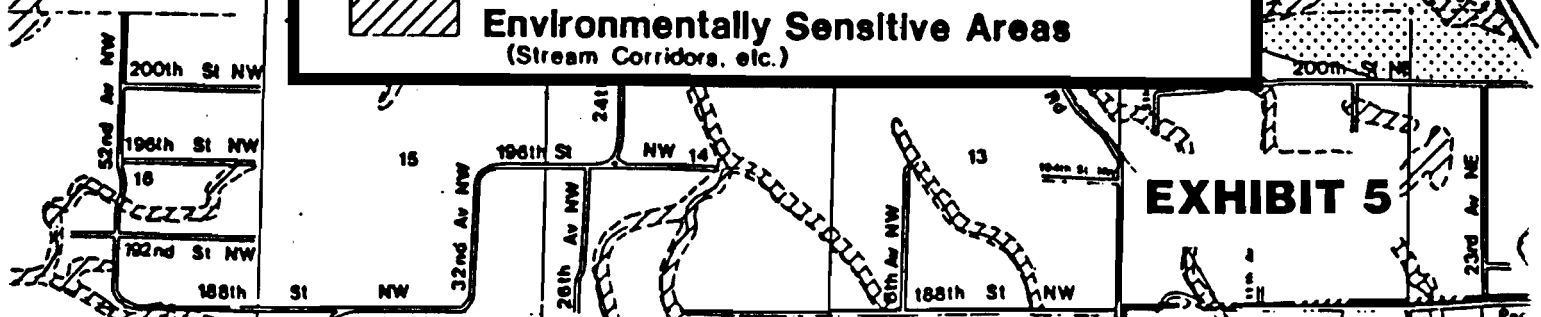
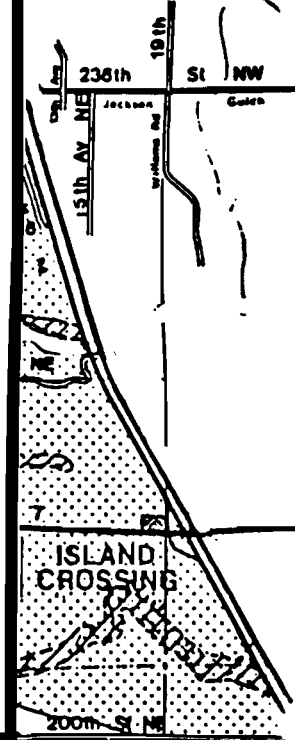


EXHIBIT 5

DISTRIBUTION SYSTEM TWO PRESSURE ZONES

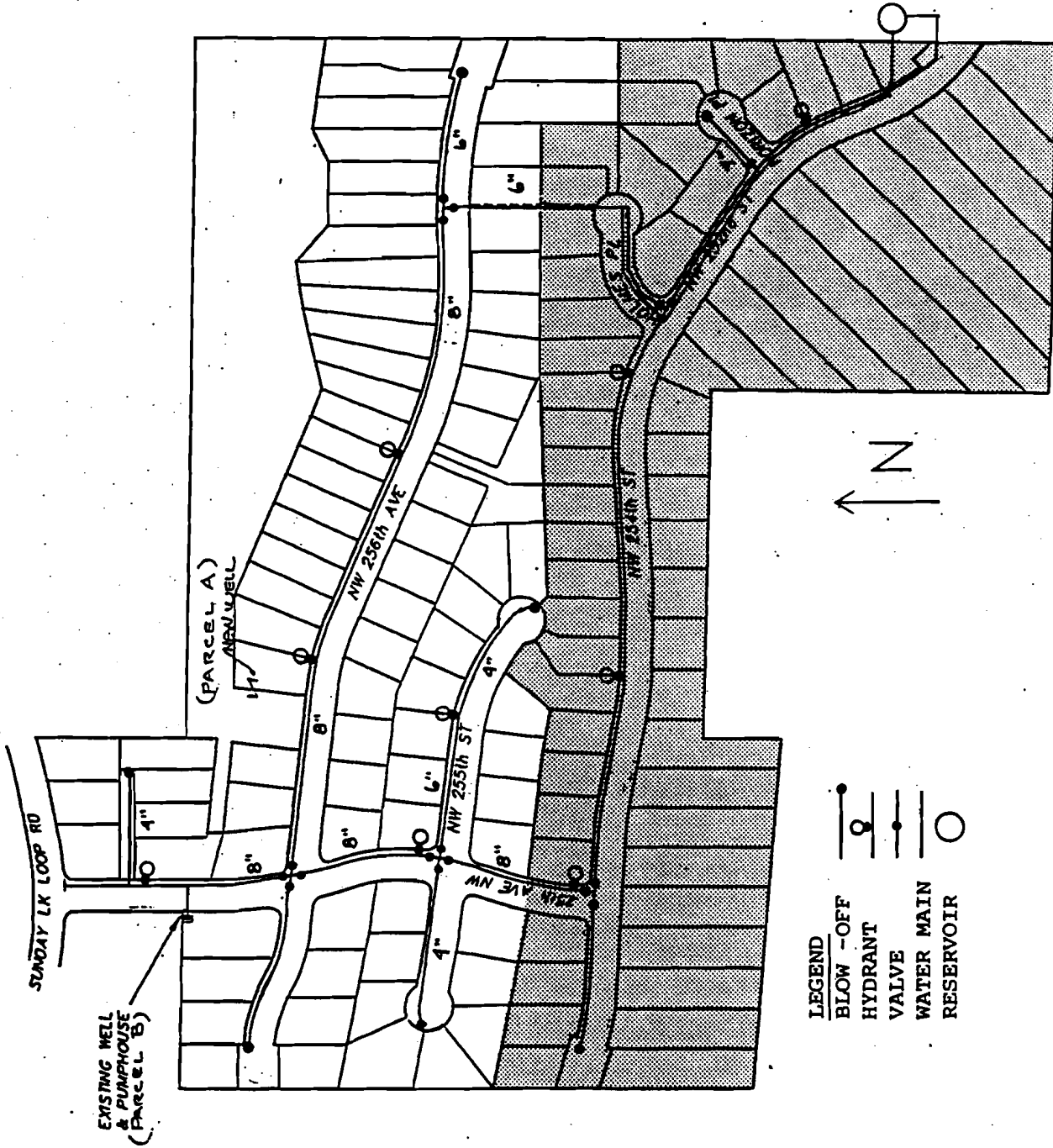
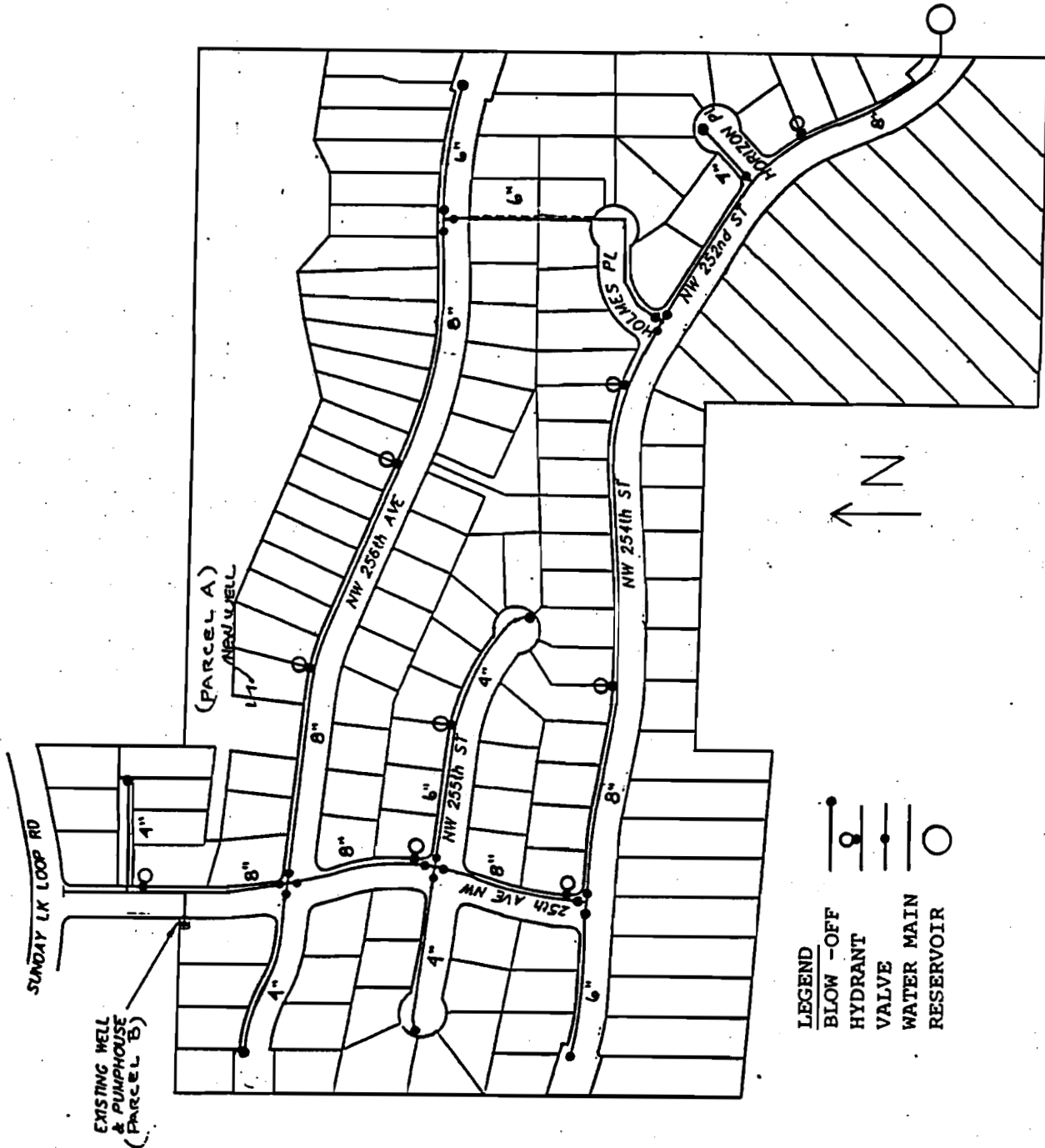


EXHIBIT 6A

DISTRIBUTION SYSTEM SINGLE PRESSURE ZONE



DISTRIBUTION SYSTEM

PREFERRED ALTERNATIVE

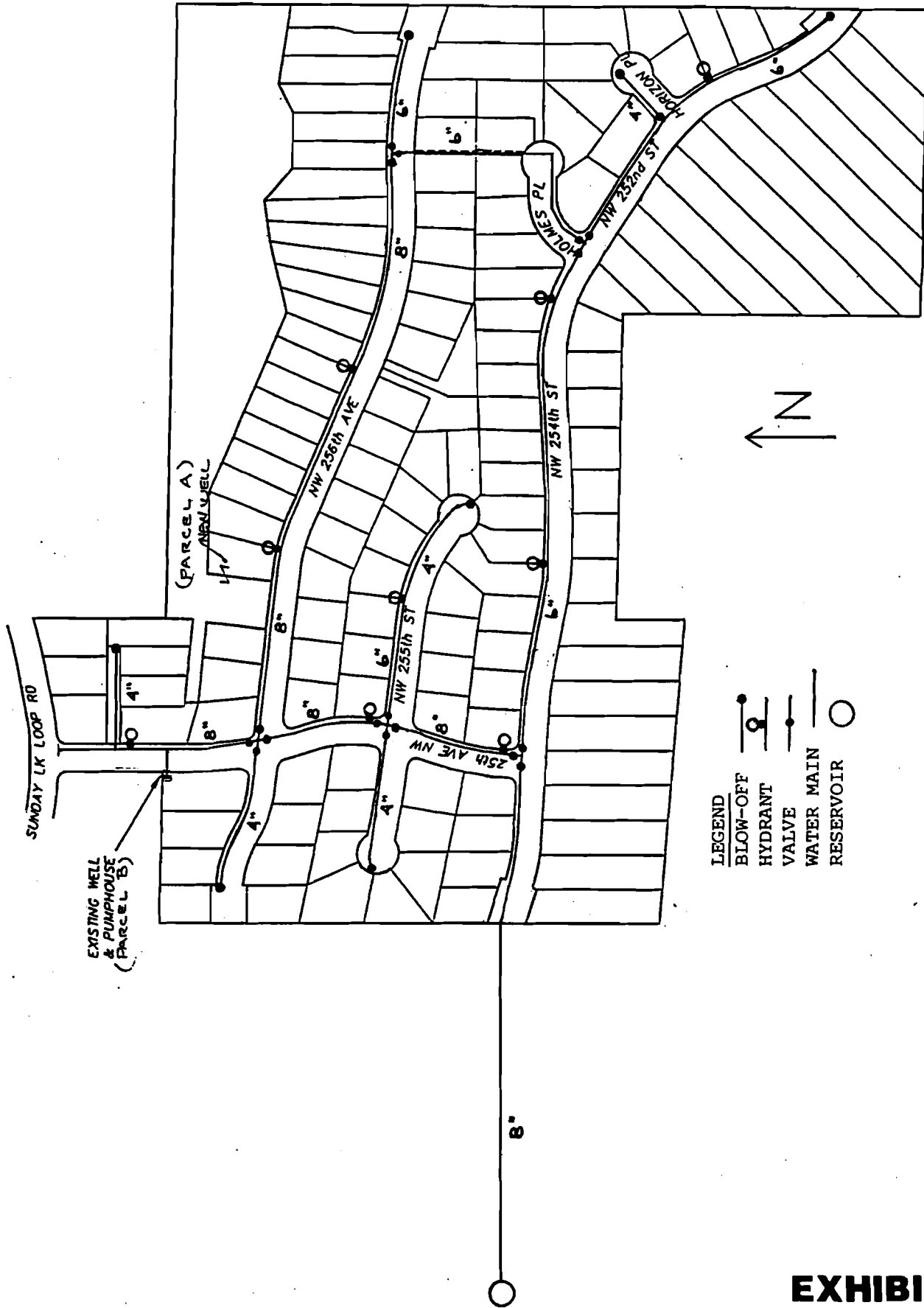
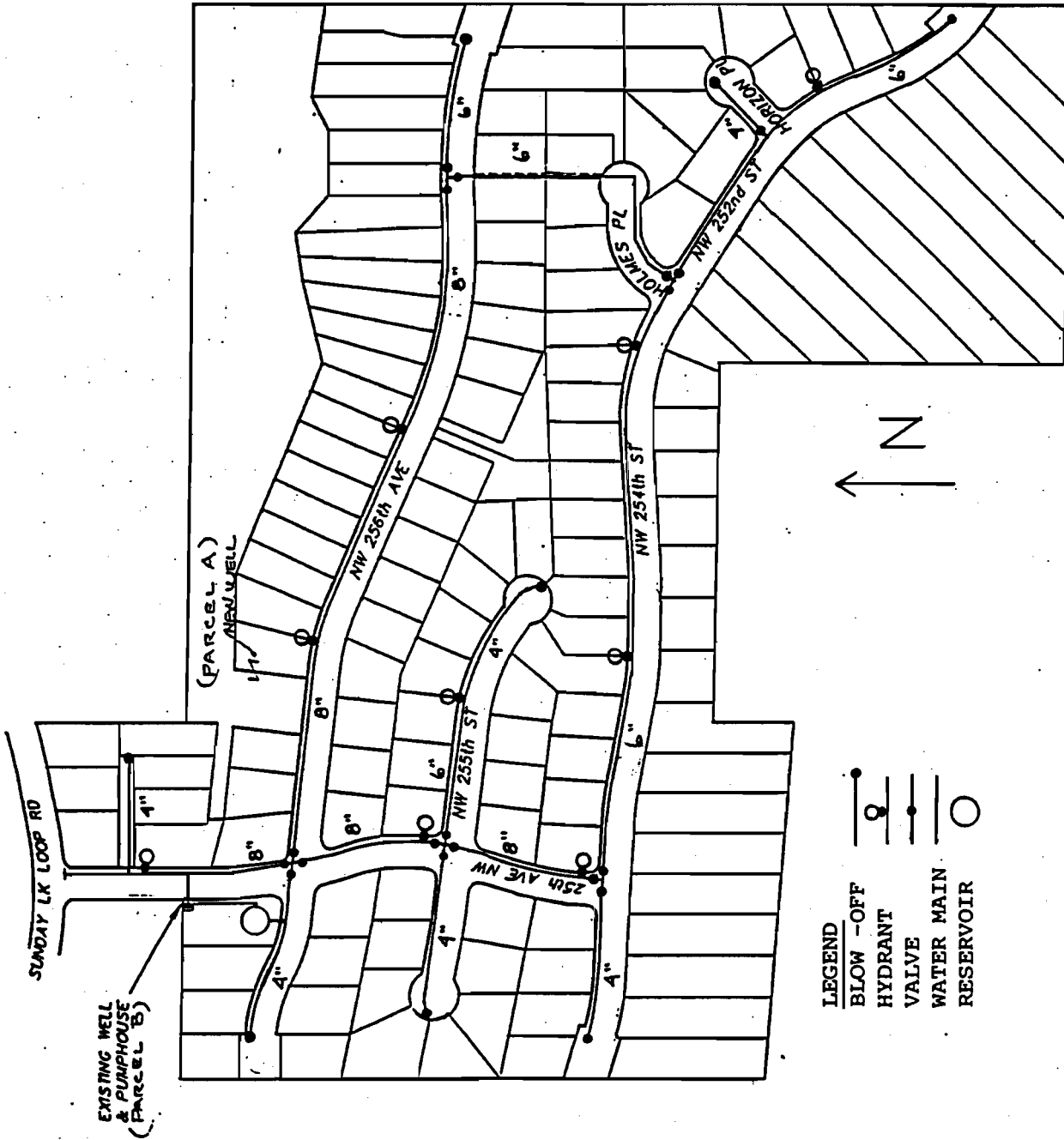


EXHIBIT 6C

DISTRIBUTION SYSTEM

LOW RESERVOIR & REPUMP



COST COMPARISON OF STORAGE ALTERNATIVES

ESTIMATED CAPITAL IMPROVEMENT COSTS	CASE 1: EAST * 2 ZONE	CASE 2: EAST* GRAVITY	CASE 3: WEST ** GRAVITY	CASE 4: LOW * REPUMP
SOURCE SUBTOTAL	\$208,790	\$139,260	\$105,630	\$199,460
STORAGE SUBTOTAL	\$107,000	\$207,000	\$145,000	\$107,000
WATER QUALITY TESTING	\$1,000	\$1,000	\$1,000	\$1,000
DISTRIBUTION SYSTEM SUBTOTAL	\$228,660	\$228,660	\$228,660	\$228,660
TRANSMISSION SYSTEM SUBTOTAL	\$37,100	\$16,000	\$28,600	\$8,000
SERVICES	\$34,500	\$34,500	\$34,500	\$34,500
PERMITS SUBTOTAL	\$4,700	\$4,700	\$4,700	\$4,700
CONSTRUCTION SUBTOTAL	\$621,750	\$631,120	\$548,090	\$583,320
8.2% SALES TAX	\$50,984	\$51,752	\$44,943	\$47,832
SUBTOTAL	\$672,734	\$682,872	\$593,033	\$631,152
12% CONTINGENCY	\$74,610	\$75,734	\$65,771	\$69,998
7% ENGINEERING & LUD	\$43,523	\$44,178	\$38,366	\$40,832
ADMINISTRATION COSTS				
TOTAL ESTIMATED COST	\$790,866	\$802,785	\$697,170	\$741,983
PUD'S \$600/CUSTOMER CONTRIBUTION	\$81,000	\$81,000	\$81,000	\$81,000
TOTAL COST LESS PUD CONTRIBUTION	\$709,866	\$721,785	\$616,170	\$660,983
ASSESSABLE BUILDABLE LOTS WITHIN LUD BOUNDARY	115	115	115	115
COST PER BUILDABLE LOT	\$6,173	\$6,276	\$5,358	\$5,748
CONTINGENCY PER LOT	\$649	\$659	\$572	\$609
*800 GALLONS/DWELLING UNIT/DAY				
**600 GALLONS/DU/DAY WITH CONSERVATION				

EXHIBIT 7

PRELIMINARY ASSESSMENT ROLL				
FOR LOTS WITHIN				
WATER UTILITY LUD NO.16 BOUNDARIES				
SUNDAY LAKE				
TAX ACCT	RECORDED OWNER	MAILING ADDRESS	DESCRIPTION	ASSESSMENT
5896-000-001-0021	Strand, John T. & Judith	2009 256th ST NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOTS 1,2 &3	5819
5896-000-004-0002	Broe, Harley F.	1514 18th Ave, Seattle, WA 98122	Sunday Lake BLK 000 D-00 LOT 4	5819
5896-000-005-0001	Hopkins, Paul & Carole	1201 Undine St, Bellingham WA 98226	Sunday Lake BLK 000 D-00 LOT 5	5819
5896-000-006-0000	Anderson, Kenneth A.	11909 20th St NE, Lake Stevens, WA 98258	Sunday Lake BLK 000 D-00 LOT 6	5819
5896-000-007-0009	Johnson, Darryl G. & Teresa Jo	2111 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 7	5819
5896-000-008-0008	Johnson, Darryl G. & Teresa Jo	2111 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 8	5819
5896-000-009-0007	Griffiths, H. Lyle & Judy K.	5516 NE 195th St, Seattle, WA 98155	Sunday Lake BLK 000 D-00 LOT 9	5819
5896-000-010-0004	Griffiths, H. Lyle & Judy K.	5516 NE 195th St, Seattle, WA 98155	Sunday Lake BLK 000 D-00 LOT 10	5819
5896-000-011-0003	McNutt, Daniel D.	2127 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 11	5819
5896-000-012-0002	Maher, Dean O. & Caryann	2205 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 12	5819
5896-000-013-0001	Maher, Dean O. & Caryann	2205 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 13	5819
5896-000-014-0000	Wood, Charles R. Wood & Sharon K.	13026 4th Ave W, #176, Everett WA 98204	Sunday Lake BLK 000 D-00 LOTS 14 & 15	5819
5896-000-016-0008	Wood, Charles R. Wood & Sharon K.	13026 4th Ave W, #176, Everett WA 98204	Sunday Lake BLK 000 D-00 LOTS 16 & 17	5819
5896-000-018-0006	Mahoney, Daniel P. & Nancy L.	16344 Wallingford Ave N, Seattle WA 98133	Sunday Lake BLK 000 D-00 LOT 18	5819
5896-000-019-0005	Billett, Ross G. & Karen D.	20131 61st Pl W, Lynnwood WA 98036	Sunday Lake BLK 000 D-00 LOT 19	5819
5896-000-020-0002	Mahoney, Richard D. & Dona C.	17801 Hitch Ct, Penn Valley CA 95946	Sunday Lake BLK 000 D-00 LOT 20	5819
5896-000-021-0001	Sunday Lake Community Club	P.O. Box 471, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 21	5819
5896-000-022-0000	Stephenson, Thomas D.	5306 S 3rd Ave, Everett WA 98203	Sunday Lake BLK 000 D-00 LOT 22	5819
5896-000-023-0009	Escobar, Raul Antonio & Nancy P.	2413 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 23	5819
5896-000-024-0008	Walker, Brian V. & Amy E.	25619 26th Ave NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 24	5819
5896-000-025-0007	Anderson, Ray W.	1859 N 177th St, Seattle WA 98133	Sunday Lake BLK 000 D-00 LOT 25	5819
5896-000-026-0006	Parks, Thomas A. & Melissa J.	2406 257th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 26	5819
5896-000-027-0005	Parks, Thomas A. & Melissa J.	2406 257th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 27	5819
5896-000-028-0004	Parks, Thomas A. & Melissa J.	2406 257th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 28	5819
5896-000-029-0003	Glancy, Donald L. & Merrill F.	P.O. Box 756, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 29	5819
5896-000-030-0000	Moody, Patrick & Decuir, Suzanne	2410 Sunday Lake Rd, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 30	5819
5896-000-031-0009	Taylor, James W.	2421 257th Pl NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 31	5819
5896-000-032-0008	Vegsund, Patricia J.	22309 96th Ave W, Edmonds WA 98020	Sunday Lake BLK 000 D-00 LOT 32 LESS N 40FT AS MEAS ALG W LN OF LOT 32	5819
5896-000-033-0007	Anderson, Ray W.	1859 N 177th St, Seattle WA 98133	Sunday Lake BLK 000 D-00 LOT 33	5819
5896-000-034-0006	Spear, Diana L.	10091 1000th Ave E, Oak Harbor WA 98277	Sunday Lake BLK 000 D-00 LOT 34	5819
5896-000-035-0005	Cabe, William D. & Janice R.	25710 26th NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 35	5819
5896-000-036-0004	Johnson, Frederick C. & Dorothy	2528 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 36	5819
5896-000-037-0003	Cook, Anthony R. & Teresa L.	2522 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 37	5819
5896-000-038-0002	Roberson, Bradley D.	2510 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 38	5819
5896-000-039-0001	Roberson, Bradley D. & Karen J.	2510 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 39	5819
5896-000-040-0008	Knutson, Deborah K.	2416 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 40	5819

PRELIMINARY ASSESSMENT ROLL				
FOR LOTS WITHIN				
WATER UTILITY LUD NO.16 BOUNDARIES				
SUNDAY LAKE				
TAX ACCT	RECORDED OWNER	MAILING ADDRESS	DESCRIPTION	ASSESSMENT
5896-000-041-0007	Unruh, David L. & Cari J.	2406 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 41	5819
5896-000-042-0006	Vess, Jeffrey S. & Sandra K.	2330 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 42	5819
5896-000-043-0005	Fay, Linda A.	2322 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 43	5819
5896-000-044-0004	Waters, Willie C. & Gina	2316 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 44	5819
5896-000-045-0003	Waters, Willie C. & Gina	2316 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 45	5819
5896-000-046-0002	Johanson, Bernice L.	911 N 83rd St, Seattle WA 98103	Sunday Lake BLK 000 D-00 LOT 46	5819
5896-000-047-0001	Schmid, Jr., R. David	2301 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 47	5819
5896-000-048-0000	Malean, Gary A. & Jodel J.	2214 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 48	5819
5896-000-049-0009	Meyer, Philip V. & Charlene A.	2206 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 49	5819
5896-000-050-0005	Culbertson, John A. & Agnes M.	8712 26th Ave NW, Seattle WA 98117	Sunday Lake BLK 000 D-00 LOT 50	5819
5896-000-051-0004	Culbertson, John A. & Agnes M.	8712 26th Ave NW, Seattle WA 98117	Sunday Lake BLK 000 D-00 LOT 51	5819
5896-000-052-0003	Thayer, Linda, single	2118 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 52	5819
5896-000-053-0002	Hanson, Phyllis I.	78 Aili Dr., Kailua Kona HI 96740	Sunday Lake BLK 000 D-00 LOT 53	5819
5896-000-054-0001	Olsen, Robert O. & Judith A.	24006 79th Pl W, Edmonds WA 98026	Sunday Lake BLK 000 D-00 LOT 54	5819
5896-000-055-0000	Otosen, Thomas D. & Kathleen E.	2028 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 55	5819
5896-000-056-0009	Mickelson, Elmer L. & Valencia A.	2514 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 56	5819
5896-000-057-0008	Engelson, Harold	P.O. Box 554, Newport OR 97365	Sunday Lake BLK 000 D-00 LOT 57	5819
5896-000-058-0015	Martin, Donald D. & Robin D.	2004 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 58	5819
5896-000-059-0006	Klepke, Robert E. & Rhonda G.	2027 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 59	5819
5896-000-060-0003	Klepke, Robert E. & Rhonda G.	2027 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 60	5819
5896-000-061-0002	Nelsz, Sharon L.	2103 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 61	5819
5896-000-062-0001	Chambers, Randal J. & Belinda	2111 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 62	5819
5896-000-063-0000	Leifer, Cecilia & Kirk	2121 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 63	5819
5896-000-064-0009	Johnsen, William H. & Kym Allred	2125 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 64	5819
5896-000-065-0008	Kary, Michael Paul	2133 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 65	5819
5896-000-066-0007	Ressler, Eugene & Rosemary	15706 NE 178th Pl, Woodinville WA 98072	Sunday Lake BLK 000 D-00 LOT 66	5819
5896-000-067-0006	Freeman, Albert T. & Sheila M.	748 N 84th St, Seattle WA 98103	Sunday Lake BLK 000 D-00 LOT 67	5819
5896-000-068-0005	Freeman, Albert T. & Sheila M.	748 N 84th St, Seattle WA 98103	Sunday Lake BLK 000 D-00 LOT 68	5819
5896-000-069-0004	Freeman, Albert T. & Sheila M.	748 N 84th St, Seattle WA 98103	Sunday Lake BLK 000 D-00 LOT 69	5819
5896-000-070-0001	Stecker, Fred L. & Sudduth C.	P.O. Box 581, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 70	5819
5896-000-071-0000	Taylor, Christopher R. & Darci J.	2308 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 71	5819
5896-000-072-0009	Stecker, Sudduth C. & Fred L.	P.O. Box 296 Troy, MT 59935	Sunday Lake BLK 000 D-00 LOT 72	5819
5896-000-073-0008	Mickelson, Elmer & Valincia	2514 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 73	5819
5896-000-074-0007	Sherrill, Anne M.	2331 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 74	5819
5896-000-075-0006	Yula, Jr., Ralph W. & Elizabeth R.	2405 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 75	5819
5896-000-076-0005	Boser, Mark C. & Tracey K.	2413 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 76	5819
5896-000-077-0004	Burnam, Jean	2425 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 77	5819
5896-000-078-0003	Evans, Paul W. & Karen D.	6511 Armar Rd. #10, Marysville WA 98270	Sunday Lake BLK 000 D-00 LOT 78	5819

TAX ACCT	RECORDED OWNER	MAILING ADDRESS	DESCRIPTION	ASSESSMENT
			PRELIMINARY ASSESSMENT ROLL	
		FOR LOTS WITHIN		
		WATER UTILITY LUD NO.16 BOUNDARIES		
		SUNDAY LAKE		
5896-000-079-0002	Tasky, Jeffrey R. & Laura L.	2412 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 79	5819
5896-000-080-0009	Meyer, Dar & Heather	2404 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 80	5819
5896-000-081-0008	Spence, Marshall C. & Barbara	2330 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 81	5819
5896-000-082-0007	Wood, Charles R. & Sharon K.	13026 4th Ave W #176, Everett WA 98204	Sunday Lake BLK 000 D-00 LOT 82 LESS PTN	5819
			DAF BEG SW COR SD LOT 82 TH N87.37 26E	
			ALG S LN SD LOT 82 15FT TH N37.27 02E	
			60.27FT TO A LN TH LIES 20FT SWLY MEAS AT	
			R/A TO NELY LN SD LOT 82 TH N66.05 02W	
			PLT NELY LN SD LOT 82 FOR 54.98FT TO WLY	
			LN SD LOT 82 TH S23.23 23W ALG SD WLY LN	
			14.06FT TH S00.39 55W 64.17FT TO POB	
5896-000-083-0006	Wood, Charles R. & Sharon K.	13026 4th Ave W #176, Everett WA 98204	Sunday Lake BLK 000 D-00 LOT 83 TGW TH PTN	5819
			LOT 82 DAF BEG SW COR LOT 82 TH N87.37	
			26E ALG S LN SD LOT 82 FOR 15FT TH N37.27	
			02E 60.27FT TO A LN TH LIES 20FT SWLY MEAS	
			AT R/A TO NELY LN SD LOT 82 TH N66.05 02W	
			PLL TO NELY LN SD LOT 82 FOR 54.89FT TO WLY	
			LN SD LOT 82 TH S23.23 23W ALG SD WLY LN	
			14.06FT TH S00.39 55W 64.17FT TO TPB	
5896-000-084-0005	Tisdal, Doug A. & Deborah A.	2300 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 84	5819
5896-000-085-0004	Schmid, Jr., R. David	2301 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 85	5819
5896-000-086-0003	Martin, Lonnie L. & Cheryl L.	2307 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 86	5819
5896-000-087-0002	Marcks, Terry L. & Kim M.	2315 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 87	5819
5896-000-088-0001	Bishop, Karen	2327 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 88	5819
5896-000-089-0000	Gee, Paul A. & Julie A.	2333 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 89	5819
5896-000-090-0007	Bunn, Sam C. & Margaret H.	2407 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 90	5819
5896-000-091-0006	Knudson, Deborah K.	2416 256th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 91	5819
5896-000-092-0005	Torrez, Alfred & Stephanie a.	2503 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 92	5819
5896-000-093-0004	Winward, Laura A.	2507 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 93	5819
5896-000-094-0011	Larcom, Julia M.	2519 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 94	5819
5896-000-095-0002	Bowers, John M. & Shawne S.	2527 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 95	5819
5896-000-096-0001	Otto, Michael S. & Jodell J.	2530 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 96	5819
5896-000-097-0000	Edwards, Douglas & Tammy L.	2526 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 97	5819
5896-000-098-0009	Barton, Garry & Patricia	6206 288th St NE #55, Arlington WA 98223	Sunday Lake BLK 000 D-00 LOT 98	5819
5896-000-099-0008	Aristo, Edward S. & Cynthia a.	2506 255th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 99	5819
5896-000-100-0005	Burkenbuel, Richard E. & Mary E.	RR 2 Box 1296, Oroville WA 98844	Sunday Lake BLK 000 D-00 LOT 100	5819
5896-000-101-0004	Johnson, Even C. & Jean	7329 NE 145th Pl, Bothell WA 98011	Sunday Lake BLK 000 D-00 LOT 101	5819
5896-000-102-0003	Mickelson, Elmer L. & Valencia	2514 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 102	5819

PRELIMINARY ASSESSMENT ROLL				
FOR LOTS WITHIN				
WATER UTILITY LUD NO.16 BOUNDARIES				
SUNDAY LAKE				
TAX ACCT	RECORDED OWNER	MAILING ADDRESS	DESCRIPTION	ASSESSMENT
5896-000-103-0002	Mickelson, Elmer & Val	2514 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 103	5819
5896-000-104-0001	Mickelson, Elmer & Valencia	2514 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 104	5819
5896-000-105-0000	Mickelson, Elmer L. & Valencia A.	2514 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 105 TGW W	5819
			46.59FT OF LOT 106 LESS FDT BEG NE COR OF	
			ABV DESC TR TH W 12FT S 43FT TH SELY TAP	
			55FT S OF TPB TH N 55FT TPB	
5896-000-106-0009	Rosenbach, Donald A. & Karen L.	2508 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 E 30.59FT OF LOT	5819
			106 TGW LOT 107 TWG THAT PTN LOT 106 DAF	
			BEG NW COR OF ABV DESC TR TH W 12FT S TH	
			SELY TAP 55FT S OF TPB TH N 55FT TPB 43FT	
5896-000-108-0007	Brownell, John A. & Rena	2432 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 108	5819
5896-000-109-0006	Canaday, John L. & Laura A.	2416 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 109	5819
5896-000-110-0003	Canaday, John L. & Laura A.	2416 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 110	5819
5896-000-111-0002	Mihkelson, Sulev & Elga	2338 W Plymouth St, Seattle WA 98199	Sunday Lake BLK 000 D-00 LOT 111	5819
5896-000-112-0001	Gullmet, Jean G.	12311 NE Glisan St #202, Portland OR 97230	Sunday Lake BLK 000 D-00 LOT 112	5819
5896-000-113-0000	Pearson, Douglas C. & Mary T.	2322 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 113	5819
5896-000-114-0017	Wayland, Richard L. & Susan L.	P.O. Box 97, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOTS 114 & 115	5819
5896-000-116-0007	Wright, Joanne M.	16065 Dayton Ave N, Seattle WA 98133	Sunday Lake BLK 000 D-00 LOT 116	5819
5896-000-117-0006	Wilson, Howard J. & Lori J.	2222 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 117	5819
5896-000-118-0005	Biwer, Joseph P.	3905 172nd St NE, Arlington WA 98223	Sunday Lake BLK 000 D-00 LOT 118	5819
5896-000-119-0004	Samp, Richard D.	2204 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 119	5819
5896-000-120-0001	Biehl, George E. & Lisa D.	2126 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 120	5819
5896-000-121-0000	Hansen & Hansen Construction, Inc	10118 Moran Rd, Arlington WA 98223	Sunday Lake BLK 000 D-00 LOT 121	5819
5896-000-122-0009	Hansen & Hansen Construction, Inc	10118 Moran Rd, Arlington WA 98223	Sunday Lake BLK 000 D-00 LOT 122	5819
5896-000-123-0008	Barnhill, Donald M.	2106 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 123	5819
5896-000-124-0007	Lervick, Roger O. & Linda	2102 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 124	5819
5896-000-125-0006	Lervick, Roger O. & Linda	2102 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 125	5819
5896-000-126-0005	Lervick, Roger O. & Linda	2102 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 126	5819
5896-000-127-0004	Lervick, Roger O. & Linda	2102 254th St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 127	5819
5896-000-128-0003	Larson, Clifford A. & Janet	2008 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 128	5819
5896-000-129-0002	Larson, Clifford A. & Janet	2008 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 129	5819
5896-000-130-0009	Larson, Clifford A. & Janet	2008 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 130	5819
5896-000-131-0008	Heaven, Dellena G.	2004 Horizon View, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 131	5819
5896-000-132-0007	Temple J. David	2005 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 132	5819
5896-000-133-0006	Struikma, Dennis J. & Jeanine L.	2009 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 133	5819
5896-000-134-0005	Torgerson, Lincoln E. & Hayton, Lo	2013 252nd St NW, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 134	5819
5896-000-135-0004	Lundstrom, William B.	2017 Horizon Pl, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 135	5819
5896-000-136-0003	Lyons, Steven F. & Jeanne M.	2023 Horizon Pl, Stanwood WA 98292	Sunday Lake BLK 000 D-00 LOT 136	5819

DECLARATION OF COMBINED INCOME FOR APPLICANT, SPOUSE AND COTENANTS

REPORT ALL INCOME RECEIVED REGARDLESS OF SOURCE.
TOTAL 1992 INCOME FOR THE CALENDAR YEAR,
JANUARY 1 THRU DECEMBER 31ST.

- 1—Total Social Security for Applicant \$ _____
- 2—Total Social Security for Spouse \$ _____
- 3—Total Federal Civil Service and
Railroad Retirement \$ _____
- 4—Total Other Retirement Incomes \$ _____
- 5—Total Wages, Unemployment Payments
and Disability Income \$ _____
- 6—Total Interest Income and Dividends \$ _____
- 7—Total Net Income from Rentals \$ _____
(No deductions for depreciation or losses)
- 8—Total Capital Gains (refer to combined
income section on instruction page) \$ _____
(No deductions for losses)
- 9—Total Income from Any Other Source \$ _____
(No deductions for depreciation or losses)
- 10—Deduct Amounts Paid for Nursing
Home Care \$(-) _____
- 11—Combined Income for Application \$ _____
(Write this total on the front of this form in A or B or C
Category)

WHEN THIS CLAIM IS FILED THE EXEMPTION WILL CONTINUE
YEARLY. THE ASSESSOR WILL MAIL A CARD EACH YEAR
TO VERIFY INCOME LEVEL.

PERSONS RECEIVING THE EXEMPTION MUST NOTIFY THE
ASSESSOR'S OFFICE OF ANY CHANGE IN ADDRESS
OR STATUS AFFECTING ELIGIBILITY.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL THE
ASSESSOR'S OFFICE AT 388-3540 OR 388-3433
MOBILE HOMES ON PERSONAL PROPERTY CALL 388-3736

ANY PERSON WILLFULLY GIVING FALSE INFORMATION ON THIS
APPLICATION SHALL BE SUBJECT TO THE PERJURY LAWS OF THE
STATE OF WASHINGTON AND ANY EXEMPTION GRANTED THROUGH
ERRONEOUS INFORMATION SHALL BE SUBJECT TO THE CORRECT
TAX BEING ASSESSED FOR THE LAST THREE YEARS, PLUS A 100
PERCENT PENALTY.

CLAIM FOR EXEMPTION FROM REAL OR PERSONAL PROPERTY TAXES

I HEREBY MAKE CLAIM FOR EXEMPTION OF PROPERTY TAXES, AS PROVIDED IN RCW 84.36.381 THRU 389, DUE AND PAYABLE IN THE YEAR OF **1994**

I DO ATTEST AND AFFIRM THAT:

- (1) — I am 61 years of age or older on or before January 1 of the year for which this exemption is received **OR**
 — At the time of filing, physically disabled and as such, retired from regular gainful employment by reason of disability.
- (2) — I am the owner of the residence on which the taxes have been imposed, and upon which this exemption is filed either as a fee owner, contract purchaser or life estate. I have occupied this property as a principal place of residence as of January 1st.
- (3) — Is this property over one acre of land? Yes No
- (4) — This residence is:
 One single family dwelling Mobile Home Condo Other
- (5) — My income FROM ALL SOURCES combined with the income of my spouse, (AS CALCULATED ON THE REVERSE OF THIS FORM) for the 1992 calendar year is:

A

 \$15,000
 or less

B

 \$15,001 to
 \$18,000

C

 \$18,001 to
 \$26,000

TAX ACCT. NO.	
1994 TAX—USE 1992 INCOME (Up to \$26,000)	

AFFIDAVIT: I SWEAR UNDER THE PENALTIES OF EITHER CIVIL OR CRIMINAL PERJURY THAT ALL OF THE ABOVE STATEMENTS AS MARKED ARE TRUE.

	SIGNATURE OF CLAIMANT
	NAME OF SPOUSE (IF ANY)
	PHONE NUMBER
	PROPERTY ADDRESS
	MAILING ADDRESS

SIGNATURE OF WITNESS _____ -OR- SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____, 19____

WITNESS _____

WITNESS _____ ASSESSOR DEPUTY _____

ANY EXEMPTION GRANTED THROUGH ERRONEOUS INFORMATION SHALL BE SUBJECT TO THE CORRECT TAX BEING ASSESSED FOR THE LAST THREE YEARS, PLUS 100% PENALTY.

DETERMINATION OF NONSIGNIFICANCE

Description of proposal: Construction of a replacement water system for the Sunday Lake Plat and an area immediately adjacent to the Plat. Major components of the replacement System would include: 1) Replacement of the distribution system, 2) Drilling and equipping of a new well (Well 3), equipping of an existing well that is not currently in use (Well 2), and replacement of the pumphouse serving the well which constitutes the existing source of supply (Well 1), 3) Installation of a storage reservoir having a minimum effective capacity of 50,000 gallons, and 4) installation of treatment facilities for Well 1 and conversion of an existing reservoir to a sedimentation basin in connection with such treatment process.

Proponent: Public Utility District No. 1 of Snohomish County

Location of proposal, including street address, if any: The majority of the work will occur within the Sunday Lake Plat, located in Sec. 26, Twp. 32 N, R4 E WM in Snohomish Co., approximately one mile west of Interstate 5, south of State Route 532 (Stanwood - Camano Island Exit). In addition, Well 3 and the new storage reservoir described above will be constructed outside of the Plat, in the SE quarter of Sec. 27, Twp. 32 N, R4 E WM, and transmission mains will be installed connecting such facilities to the distribution system within the Plat.

Lead agency: Public Utility District No. 1 of Snohomish County

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An environmental impact statement (EIS) is not required under RCW 43.21C.030(2)(c). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public on request.

There is no comment period for this DNS.

This DNS is issued under 197-11-340(2); the lead agency will not act on this proposal for 15 days from the date below. Comments must be submitted by: June 1, 1993

Responsible official: N. Craig Thompson

Position/title: Director of Water, Facilities and Environmental Affairs Phone (206) 258-8606

Address: Snohomish County PUD No. 1, 2320 California St., P.O. Box 1107, Everett, WA, 98206

Date: May 14, 1993

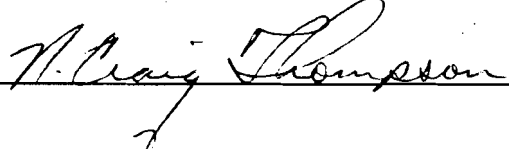
Signature: 

EXHIBIT 10

Purpose of Checklist: The State Environmental Policy Act (SEPA), chapter 43.21C RCW, requires all governmental agencies to consider the environmental impacts of a proposal before making decisions. An environmental impact statement (EIS) must be prepared for all proposals with probable significant adverse impacts on the environment. The purpose of this checklist is to provide information to help the District's Responsible Official and any other agencies with jurisdiction to identify impacts from a proposal (and to reduce or avoid impacts from the proposal, if it can be done) and to help the District decide whether an EIS is required.

A. BACKGROUND

1. Name of proposed project, if applicable:

PROPOSED LUD NO. 16 - SUNDAY LAKE WATER SYSTEM

2. Name of proponent:

Public Utility District No. 1 of Snohomish County.

3. Address and phone number of proponent and contact person:

**Public Utility District No. 1 of Snohomish County
P. O. Box 1107
2320 California Street
Everett, WA 98206**

**Contact Person: Mark D. Spahr, P. E.
Water Resource and Planning Manager
(206) 258-8601**

4. Date checklist prepared:

May 13, 1993.

5. Agency requesting checklist:

Public Utility District No. 1 of Snohomish County (District).

6. Proposed timing or schedule (including phasing, if applicable):

Public Hearing on LUD Formation	July, 1993
Complete Design of System Components	November, 1993
Complete Construction of System	April, 1994
Public Hearing on Final Assessment Roll	September, 1994

7. Describe plans for future additions, expansions, or further activity related to or connected with this proposal.

At the present time, there are no specific plans for future additions or expansions related to the proposed replacement water system. Future additions or expansions of the project, if any, would occur within the framework of the North Snohomish Coordinated Water System Plan and applicable growth management restrictions.

8. Environmental information that has been prepared, or will be prepared, directly related to this proposal.

There have been no previous environmental reports prepared for this project.

9. Describe applications pending for governmental approvals of other proposals directly affecting the property covered by this proposal.

There are some applications for building permits and sewage disposal systems within the Sunday Lake Plat (Plat) that are being held because of the existing water system's unapproved status.

10. Governmental approvals or permits that will be needed for this proposal.

- * **Right-of-Way Permit -- Snohomish County**
- * **Approval of Engineering Design -- Department of Health (DOH)**
- * **Building Permit -- Snohomish County**
- * **Conditional Use Permit -- Snohomish County**
- * **Grading and Clearing Permit -- Snohomish County**
- * **Water Right Permit -- Department of Ecology**
- * **Shoreline Substantial Development Permit -- Snohomish County**
- * **Department of Health -- Water System Plan/Engineering Design**

11. Description of the proposal, including the proposed uses and the size of the project and site.

The District is considering the formation of an LUD to finance the acquisition, upgrading, modification, operation and maintenance by the District of the existing water system serving the Plat, including replacement of most of the existing system. The existing water system does not have a sufficient storage or supply to meet DOH standards for adequacy, and a building moratorium has been in effect since 1990. The project would replace the existing distribution system, replace the pumphouse serving the well which constitutes the existing source of supply (Well 1), provide treatment facilities for Well 1 for removal of manganese (Mn), equip a second well not currently in use (Well 2), drill and equip a third well (Well 3) and provide storage having a minimum usable capacity of 50,000 gallons. The system would be designed as a fire flow system with a minimum fire flow capacity of 500 gpm.

Major components of the proposal would include the following:

1. **Installation of a new distribution system including approximately 8,600 lineal feet of 4, 6 and 8-inch diameter ductile iron water mains, fire hydrants at 600 foot spacings, and water meters;**
2. **Removal of the pumphouse that now serves Well 1, and reconstruction of a replacement facility on the same site. The replacement pumphouse would serve Wells 1 and 2. New pumps would be installed in Wells 1 and 2;**
3. **Drilling of Well 3 to a depth of up to 400 feet. Well 3 would be equipped with a pump, pumphouse and additional appurtenances to facilitate routine operation;**

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4. Installation of a water storage reservoir with a minimum effective capacity of 50,000 gallons, approximately 50 feet in height, having a water surface elevation of approximately 440 feet above mean sea level. The reservoir would be approximately 20 feet in diameter. The footprint of the reservoir would be approximately 350 square feet.
5. Installation of treatment facilities for Well 1 and conversion of an existing reservoir to a sedimentation basin in connection with such treatment.

The existing distribution system, Wells 1 and 2, and the pumphouse serving Wells 1 and 2 are located within the Plat. Well 3 and the new reservoir would be constructed and installed, respectively, within 1,500 feet west of the Plat, and would be connected to the distribution system by 2-4" and 8" transmission mains, respectively. Well 3 and the new reservoir are anticipated to be constructed and installed on the same site, which would require the acquisition of approximately 1-1.5 acres.

12. Location of the proposal. Provide a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if available.

The Plat is located in the S. W. quarter of Section 26, Township 32 N., Range 4 East W.M. in Snohomish County, approximately one mile west of Interstate 5, south of State Route 532. The new reservoir and Well 3 are proposed to be located west of the Plat, generally within the S.E. quarter of Section 27; however specific sites for these improvements have not yet been selected.

A vicinity map is attached as Figure 1. Figure 2 shows the proposed improvements within the Plat and the proposed location of Well 3 and the new reservoir. The locations of Well 3 and the new reservoir, and of associated transmission mains, are approximate, and would vary depending on subsequent acquisition of property and easements. Figure 3 is a topographic map of the vicinity.

B. ENVIRONMENTAL ELEMENTS

1. Earth

- a. General description of the site (circle one): Flat, rolling, hilly, steep slopes, mountainous.
- b. What is the steepest slope on the site (approximate percent slope)?

Approximately 12% slope.

- c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils,

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specify them and note any prime farmland.

There are a variety of soil types at the sites of the proposed improvements within the Plat and the potential locations of the new reservoir, Well 3 and associated transmission mains, including gravel, muck and glacial till. Appropriate soil analyses would be conducted as part of the detailed design process.

- d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

The upper lots in the Plat are located near a bluff that is subject to erosion. All facilities to be constructed or installed as part of the project would be set back a minimum of several hundred feet from the bluff.

A geotechnical engineer would assist with the location and foundation design for the reservoir to ensure that the facility is built on soils with sufficient foundation-bearing capacity.

- e. Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.

Grading would occur to level for the foundations of the new reservoir, the Well 3 pumphouse and parking areas associated with the Well 1 and 2 pumphouse and the Well 3 pumphouse, respectively. The pumphouse and the reservoir would each have a building footprint of less than 500 sq ft. The parking areas would each be less than 500 sq ft, sufficient to accommodate 1-2 cars or service trucks. No imported fill is anticipated for the reservoir except for bedding sand. Trenches 4 feet deep and 18 to 24 inches wide would be dug for the estimated 8,600 lineal feet of 4, 6, and 8-inch water main to be installed in connection with the replacement of the distribution system. The trenches would be primarily in the road shoulder. Excavated soil would be backfilled into the trench after the main has been installed, provided that the excavated soil is suitable. Unsuitable and excess soil would be hauled off site and disposed of per Snohomish County standards. Unsuitable excavated soil will be replaced with imported backfill material and all backfill material will be compacted to Snohomish County standards. After backfilling the trenches, the road shoulder would be graded and topped with crushed rock and the ditches cleaned of any spilled soil or debris per Snohomish County standards.

- f. Could erosion occur as a result of clearing, construction, or use? If so,

generally describe.

Temporary erosion could occur during construction of the system depending on the weather. The temporary erosion is not expected to be significant at the pumphouse for Well 3 or the reservoir site, because the proposed locations for these improvements are not in close proximity to drainage paths. The existing pumphouse for Well 1 is adjacent to a stream, which is designated as an environmentally sensitive area. As this site contains an existing structure, minimal grading would occur in conjunction with replacement of the structure. Silt fences, straw bales and hydroseeding would be used to minimize erosion in this area. Temporary erosion during and immediately after construction is more likely to occur as a result of water running in the roadside ditches. The extent of this erosion is expected to be similar to or slightly greater than that experienced during and immediately after ditch cleaning done by Snohomish County road crews. A water main will intersect the stream described above, where the stream crosses under 25th Ave NW in a culvert. The main would be installed in the shoulder of the road over the top of the culvert, so erosion would be minimal. An erosion control plan would be an integral part of the project design.

- g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

Less than 2% of the total project area would be covered with impervious surfaces (approximately 350 square feet at the reservoir and 250 square feet at each of the two pumphouses). No asphalt paving would be provided.

- h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:

An erosion control plan would be a required part of the project design. Specific control measures would include dry weather construction timing, hay bales, silt fencing, rip-rap, minimizing disruption to existing vegetation, detention areas (if required) and hydroseeding of denuded areas.

2. Air

- a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.

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During construction, some increase in dust is expected as well as emissions from construction equipment, such as carbon monoxide and suspended particles from diesel engines. Emissions from equipment is expected to be minimal. There will be no effects on air quality from the completed project.

- b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.

There are no known off-site sources of emissions or odors.

- c. Proposed measures to reduce or control emissions or other impacts to air, if any:

Dust during construction will be controlled through street sweeping and wetting the construction area during dry weather. Care will be taken to not use too much water such that silty water enters the stream or lake.

3. Water

a. Surface:

1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.

Yes. Sunday Lake is located adjacent to the northern boundary of the Plat and a seasonal tributary stream flows through the northern portion of Plat into the western end of the Lake.

2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.

Yes. Existing Well 1 is within 20 feet, and Well 2 is within 45 feet, of the tributary stream. The project would result in removal and replacement (on the same site) of the existing pump and pumphouse serving Well 1, including installation of underground piping in the immediate area. Well 2 would be equipped with a pump and piping (underground).

Portions of the replacement distribution system would be installed within road rights-of-way, under which the tributary stream crosses in a culvert (no construction would occur within the stream).

All other construction, installation, site improvements or other work in connection with the project would occur beyond 200 feet from any surface water. Figure 2 shows the location of the proposed facilities in relation to the Plat, Lake and stream.

3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.

None.

4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.

No.

5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.

No.

6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

No.

b. Ground:

1) Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.

Ground water would be withdrawn. Two existing wells would be utilized (one of which is not currently in use), and a third well would be drilled, to serve the needs of the Plat and the adjacent area. The proposed project would be designed to serve up to 135 residences with a pumping capacity of approximately 64 gallons per minute (gpm).

Water rights totaling 57 gpm have been issued for the two existing wells (32 gpm for Well 1 and 25 gpm for Well 2). An application for a water right for approximately 30 gpm would be required for Well 3. In conjunction with the water right application, the Department of Ecology would evaluate the possible impacts of this withdrawal on ground water,

including other wells in the area.

Given the proposed depth of Well 3, the relatively low yield, and the low permeability soils between the ground surface and the aquifer, adverse impacts on local ground water or nearby wells is not anticipated.

2) Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals . . . ; agricultural; etc.) Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

The project would facilitate housing development within its anticipated service area, which is currently subject to a building moratorium due to insufficient water supply. Such additional development could be expected to result in installation of additional septic systems, and corresponding discharge of domestic sewage into the ground. There are currently 76 homes on septic tanks in the Plat, and it is anticipated that up to approximately 39 additional homes (all utilizing septic systems) will be constructed in the Plat over the next 20 years. In addition, it is anticipated that up to approximately 20 homes outside the Plat may be served by the project over the next 20 years, most of which would be new housing and all of which would use septic systems for disposal of waste water.

All new septic systems would be built to the standards of the Snohomish Health District, which have been established to protect ground water from contamination.

c. Water Runoff (including storm water):

1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

Some storm water runoff will occur from the impervious surfaces that would be created at the new reservoir and the pumphouse for Well 3. Storm water from these surfaces would flow into the nearest drainage way, eventually entering the stream that flows into Sunday Lake from the west. The quantity of stormwater from the existing pumphouse at Well 1 would not be increased as a result of this project, as the replacement pumphouse would be of similar size as the existing structure. An emergency overflow from the new

reservoir would result in water runoff into the Sunday Lake drainage basin. Overflow of the reservoir would only occur if the control system component of the water system were to fail with the well pumps in operation. This would be very unlikely, but not impossible. Water from the system itself would enter surface waters through lawn irrigation, vehicle washing, fire fighting and main flushing.

2) Could waste materials enter ground or surface waters? If so, generally describe.

Water from initial flushing of the mains after construction would contain chlorine concentrations of up to 50 ppm, which would have to be dechlorinated before being discharged into surface waters.

Treatment of Well 1 for removal of Mn would involve an oxidation and filtration process that would result in production of an oxidized manganese/water mixture that would be temporarily stored in the existing reservoir adjacent to Well 1, where the oxidized manganese would settle out.

The sediment would be periodically removed from such reservoir using a truck-mounted vacuum extraction technique. The oxidized manganese would be dried and periodically removed for disposal at the County's Solid Waste Transfer Station. The oxidized manganese is not toxic or hazardous; therefore it could be disposed of as a conventional solid waste, without special treatment or handling.

The liquid from the settling process would be recycled to the treatment system in which it would be filtered for use within the water distribution system. Thus, no discharge to ground or surface water is anticipated as a result of the treatment process described above.

Wastes from septic systems of new houses, as more fully described in Section B.3.b.2. of this Checklist, could enter into ground or surface waters.

- d. Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

Construction-related erosion control measures, as more fully described in Section B.1.h. hereof, would be used to mitigate construction runoff.

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Water conservation measures to be implemented in connection with the project are expected to reduce wastewater flow into septic tanks.

4. Plants

- a. Check or circle types of vegetation found on the site:**
X deciduous tree: **alder, maple, aspen, other**
X evergreen tree: **fir, cedar, pine, other**
X shrubs
X grass
X pasture
crop or grain
X wet soil plants: **cattail, buttercup, bullrush, skunk cabbage, other.....**
water plants: water lily, eelgrass, milfoil, other.....
other types of vegetation.....

- b. What kind and amount of vegetation will be removed or altered?**

In order to facilitate construction and installation of the new reservoir and Well 3, a total of approximately one-half acre of fir, alder, cedar and maple trees would be removed at the site of these improvements.

Construction and installation of the replacement distribution system, including installation of the transmission mains connecting the new reservoir and Well 3 to such distribution system, would occur within or immediately adjacent to existing rights-of-way and result in temporary disruption of roadside vegetation (grasses and weeds).

- c. List threatened or endangered species known to be on or near the site.**

None.

- d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:**

To facilitate screening, preserve natural vegetation and minimize storm runoff at the site of the new reservoir and Well 3, only the vegetation needed to facilitate construction would be removed. Landscaping would be provided at the new pumphouse serving Wells 1 and 2.

5. Animals

- a. Circle any birds and animals which have been observed on or near the site**

or are known to be on or near the site:

birds: **hawk, heron, eagle, songbirds**, other: **raptors**
mammals: **deer, bear, elk, beaver**, other: **rabbits, raccoons**
fish: **bass, perch, salmon, trout, herring, shellfish, other**

- b. List any threatened or endangered species known to be on or near the site.

None known.

- c. Is the site part of a migration route? If so, explain.

Sunday Lake may be part of a water fowl migration route. If so, it is not anticipated that the project would affect any such migration patterns.

- d. Proposed measures to preserve or enhance wildlife, if any:

None are considered necessary, as it is not anticipated that the project will interfere with any wildlife on or near the site.

6. Energy and Natural Resources

- a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

Electrical energy would be required to power a pump in each of the three project wells and to heat the two pumphouses housing the pump controls for Wells 1, 2 and 3. Gasoline and diesel fuel would be used by equipment during construction. The treatment process with respect to water produced by Well 1, and the control system that monitors water level in the reservoir and turns the well pumps on and off, will utilize electric power.

- b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.

No.

- c. What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:

Proposed conservation measures include the provision of low volume showerheads and faucet aerators, water metering, and a voluntary program to encourage the replacement of conventional toilets with ultra low volume fixtures by assisting with the financing of such replacement fixtures.

High-efficiency pumps would be utilized in the proposed replacement water system, and the system would otherwise be designed to minimize pumping requirements. Gravity storage would replace existing storage that requires redundant pumping. The replacement distribution system would eliminate water leakage. The pumphouses would be insulated to minimize heating costs.

7. Environmental Health

- a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.

The Mn treatment process which will be required in connection with Well 1, and possibly Well 3, involves addition of an oxidizing chemical, potassium permanganate. The chemical is approved for use in potable water systems, but in high concentrations it may cause skin irritation.

The chemical would be metered into the water using chemical feed pumps that would not allow excessive concentrations to be injected into the water. Storage of the chemical would be within the pumphouse serving Wells 1 and 2 (and the pumphouse serving Well 3, if necessary), and secondary containment would be provided to prevent spills to the environment.

The potential exists for a gasoline explosion and diesel and gasoline spills from equipment during construction. The possibility of an explosion is remote provided the contractor follows state safety rules. A diesel or gasoline spill could occur during equipment refueling or operation. If a spill were to occur the contractor would be required to immediately contain the spill and begin cleanup procedures.

- 1) Describe special emergency services that might be required.

In the event of an explosion or spill, Fire District No. 14 has a station within 2 miles which would respond. If a spill was beyond the ability of the contractor to contain and cleanup, the District has a cleanup team to assist while the contractor

is obtaining cleanup specialists.

2) Proposed measures to reduce or control environmental health hazards, if any:

State regulations regarding safety and the handling of hazardous materials would be enforced during the construction process. Equipment refueling areas would be located in areas where a spill could be quickly contained and where the risks of the hazardous material entering surface water is minimized. Refer to paragraph 7a regarding secondary containment of water treatment chemicals.

b. Noise

1) What types of noise exist in the area which may affect your project (for example: traffic, equipment operation, other)?

Noise associated with a residential neighborhood, which should not affect the water system construction or operation. All well pumps would be of the submersible variety and would not create noise which could be heard at the surface.

2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

During the construction phase, the project would generate some construction noise during the day (generally from 7:30 am to 4:30 pm weekdays) from equipment such as diesel trucks and backhoes, bulldozers, jackhammers, etc.

3) Proposed measures to reduce or control noise impacts, if any:

Construction specifications would include noise restrictions on construction equipment and hours of operation. The pumphouses would be designed to comply with residential noise standards.

8. Land and Shoreline Use

a. What is the current use of the site and adjacent properties?

The proposed sites for the new reservoir and Well 3, as well as the transmission mains connecting such facilities to the distribution system, are vacant land. Well 2 is located on a community playfield and the site of Well 1 and the existing

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reservoir is currently used for the water supply facilities for the Plat. Single-family residential housing is the primary use of the as a whole Plat.

- b. Has the site been used for agriculture? If so, describe.

No.

- c. Describe any structures on the site.

Residential housing exists throughout the Plat. In addition, a small wood-frame pumphouse is located at Well 1, and a concrete water reservoir with a capacity of approximately 15,000 gallons is located near Well 1.

- d. Will any structures be demolished? If so, what?

Yes. The pumphouse serving Well 1 will be removed and replaced.

- e. What is the current zoning classification of the site?

The Plat is zoned R-20,000 (Rural Residential - 1-2 D.U./acre), within which is located the proposed replacement distribution system and existing Wells 1 and 2. The area in which the new reservoir and Well 3 (as well as associated transmission mains) proposed to be located is zoned R-5 (Rural -1 D.U./5 acres). Water service from the System may also be provided in the future to an area east of the Plat which is zoned RC (Rural Conservation - 1 D.U./2.3 acres).

- f. What is the current comprehensive plan designation of the site?

The Plat and the area east of the Plat to which water service may be provided in the future are designated Residential Estate (1-2 /D.U./acre). The area west of the Plat, where the new reservoir, Well 3 and associated transmission mains are proposed to be located, is designated Rural (1 D.U./2.3-5 acres).

- g. If applicable, what is the current shoreline master program designation of the site?

Immediately adjacent to the Lake and stream, Flood Hazard Area Conservance Shoreline (requiring 100 feet setback).

- h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

Yes. A stream corridor west of Sunday Lake (including that portion of the stream corridor passing through the northern portion of Plat) has been classified as an "environmentally sensitive area" under the current comprehensive plan.

- i. Approximately how many people would reside or work in the completed project?

District crews would operate and maintain the System on a routine basis as part of their normal work. The System would be routinely visited twice monthly by a crew of 1 or 2 people in a pickup truck. Each visit would last approximately one hour.

- j. Approximately how many people would the completed project displace?

None.

- k. Proposed measures to avoid or reduce displacement impacts, if any:

None.

- l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

The project would be sized based on Snohomish County population projections and the existing land use plan for the area. Currently, insufficient water supply has resulted in a building moratorium which has halted development in the Plat. The project would remove this restriction and facilitate the density of development that was contemplated when the Plat was approved.

The proposed project would not be designed with sufficient capacity to facilitate more growth than is provided for by the existing land use plan. Compliance with the plan would be coordinated with Snohomish County, which has land use jurisdiction in the area.

9. Housing

- a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

Although housing would not be created directly by this project, it is anticipated that middle-income residential development would occur as a result of lifting of the building

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**FOR AGENCY
USE ONLY**

moratorium which is currently effective within the Plat due to insufficient water supply, as more fully described in Section B.3.b.2 of this Checklist.

- b. Approximately how many units, if any would be eliminated? Indicate whether high, middle, or low-income housing.

None.

- c. Proposed measures to reduce or control housing impacts, if any:

Adherence to existing zoning and growth management planning goals and limits would ensure that housing impacts are consistent with those contemplated in the applicable land use plan.

10. Aesthetics

- a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

The new concrete reservoir would be approximately 50 feet in height, and placed in a forested area. To the maximum possible extent, trees would be retained to limit visibility of the structure.

- b. What views in the immediate vicinity would be altered or obstructed?

View obstruction would be avoided by proper siting of the reservoir.

- c. Proposed measures to reduce or control aesthetic impacts, if any:

In addition to siting of the new reservoir to avoid view obstruction, as described above, the pumphouse serving Wells 1 and 2 (located in a residential area near the entrance to the Plat) would be designed to blend into the surrounding neighborhood to the extent possible. In addition, appropriate landscaping will be provided surrounding the pumphouse.

11. Light and Glare

- a. What type of light or glare will the proposal produce? What time of day would it mainly occur?

No light or glare would be produced by the project.

- b. Could light or glare from the finished project be a safety hazard or

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interfere with views?

Not applicable.

- c. What existing off-site sources of light or glare may affect your proposal?

None.

- d. Proposed measures to reduce or control light and glare impacts, if any:

None are necessary.

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?

The Sunday Lake Community Club owns a park/lake access area located within the Plat. Sunday Lake provides opportunities for fishing, boating and water sports.

- b. Would the proposed project displace any existing recreational uses? If so, describe.

The project would not permanently displace any existing recreational uses. Existing Well 2, which is not now equipped or used, is located in the community park. As part of the project, Well 2 would be equipped with a pump, which would also require the installation of underground piping and electrical lines. (No pumphouse is proposed for this location; rather, the pumphouse to be reconstructed at Well 1 would also serve Well 2.)

During such equipping of Well 2, the surrounding area would be temporarily disrupted in connection with the installation of the improvements described above. However, since these improvements would be placed underground, the usability of the surface of the affected area will not be altered upon completion of the improvements.

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:

During installation of the improvements to Well 2 as described in Section B.12.b. above, access to Sunday Lake would be maintained and all excavations would be filled or covered during evenings and weekends.

Following installation of such improvements, the area would be restored to its original condition.

13. Historic and Cultural Preservation

- a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.

No.

- b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.

There are no landmarks or evidence of any significant historic, archaeological, scientific or cultural resources known to be on or next to the site.

- c. Proposed measures to reduce or control impacts, if any:

If any such evidence was encountered during construction or installation of improvements, work would be halted in the area and a state-approved archaeologist/historian would be engaged to investigate, evaluate and/or move or curate such resources, as appropriate.

14. Transportation

- a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.

Access to the site is provided from the Sunday Lake Road, off SR 532 (the Stanwood-Camano Island Road). Streets within the Plat include 25th Ave NW, 257th Pl NW, 256th St NW, 255th St NW, 254th St NW, 254th Pl NW, 252nd St NW and Horizon Pl.

- b. Is site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?

No. The nearest transit stop is approximately 2 miles away, located at the Park and Ride lot at the intersection of SR 532 and Interstate 5.

- c. How many parking spaces would the completed project have? How many would the project eliminate?

The two pumphouses (one serving Wells 1 and 2, and the other serving Well 3) would need approximately 1-2 parking spaces each. No parking would be eliminated.

- d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).

New roads or road improvements will not be required as a part of this project.

- e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

No.

- f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.

Automatic telemetry and controls would limit vehicle trips to one trip per week to check the treatment facilities, reservoir and wells.

The additional homes that would be facilitated by the project as further described in Section B.3.b.2. of this checklist, would result in additional vehicular trips.

- g. Proposed measures to reduce or control transportation impacts, if any:

Secondary transportation impacts associated with home construction would be addressed and controlled through the County's growth management planning and mitigation efforts.

15. Public Services

- a. Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools; other)? If so, generally describe.

Some increased need for public services would result from the additional homes that would be facilitated by the project (as further described in Section B.3.b.2 of this Checklist).

- b. Proposed measures to reduce or control direct impacts on public services, if any.

The impacts of this project on public services would be addressed and controlled through the applicable land use plan.

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16. Utilities

- a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other.

All above utilities except sanitary sewers are available, although existing water service is inadequate.

- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.

This project would replace most of the existing water system serving homes located in the Plat, and provide sufficient additional capacity to serve additional buildable lots within the Plat as well as a limited number of nearby parcels. Construction activities which will be needed in connection with this project are more fully described in Section A.11. of this Checklist.

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature:

Date Prepared:

Mark D. Spahr
5/13/93

VICINITY MAP

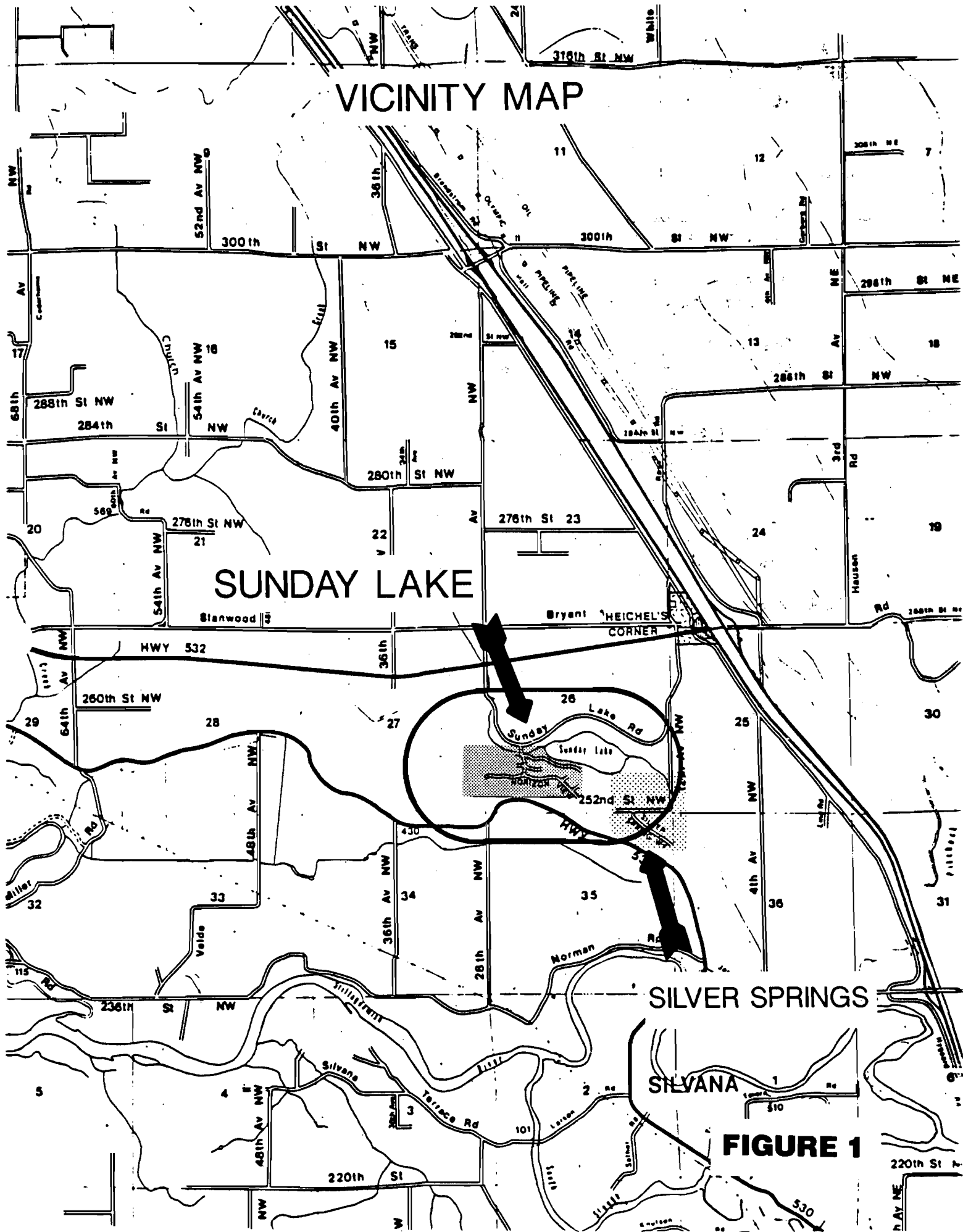


FIGURE 1

PROPOSED WATER SYSTEM

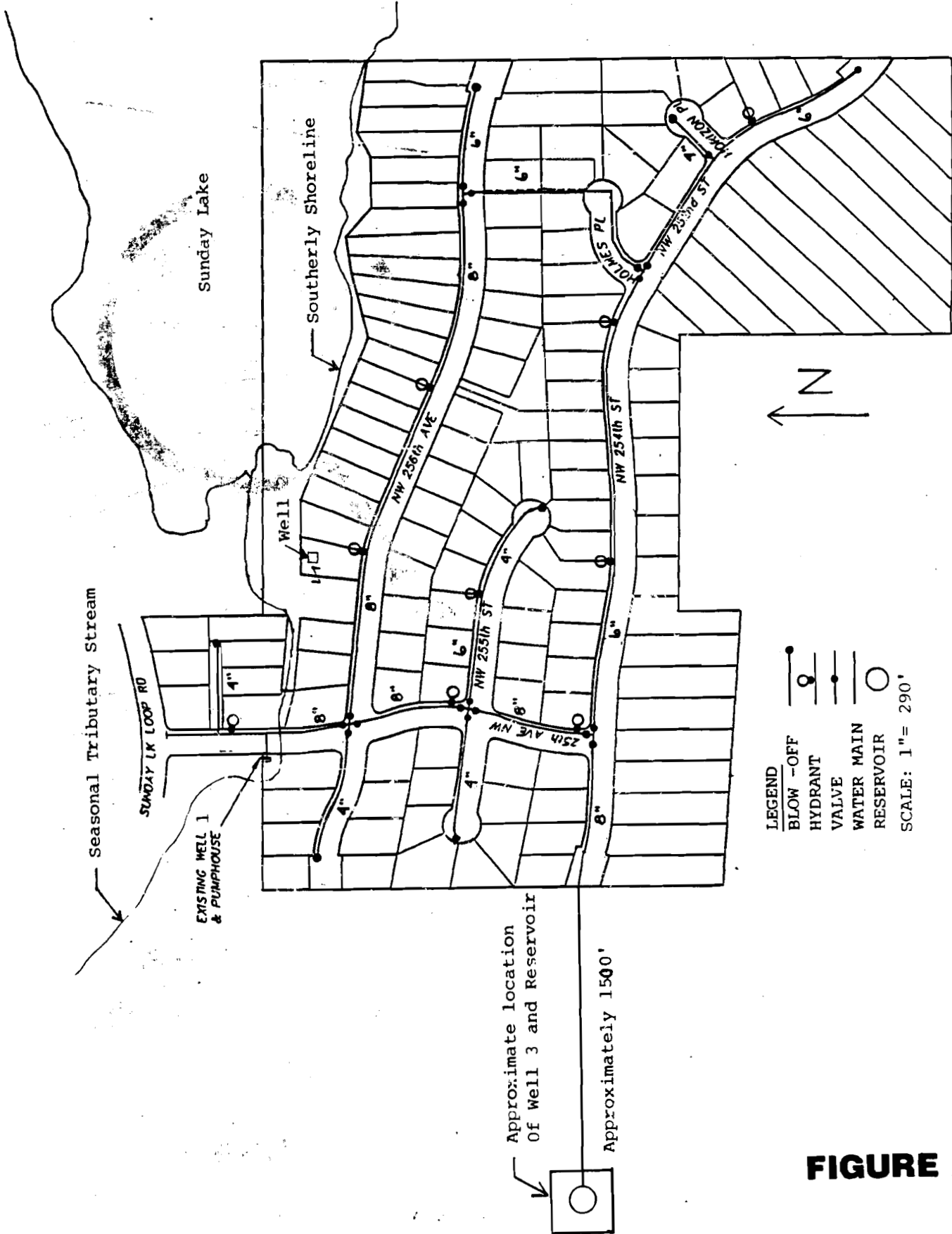
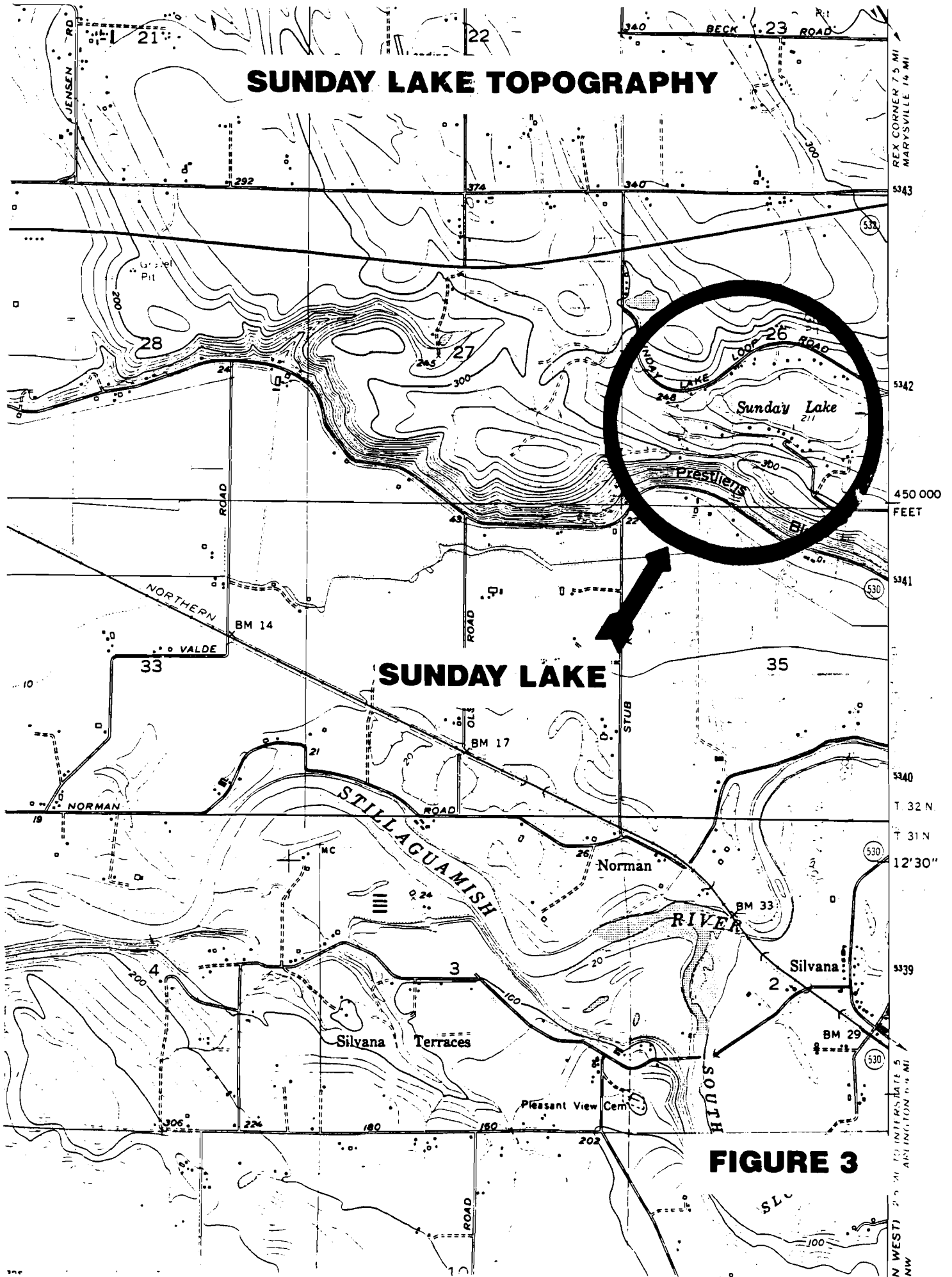


FIGURE 2

SUNDAY LAKE TOPOGRAPHY



SUNDAY LAKE

FIGURE 3

REX CORNER 7.5 MI
MARYSVILLE 14 MI
5343
5342
450 000
FEET
5341
5340
T 32 N
T 31 N
12' 30"
5339
INTERSTATE 5
ARLINGTON 6.5 MI
NW

RESOLUTION NO. 4568

A RESOLUTION authorizing the General Manager to execute an Agreement for Initiating the Snohomish River Basin Regional Water Resources Planning Effort with certain local, county and tribal governments.

WHEREAS, in 1990, treaty tribes, state agencies, local governments and other interested parties from the State of Washington reached agreement in Chelan, Washington, on a cooperative, nonadversarial framework for water resource planning, which became known as the Chelan Agreement; and

WHEREAS, in 1993, the Washington State Legislature commissioned a prescoping planning process to determine whether the tribes, local governments, utilities and state agencies operating within the Central Puget Sound area were committed to developing, and able to develop, water resource plans for selected Puget Sound water basins or watersheds; and

WHEREAS, representatives of tribes and local governments within the Snohomish River Basin have developed a proposed framework for creation of a cooperative water resource management plan for the Snohomish River Basin, identified as the Agreement for Initiating the Snohomish River Basin Regional Water Resources Planning Effort, in the form attached hereto and made a part hereof as Exhibit A; and

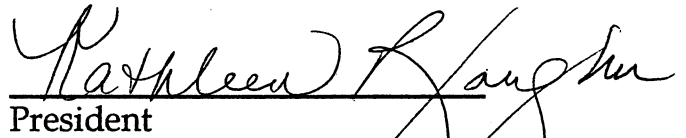
WHEREAS, the District's Board of Commissioners finds that participation by the District in the Snohomish River Basin planning process is in the best interest of the District and its customers.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Snohomish County (the "District") hereby approves participation by the District in the Snohomish River Basin Work Group and planning process, as provided in the


proposed Agreement attached hereto and made a part hereof as Exhibit A.

BE IT FURTHER RESOLVED, that the Board of Commissioners hereby authorizes the General Manager of the District to execute such Agreement on behalf of the District.

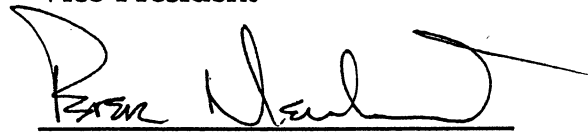
PASSED AND APPROVED this 3rd day of December, 1996.



President



Vice-President



Secretary

**AGREEMENT FOR INITIATING THE SNOHOMISH RIVER BASIN
REGIONAL WATER RESOURCES PLANNING EFFORT**

This agreement is made and entered into by the following entities, collectively known as the "Participants":

1. City of Bellevue;
2. East King County Regional Water Association;
3. City of Everett;
4. King County;
5. Northshore Utility District;
6. City of Seattle;
7. Snohomish County;
8. Snohomish County Public Utility District #1;
9. Tulalip Tribes of Washington;
10. Washington State Department of Ecology; and
11. Cross Valley Water District.

I. Recitals

WHEREAS, in 1993, the Legislature commissioned a pre-scoping planning process in Central Puget Sound to determine whether the tribes, local governments, utilities, and state agencies were committed and able to develop cooperative water resource plans within selected Puget Sound basins or watersheds, and

WHEREAS, the Participants and other interested parties support the principles of the Chelan Agreement and share a common interest and responsibility in providing for the effective protection, management, and enhancement of the water, fishery, and wildlife resources of the Snohomish River Basin (Basin), and

WHEREAS, a planning process for the Basin resulting in a cooperative water resource management plan would be of mutual benefit to the Participants, other interested parties, and all residents of the Basin, and

WHEREAS, pursuant to RCW 39.34, the Interlocal Cooperation Act, the Participants are each authorized to enter into an agreement for cooperative action;

NOW THEREFORE, the Participants agree to the following:

II. Purpose

This agreement establishes a project to undertake the first steps in a cooperative water resources planning effort with tribal, state, and local governments and others with water resource interests in the Basin. The Participants will endeavor to obtain adequate funding to continue this planning process after the 1996 work program has been completed and pending its review. Planning efforts will identify projected in-stream and out-of-stream water needs and desired water quality conditions so that

1 management plans can be developed to ensure water needs are met and the Basin's fish
2 and wildlife habitat is protected, restored and enhanced where possible.

3 **III. Responsibilities**

4 The Participants and other local, state, and federal agencies not signatory to this
5 agreement but participating in the planning effort are collectively known as the
6 Snohomish River Basin Work Group (Work Group). The Administrator for the Work
7 Group shall be Snohomish County. The responsibilities of the Participants,
8 Administrator, and Work Group are described below.

8 **A. Participants**

9 Each Participant to this agreement shall:

- 10 1. Participate as a member of the Work Group to complete the tasks identified
11 in the Work Plan (attached to this agreement as Exhibit 1 and incorporated
12 herein).
13 2. Contribute in-kind support and funds for the 1996 effort in an amount
14 specified in the Budget (attached to this agreement as Exhibit 2 and
15 incorporated herein).

15 **B. Administrator**

- 16 1. Snohomish County shall be the Administrator during the 1996 planning
17 effort.
18 2. The Administrator shall:
19 a. Convene the Work Group on a regular basis to discuss Basin planning
20 issues.
21 b. Coordinate the timely preparation and distribution of any meeting
22 notes, reports, or other written materials for the Work Group.
23 c. Manage the 1996 planning effort to complete work products identified
24 in the Work Plan (Exhibit 1).
25 d. Be responsible for the receipt, accounting, management, and
26 disbursement of funds made available by the Participants, or any other
27 source.
28 e. Hire and manage any contract staff needed for administrative support.
29 Any hiring shall be done in a manner consistent with applicable
30 Washington state laws and Snohomish County regulations and with the
31 approval of the Work Group.
32 f. Provide use of any necessary office equipment and supplies.

30 **C. Work Group**

31 The Work Group shall:

- 32 1. Meet regularly to carry out the tasks described in the Work Plan (Exhibit 1)
and discuss future planning efforts.

2. Decide which members of the Work Group shall be responsible for completing specific tasks.
3. Approve the hiring of any contract staff by the Administrator.
4. Review and may revise the allocation of funds among different project tasks to ensure that all tasks are completed in a timely and effective manner.

IV. Work Plan

If any of the Participants desires to change the Work Plan (Exhibit 1), any such modification shall be made using the consensus decision-making process described in Exhibit 3.

V. Funding

- A. The amount of funding to be allocated to each planning task is shown in Exhibit 1. The level of monetary support to be provided by each of the financially responsible Participants is described in the Budget (Exhibit 2). Any Participant may voluntarily increase its financial contribution; however, no Participant shall be required to increase its contribution beyond that shown in Exhibit 2.
- B. To facilitate the timely and effective completion of the project, the Work Group may allocate the distribution of funds among projects in a manner different from that shown in Exhibit 1. Any such change in distribution of funds by the Work Group, or any increase or decrease in the financial obligations of the Participants from that described in Exhibit 2, shall occur only through the consensus decision-making process described in Exhibit 3.

VI. Billing and Payment

- A. The Administrator shall be responsible for billing each financially responsible Participant for its respective share of the total cost of the 1996 planning effort as defined by the Budget (Exhibit 2).
- B. Each financially responsible Participant shall pay the Administrator within 60 days of receipt of invoice.
- C. The financially responsible Participants represent that funds for this project have been appropriated and are available. To the extent that this project requires future appropriations beyond current appropriation authority, the financially responsible Participants obligations are contingent upon the appropriation of sufficient funds to complete the activities described herein.

VII. Ownership of Work Products

All work products generated during the 1996 planning effort shall be the property of the Participants and each of them.

VIII. Limitations

This agreement does not provide for real property acquisition by the Participants.

1 **IX. Duration, Termination, and Amendment**

- 2 A. This agreement is effective upon signature by the Participants and remains in
3 effect until December 31, 1997.
- 4 B. Any Participant may end its role as a Participant upon 30 days written notice.
5 Any financially responsible Participant doing so shall pay for its share of the total
6 cost of the 1996 planning effort.
- 7 C. This agreement may be amended, altered, clarified, extended, or Participants
8 added only by the written agreement of the Participants hereto.
- 9 D. This agreement is not assignable by any Participant, either in whole or in part.
- 10 E. This agreement is a complete expression of the terms hereto and any oral or
11 written representations or understandings not incorporated herein are excluded.
12 The Participants recognize that time is of the essence in the performance of the
13 provisions of this agreement. Waiver of any default shall not be deemed to be
14 waiver of any subsequent default. Waiver or breach of any provision of this
15 agreement shall not be deemed to be a waiver of any other or subsequent breach
16 and shall not be construed to be a modification of the terms of the agreement
17 unless stated to be such through written approval by the Participants which shall
18 be attached to the original agreement.

17 **X. Counterparts**

18 This agreement may be executed in counterparts.

19 **XI. Indemnification and Hold Harmless**

20 The Participants agree to the following:

21 Each Participant shall protect, defend, indemnify, and save harmless the other
22 Participants, their officers, officials, employees, and agents, while acting within
23 the scope of their employment as such, from any and all costs, claims, judgments,
24 and/or awards of damages, arising out of, or in any way resulting from, each
25 Participant's own negligent acts or omissions. Each Participant agrees that its
26 obligations under this subparagraph extend to any claim, demand, and/or cause of
27 action brought by, or on behalf of, any of its employees or agents against another
28 Participant. For this purpose, each Participant, by mutual negotiation, hereby
29 waives, with respect to the other Participants only, any immunity that would
30 otherwise be available against such claims under the Industrial Insurance
31 provisions of Title 51 RCW. In the event that any Participant incurs any
32 judgment, award, and/or cost arising therefrom, including attorneys' fees, to
enforce the provisions of this Article, all such fees, expenses, and costs shall be
recoverable from the responsible Participant to the extent of that Participant's
culpability.

1 IN WITNESS WHEREOF, the Participants hereto have executed this agreement on
2 the 6 day of December, 1996.

3
4 Approved as to Form

**Snohomish County Public
Utility District #1**

5 By: *Mike Lanzetta*
6 Title: GENERAL COUNSEL

By: *John B. [Signature]*
Title: General Manager

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EXHIBIT 1: 1996 WORKPLAN
SNOHOMISH RIVER BASIN WORK GROUP

TASK	DESCRIPTION	APPROXIMATE BUDGET
I. Prepare Conditions/Issues Report	<p>The overall intent of this activity is to produce a report summarizing water quantity, water quality, and fish habitat conditions and issues within the Snohomish River Basin. Individual tasks include:</p> <ol style="list-style-type: none"> 1. Gather and analyze additional available water quantity, water quality, and fish habitat data/information; 2. Describe and quantify existing and project in-stream and out-of-stream water needs; 3. Assess juvenile salmon use of the lower mainstem habitats (Snohomish, Skykomish, and Snoqualmie Rivers); 4. Identify and prioritize areas of concern from a water quantity, water quality, and/or fisheries habitat perspective. For each high priority area of concern, where possible identify the nature and extent of the source(s) of the problem. 5. Digitize new data and produce GIS maps documenting the report findings and for various presentations; 6. Identify remaining data and information needs; 7. Review and re-analyze the Department of Ecology Basin Assessment recommendations and conclusions, taking newly collected data and information into consideration; 8. Prepare a Snohomish River basin water quantity/quality and fish habitat bibliography; and 9. Prepare draft and final reports summarizing findings. 	<p>\$111,879 (including \$30,000 for Snohomish and King County SWM GIS mapping efforts)</p>
II. Provide Support for Tribal Participation	<p>Provide support for tribal participation (out of funding received from Governor's office).</p>	\$32,000
III. Complete Demonstration Projects	<p>Pursue demonstration projects, within budget constraints, with input from stakeholders, addressing quantity, quality, and/or habitat issues. The timing of these demonstration projects will be determined by the Work Group.</p>	\$45,000
IV. Engage/Involve Basin Stakeholders and Educate/Involve Public	<ol style="list-style-type: none"> 1. Establish communication with existing stakeholder groups throughout the basin regarding Work Group activities and stakeholder concerns and education needs. 2. Establish communication with other governmental entities, either individually and/or through existing governmental organizations (e.g., the Suburban Cities Association). 3. Develop public education materials. 4. Hold public outreach activities (independently of in concert with existing public events). 5. Hold joint briefing for regional lobbyists. 	\$20,000 plus in-kind labor
V. Manage the Process	<ol style="list-style-type: none"> 1. Coordinate workplan efforts. 2. Manage contracting process. 3. Oversee completion of implementation activities. 4. Coordinate outreach to elected officials, public. 	in-kind labor
VI. Prepare an Interlocal Agreement	<p>Develop an interlocal agreement for the full-fledged planning effort.</p>	in-kind labor
VII. Conduct Fundraising Activities	<p>Identify and conduct activities to obtain additional funding needed to complete the planning effort. Fundraising will include but not be limited to raising money from Work Group participating entities, soliciting grant funds, and identifying private partnerships.</p>	in-kind labor
	TOTAL	\$208,879 plus in-kind labor

**EXHIBIT 2: WORKPLAN BUDGET
SNOHOMISH RIVER BASIN WORK GROUP**

<u>Funding Source</u>	<u>Workplan Budget*</u>
Snohomish County	\$26,000
King County	\$25,000
City of Seattle	\$55,000
City of Everett	\$27,000
City of Bellevue	\$5,000
East King County Regional Water Association (EKCRWA)	\$5,000
Northshore Utility District	\$2,500
Puget Sound Regional Council	\$8,379
Governor's Office	\$57,000
Cross Valley Water District	\$2,500
Washington State Department of Ecology	\$8,000
(Minus 1995 fish habitat mapping workshop expenditures)	(\$2,500)
TOTAL	\$219,379

* Includes encumbered funding collected in 1994 and 1995 as well as funding budgeted in 1996. Cash contributions from 1994/1995 and 1996 budgeted amounts are as follows:

<u>Funding Source</u>	<u>1994/1995 Cash Contributions</u>	<u>1996 Budget</u>
Snohomish County	\$6,000	\$20,000
King County	\$0	\$25,000
City of Seattle	\$30,000	\$25,000
City of Everett	7,500	\$20,000
City of Bellevue	\$2,500	\$2,500
EKCRWA	\$2,500	\$2,500
Northshore Utility District	\$0	\$2,500
Puget Sound Regional Council	\$8,379	\$0
Governor's Office	\$57,000	\$0
Cross Valley Water District	\$0	\$2,500
Washington State Department of Ecology	\$0	\$8,000
(Minus 1995 fish habitat mapping workshop expenditures)	(\$2,500)	\$0
TOTAL	\$111,379	\$108,000

Exhibit 3: Consensus Decisions Model

Work Group decisions, actions, or approvals, whether procedural or substantive, will be made by consensus of the participants. A consensus does not exist if one or more participants have "profound discomfort" with a proposal, or simply cannot live with it. Lacking consensus, the following steps will be taken:

1. **Alternatives.** Chair facilitates discussion of alternatives. If no consensus, the proposal is tabled until the next meeting at which opponents present reasons and a written counterproposal.

2. **Counterproposal/Impasse.** At the next meeting, the chair facilitates discussion of the counterproposal. If consensus cannot be reached, the chair shall determine whether an impasse exists based upon two criteria.

a) one or more parties have profound discomfort with a proposal, i.e. they cannot live with it, *and*

b) The proposal is vital to the Work Group, as determined by the chair.

3. **Dispute Representatives.** At impasse, the chair appoints a representative from each side of a dispute. The dispute representatives attempt to reach consensus among themselves and shall report to the chair within ten working days after the appointment.

4. **Mediation.** If no consensus, the chair may arrange for mediation as soon as practicable. In any event, the dispute representatives shall give a status report at the next regular meeting.

5. **Extension/Final Disposition.** At the next regular meeting, the chair may direct the representatives to continue with the mediator until the next regular meeting. If no consensus at the next regular meeting, the proposal fails unless there is consensus to table the proposal for not less than 60 days.

**Interlocal Cooperation Agreement
Snohomish River Basin Work Group**

RESOLUTION NO. 4590

A RESOLUTION authorizing the General Manager to
Execute an Agreement for Establishing Water Utility
Service Area Boundaries

WHEREAS, the Public Water System Coordination Act of 1977, Chapter 70.116 RCW (the "Act"), provides for the designation of "Critical Water Supply Service Areas" (CWSSA's) in geographical areas where water supply problems related to uncoordinated planning, inadequate water quality or unreliable service appear to exist, and such an area has been designated within Snohomish County; and

WHEREAS, the external boundaries of the CWSSA include the water service area of the District's water utility, along with the service areas of numerous other public water systems; and

WHEREAS, the purpose of the Act is to cause the development of a Coordinated Water System Plan to provide for maximum integration and coordination of public water system facilities to meet regional water needs and protect public health within a designated CWSSA, such that no new public water supply systems may be approved therein unless an existing water purveyor is unable to provide water service; and

WHEREAS, under the Act each water purveyor within the CWSSA shall develop a water system plan for its future water service area, and all of such plans shall be incorporated into the overall Coordinated Water System Plan which establishes standards, boundaries and orderly development of water service facilities within areas not yet served by a public water system; and

WHEREAS, the District participated in the development of the Coordinated Water System Plan adopted in Snohomish County and approved the State Department of Health in 1991, and the District's Water Utility has developed its 1996 Water System Plan, which has been approved by the Board of Commissioners; and

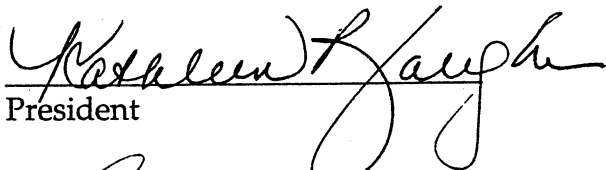
WHEREAS, the Coordinated Water System Plan identifies and establishes proposed water utility service area boundaries for the various water purveyors located within the CWSSA, and such boundaries are to be determined and

confirmed by written agreement among the purveyors as provided in the Act;
and


WHEREAS, the Commission has considered the presentation and recommendation of staff and finds that it would be in the best interest of the District and its water service customers to execute the proposed agreement to establish the external boundary of the service area for which the District is willing to assume direct retail water service responsibility under the Coordinated Water System Plan;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners that the District's General Manager is hereby authorized and directed to execute an Agreement for Establishing Water Utility Service Area Boundaries, substantially in the form which is attached hereto as Exhibit A and incorporated herein by this reference, and to submit such agreement to the Snohomish County Planning Department.

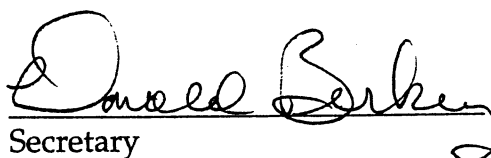
PASSED AND APPROVED this 28th day of January, 1997.



President



Vice-President



Secretary

AGREEMENT FOR ESTABLISHING WATER UTILITY SERVICE AREA BOUNDARIES

PREAMBLE

This Agreement for water utility service area boundaries identifies and establishes between the parties the external boundary of the service area for which the designated water purveyor has assumed direct retail water service responsibility. The responsibilities accepted by the water purveyor are outlined in the Snohomish County Coordinated Water System Plan (CWSP), and as defined by the adopted rules and regulations of the Department of Health (DOH). Except as specifically provided herein, this agreement does not give new authorities or responsibilities to any water purveyor or to Snohomish County or State regulatory agencies, but acknowledges the geographical area for these designated service responsibilities.

The terms used within this Agreement shall be as defined in the implementing regulations of Chapter 70.116 RCW, except as identified below.

1. Snohomish County Critical Water Supply Service Area Map shall mean the map incorporated into this Agreement as Attachment A for the retail service area, except as amended in accordance with the CWSP procedures and with the concurrence of the affected water purveyors.
2. Retail Service Area shall mean the designated geographical area in which a purveyor shall supply water either by direct connection, by a satellite system, or through interim service by an adjacent utility or Satellite System Management Agency under agreement with the designated utility.
3. Wholesale Service Area shall mean the designated geographical area in which a purveyor, a group of purveyors, or another organization provides water to other water purveyors on a wholesale basis. A wholesale water supplier shall not provide water to individual customers in another purveyor's retail service area except with the concurrence of the purveyor responsible for the geographical area in question.
4. Lead Agency for administering the Agreement For Establishing Water Utility Service Area Boundaries shall be the Snohomish County Planning Department, unless otherwise established by amendment to the CWSP.

The authority for this Agreement is granted by the Public Water System Coordination Act of 1977, Chapter 70.116 RCW.

TERMS OF AGREEMENT

WHEREAS, Such an Agreement is required in WAC 248-56-730, Service Area Agreements-Requirement, of the Public Water System Coordination Act; and

WHEREAS, Designation of retail water service areas, together with the cooperation of utilities, will help assure that time, effort, and money are best used by avoiding unnecessary duplication of service; and

WHEREAS, Definite future service areas will facilitate efficient planning for, and provision of, water system improvements within Snohomish County as growth occurs; and

WHEREAS, Responsibility for providing water service through ownership and/or management of water systems in a designated service area is vested in the designated utility; and

WHEREAS, Definite retail and wholesale service areas will help assure that water reserved for public water supply purposes within Snohomish County will be utilized in the future in an efficiently planned manner,

NOW, THEREFORE, the undersigned party, having entered into this Agreement by signature of its authorized representative, concurs with and will abide by the following provisions:

Section 1. Service Area Boundaries. The undersigned party acknowledges that the Snohomish County Critical Water Supply Service Area Map, included as Attachment A to this Agreement and as may be subsequently updated, identifies the utility's future water service area. The undersigned further acknowledges that there are no service area conflicts with adjacent water utilities, or, where such conflicts exist, agrees that no new water service will be extended within disputed areas until such conflicts are resolved.

Section 2. Common Service Area Transfer. It is understood that utilities may initially continue existing water service within the boundaries of neighboring utilities, as defined in Attachment A. Such common service areas, if they exist, are described in Attachment B to this agreement. Also included in Attachment B are copies of, or a list of, all resolutions, ordinances, or agreements permitting these uncontested overlays. The undersigned party agrees that any water line for retail service extending outside of the retail service area boundary, as set forth in Attachment A, shall be phased out and service transferred to the designated adjacent utility on an economic basis or by mutual agreement.

Economic basis considerations may include, but are not limited to:

- (a) A determination by the present owner of service lines that maintenance, repair, and/or replacement costs exceed attributable income.
- (b) Planned or imminent major street improvements or major improvements to either or both water systems which include an opportunity to transfer service.

The terms of the transfer of service area described in this Section shall be established in a separate agreement among the adjacent utilities whose boundaries are affected.

Section 3. Boundary Streets. Unless separate agreements exist with adjacent utilities concerning water services or other utility services, this party agrees that the water utility which is located to the north or east of boundary streets between this party and adjacent utilities will be entitled to provide future water service on both sides of those streets. Depth of service on boundary streets shall be limited to one platted lot or as otherwise agreed by the utilities. Existing services on boundary streets shall remain as connected unless transfer of service is agreed to by both parties, as per Section 2. These provisions do not disallow the placement of mains in the same street by adjacent utilities where geographic or economic constraints require such placement for the hydraulic benefit of both utilities.

Section 4. Boundary Adjustments. If, at some time in the future it is deemed appropriate by the undersigned party to make service area boundary adjustments, such modifications must receive written concurrence (which shall not be unreasonably withheld) of all utilities that would be directly affected by such a boundary adjustment and the legislative authority(ies) having jurisdiction. These written modifications must be noted and filed with the designated Snohomish County lead agency and DOH. It is understood by the undersigned party that if, as provided by RCW 70.116.040, it is unable to provide service within its designated service area boundary it may decline to do so. But, in that case, an applicant may be referred to other adjacent utilities, to a pre-qualified Satellite System Management Agency (SSMA), or a new utility may be created and the original service area boundary will be adjusted accordingly. This provision does not apply where boundary adjustments are made as a result of municipal annexations or incorporations, nor is it intended to modify the provisions of state law.

Section 5. Service Extension Policies. The undersigned party agrees that prior to expanding its water service area, other than by addition of retail customers to existing water mains, or to serve in the capacity of a pre-qualified SSMA, it shall

have adopted design standards and Utility Service extension policies. The design standards shall meet or exceed the Snohomish County Minimum Design Standards.

Municipalities further agree that if an individual municipality identifies a service area outside of their existing municipal corporate boundaries, said municipality will assume full responsibility for providing water service equivalent to (excluding rates and charges) the level of service provided for their inside-city customers. This will be in conformance with applicable land use policies.

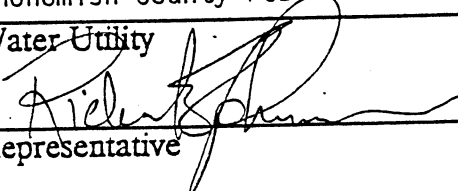
Section 6. Systems Placed in Receivership. Legislation passed in the 1990 Regular Session of the Washington State Legislature (Substitute Senate Bill 6447) provides that whenever an action is brought in superior court to place a public water system in receivership, the petition to the court shall name candidates for receiver who have consented to assume operation of the water system. The undersigned party agrees to be named as receiver in such actions initiated for systems within its designated service area. By this consent, the undersigned does not waive its rights to appear and participate in the court proceedings to determine acceptable conditions of receivership.

This agreement by reference includes the following attachments:

Attachment A - Snohomish County Critical Water Supply Service Area Map. (see Section 1)

Attachment B - Common Service Area Agreement - Optional - Utility may attach copies or list such agreements if relevant. (see Section 2)

IN WITNESS WHEREOF, the undersigned party has executed this Agreement as of January 29, 1997.

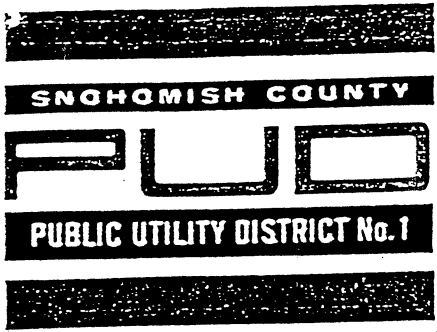
Snohomish County PUD No. 1
Water Utility

Representative
General Manager
Title

Receipt Acknowledged:

Snohomish County
Planning Department

Date

ATTACHMENT B



Resolution No. 4590

2320 California St., Everett, Washington 98201 (206) 258-8211
Mailing Address: P. O. Box 1107, Everett, Washington 98206

July 16, 1992

Mr. Richard Sarver
Washington State Department of Health
Airdustrial Way, Bldg. 3
PO Box 47822
Olympia, WA 98504-7822

Re: PUD/Marysville Water Service Area Boundary Settlement

Dear Mr. Sarver:

This is to advise you that Marysville and the PUD have agreed to a service area boundary between our two water systems. The enclosed map delineates that boundary.

If you have any questions, please call Craig Thompson at (206) 258-8606.

Sincerely,


Charles N. Earl
General Manager

CNE:lb

cc Commissioners
City of Marysville

Enclosure

RESOLUTION NO. 4681

RECEIVED
OCT 12 1997
WA

A RESOLUTION establishing water conservation programs, including a WashWise Program and a Toilet Rebate Program for the District's Water Utility customers

WHEREAS, Public Utility No. 1 of Snohomish County, Washington (the "District") desires to encourage efficient and cost-effective use of its water and electric resources by the utility's water customers by promoting the purchase and use by its customers of water-efficient and energy-efficient appliances; and

WHEREAS, the WashWise Program, sponsored by the Northwest Energy Efficiency Alliance, offers consumers a \$130 in-store rebate for the purchase of water- and energy-efficient front load horizontal-axis washing machines, which use approximately 40 percent less water and 60 percent less energy than standard models; and

WHEREAS, the District's Board of Commissioners finds that an additional rebate of \$50 to the District's Water Utility customers who purchase front load horizontal-axis washing machines is likely to encourage and produce significant reductions in water and energy usage at a substantially lower cost than acquisition of new water and electric capacity to serve those same customers who would otherwise purchase and use standard washing machines; and

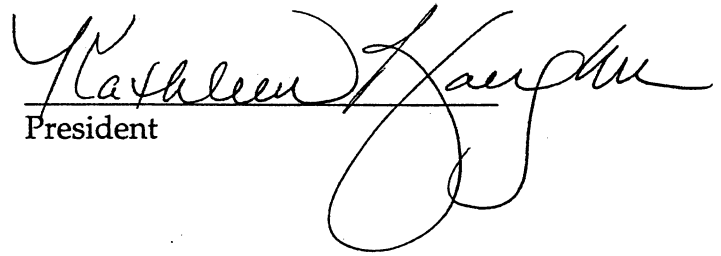
WHEREAS, the Uniform Plumbing Code currently mandates that all new toilets use 1.6 gallons of water per flush or less, while the old standard was five gallons per flush. As a result, nearly all homes built under the old standard contain five-gallons-per-flush toilets, which are substantially less efficient than the new models; and

Resolution No. 4681

WHEREAS, the District's Board of Commissioners finds that a \$50 mail-in rebate to Water Utility customers who retrofit existing structures containing five-gallon-per-flush toilets with 1.6-gallon-per-flush toilets meeting the requirements of the revised Uniform Plumbing Code is likely to encourage and produce significant reductions in water use at a cost well below that of acquiring new water system capacity to serve the same customers who would otherwise continue to use five-gallon-per-flush toilets.

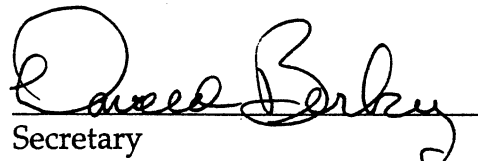
NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Public Utility District No. 1 of Snohomish County hereby authorizes the General Manager to implement the WashWise Program and Toilet Rebate Program described in Exhibit A and Exhibit B, respectively, effective November 1, 1997.

PASSED AND APPROVED this 6th day of October 1997.



President

Vice-President



Secretary



Washwise Rebate Program

Conservation of our water is a pressing concern for the public and the PUD. Several steps have been implemented to conserve this precious resource, and your support is essential for our continued success.

The PUD would like to encourage homeowners to replace their old washing machines with the more energy and water efficient Horizontal Axis machines. In order to provide an additional incentive to the current \$130 in store rebate, the PUD is offering a **\$50 rebate** mail-in rebate on the same washers.

To be eligible for this rebate, you must:

- Be a Snohomish County PUD Water customer.
- Obtain a Snohomish County PUD rebate application.
- Purchase a washing machine that meets WashWise standards.
- Complete the application form, include original Proof of Purchase, and return to the PUD.

Once your rebate is approved, you will receive a check in the mail. This rebate program will operate on a limited basis each year and will be issued on a 'first come, first serve' basis. Once the rebate money has been expended, there will be no further reimbursements. Only washers purchased after an application has been received from the PUD are eligible for this rebate. If you have any questions, please contact the Snohomish County PUD Water Resources Department at (425) 258-8605 or (800) 562-9142 ext. 8605.



Application Number:

Date issued stamp:

WASHWISE REBATE APPLICATION

1 Applicant Name (FIRST, LAST)		Installation Address	Unit/Apt	City	Zip Code
Rebate Check Payable To (Name)		Mailing Address			
Home Phone	Work Phone	City		Zip Code	
2 Manufacturer Name		Purchase Price (Unit)	Date of Purchase		
Model		Dealer Name & Address			
Do you have low flow shower heads or sink aerators? <input type="checkbox"/> Yes <input type="checkbox"/> No		Would you use more if they were provided to you? <input type="checkbox"/> Yes <input type="checkbox"/> No		How many toilets in your residence? _____	
3 If you have an irrigation system, do you turn it off when it rains? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Can't		How many are low-flow toilets? _____			
Would you replace a 5 gal. toilet with 1.6 gal. if a \$50 rebate were provided? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Where / how did you hear about this rebate:			Are you interested in receiving more information on Conserving water? <input type="checkbox"/> Yes <input type="checkbox"/> No		

The original Proof of Purchase (receipt) for the washer MUST be attached to this application. *

*I certify that I have purchased the toilet(s) described above for installation at the location indicated and I have not previously received or applied for any rebate for the toilet(s) identified above. I understand that Snohomish County PUD reserves the right to inspect and approve the installation for conformity to program requirements prior to payment of the rebate. I certify that the above information is true and correct. * Original receipt may be returned upon request after application has been processed.*

4 Applicant Signature	Date
-----------------------	------

FOR OFFICE USE ONLY

Rebate Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Signature	Date										
# Of _____ Rebates Qualified		\$ _____										
Section	Township	Range	Water System									
5 Consumption Record (Previous 12 months)												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total

Distribution: General Accounting Water Conservation Customer



Toilet Rebate Program

Conservation of our water is a pressing concern for the public and the PUD. Several steps have been implemented to conserve this precious resource, and your support is essential for our continued success.

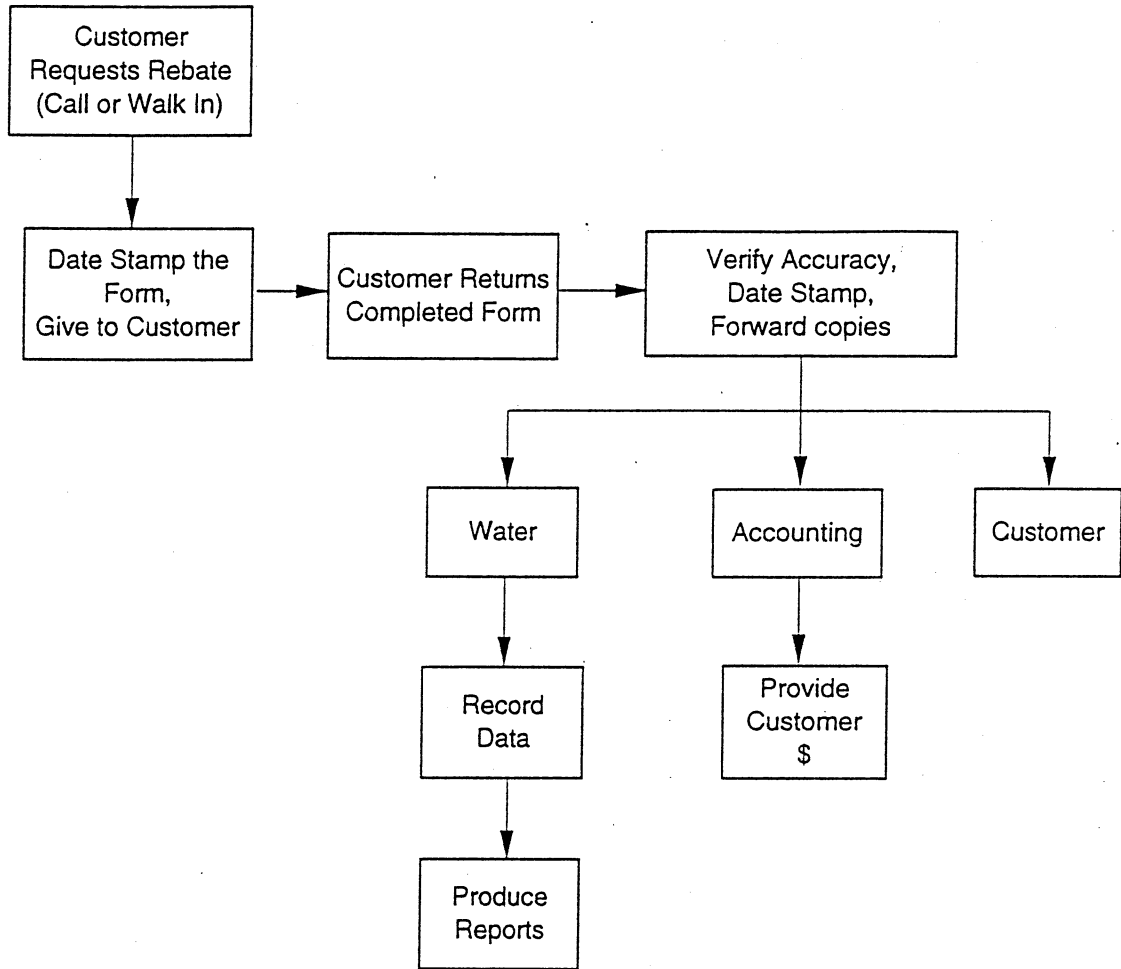
The most recent addition to the Uniform Plumbing Code mandates that all new toilets be 1.6 gallons per flush or less, versus the old 5 gallon standard. But toilets in homes that were installed before the plumbing code revision do not have to be changed. The PUD would like to encourage homeowners to replace their old toilets in an effort to further conservation efforts. As such, the PUD has established a Toilet Rebate Program. This program offers a **\$50 rebate** as an incentive to replace older toilets with the lower volume models.

To be eligible for this rebate, you must:

- Be a Snohomish County PUD Water customer.
- Obtain a Snohomish County PUD rebate application.
- Purchase a low-flow toilet from any hardware or plumbing supply store.
- Install the toilet (pay for plumber or complete the installation yourself).
- Complete the rebate application form, including Proof of Purchase, and return the application to the PUD.

Once your rebate is approved, you will receive a check in the mail. This rebate program operates on a limited basis and will be provided on a 'first come, first serve' basis. Once the rebate money has been expended, there will be no further reimbursements. Only toilets purchased after an application has been received from the PUD are eligible for this rebate. If you have any questions, please contact the Snohomish County PUD Water Resources Department at (425) 258-8605

TOILET REBATE PROGRAM Process





Application Number:

Date issued stamp:

LOW-FLOW TOILET REBATE APPLICATION

Applicant Name (FIRST, LAST)		Installation Address	Unit/Apt	City	Zip Code
Rebate Check Payable To (Name)		Mailing Address			
Home Phone	Work Phone	City	Zip Code		
Toilet Manufacturer		Did you install the toilet(s) yourself? <input type="checkbox"/> Yes <input type="checkbox"/> No	Number of Rebates Desired		
Model	Gallons per Flush	Purchase Price (Unit)	Date of Purchase		
Do you have low flow shower heads or sink aerators? <input type="checkbox"/> Yes <input type="checkbox"/> No		Would you use more if they were provided to you? <input type="checkbox"/> Yes <input type="checkbox"/> No		How many toilets in your residence? _____	
If you have an irrigation system, do you turn it off when it rains? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Can't				How many will now be low flow toilets? _____	
Would you purchase an energy / water efficient washer if a \$50 rebate were provided? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Where / how did you hear about this rebate:		Are you interested in receiving more information on Conserving water? <input type="checkbox"/> Yes <input type="checkbox"/> No			

The original Proof of Purchase (receipt) for the toilet MUST be attached to this application. *

*I certify that I have purchased the toilet(s) described above for installation at the location indicated and I have not previously received or applied for any rebate for the toilet(s) identified above. I understand that Snohomish County PUD reserves the right to inspect and approve the installation for conformity to program requirements prior to payment of the rebate. I certify that the above information is true and correct. * Original receipt may be returned upon request after application has been processed.*

Applicant Signature	Date
---------------------	------

FOR OFFICE USE ONLY

Rebate Approved <input type="checkbox"/> Yes <input type="checkbox"/> No	Signature	Date										
# Of _____ Rebates Qualified		\$ _____										
Section	Township	Range	System									
5 Consumption Record (Previous 12 months)												
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total

Distribution: General Accounting Water Conservation Customer

RESOLUTION NO. 4712

A RESOLUTION modifying the Septic Tank Pumping Program for Lake Roesiger Water LUD No. 12 and amending Water Rate Schedule 16.

WHEREAS, by Resolution No. 3517, adopted on December 18, 1990, Public Utility District No. 1 of Snohomish County (the "District") established Local Utility District No. 12 ("LUD No. 12") for the purpose of constructing and operating a residential water distribution system serving the Lake Roesiger area; and

WHEREAS, as partial mitigation for potential adverse environmental impacts associated with such LUD, the Board established a Septic Tank Pumping Program, as modified by Resolution No. 4284, to provide for annual monitoring of septic tank performance and pumping of tanks on an as-needed basis; such Program is funded by a surcharge on water consumed by the District's LUD No. 12 customers under Rate Schedule 16; and

WHEREAS, based upon the information presented to it by staff, the Board now finds that the Septic Tank Pumping Program adopted for LUD No. 12 should again be modified as provided herein below to obtain the maximum mitigation and operational benefits from available funding, and that the District's Water Service Schedule 16 should be amended to authorize installation and use of metering equipment to record the quantity of water which does not pass through a customer's septic system and which may accordingly be exempt from the septic tank pumping surcharge,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington as follows:

- A) The District's Septic Tank Pumping Program for LUD No. 12 shall be modified to include the following elements:
- 1) The septic tank of each water service customer within LUD No. 12 shall be pumped by a commercial service acceptable to the District upon the first recorded usage by such customer of 30,000 cubic feet of water from LUD No. 12 pipelines;
 - 2) The District shall collect and evaluate data from each required pumping event; and
 - 3) When the District's Water Utility determines, in consultation with the Snohomish Health District, concerned citizens, and recognized industry studies that sufficient pumping and research data have been acquired regarding septic system operation District staff shall utilize such data to establish a septic system pumping interval for each tank, or class of tanks, within the LUD No. 12 service area, which is intended to optimize each tank's operational efficiency. Such pumping interval shall be established in consultation with the Snohomish Health District, utilizing the best available current information and scientific analysis regarding septic tank operation;
- B) The District's Rate Schedule 16 – WATER SERVICE-LAKE ROESIGER shall be as established in [Exhibit A](#), attached hereto and incorporated herein by this reference.

BE IT FURTHER RESOLVED that the Septic Tank Pumping Program and Rate Schedule 16 as established herein shall be effective immediately.

PASSED AND APPROVED this 27th day of January, 1998.



President



Vice-President



Secretary

5.03.06

**SCHEDULE 16 ---- WATER SERVICE
LAKE ROESIGER
(Includes Septic Tank Pumping)**

(1) **AVAILABILITY.** This schedule applies to all customers within the PUD's Lake Roesiger System for water and septic tank pumping service. Service furnished under this schedule shall be billed to the owner of the property so served (unless unusual circumstances warrant a different billing arrangement, which must be agreed to by the District in advance). Service in accordance with the District's Lake Roesiger Water System Water Service Application Contract shall be rendered and billed for a period of not less than 12 consecutive months.

Should any customer fail or refuse to comply with the septic tank pumping requirement in this Schedule, water service shall not be discontinued for that reason alone, such matter will be referred to the Snohomish Health District for action as may be required under applicable regulations. Disconnection of service may result should the Health District determine that the customer's septic system presents a risk to human health or the environment, until such time as the cause of malfunction is corrected.

(2) **MONTHLY RATE**

\$6.69 customer charge
plus - \$1.11 per 100 cubic feet of water
plus - \$0.84 per 100 cubic feet of water for septic tank pumping

(3) **BI-MONTHLY RATE**

\$13.38 customer charge
plus - \$ 1.11 per 100 cubic feet of water
plus - \$ 0.84 per 100 cubic feet of water for septic tank pumping

(4) **MINIMUM CHARGE**

\$6.69 per month

(5) **UNMETERED RATE.** If a service under this schedule is not metered for more than 30 days, the monthly rate shall be \$24.24.

Effective Date: January 27, 1998

[Reso No. (1998); History: 4640 (1997); 4443 (1996); 3840 (1992); 3517 (1990)]

(6) TERMS OF SERVICE. Service under this schedule is subject to terms as defined in the District's Water Service Regulations.

(7) SEPTIC TANK PUMPING SURCHARGE EXCEPTION. Any customer consistently using significant quantities of water for purposes such as, but not limited to, stock watering and crop irrigation (not including such activities as seasonal lawn and ornamental plant watering) which do not impact that customer's septic system operation may have attached to such customer's individual water system a separate meter to measure water consumption limited exclusively to such use; this water consumption may be exempt from the surcharge provided above. Such meter shall be as approved in advance by the District, and shall be installed at the customer's sole expense, and in a manner and location as approved by the District only. The separate meter will be read by the District, and a refund will be provided semi-annually to the customer in an amount equal to \$0.84 per 100 cubic feet of water as measured by such meter.

(8) TAX ADDITIONS. The above rates are subject to proportional increases to compensate for any gross revenue tax imposed by any municipal body upon the District.

RESOLUTION NO. 4754

A RESOLUTION Adopting a Plan or System of Additions to and Extensions of the District's Water Utility; Declaring the Intention of the Board of Commissioners to Form a Water Local Utility District No. 35 in the Storm Lake Area, North of the City of Monroe, to Carry Out That Plan or System for Additions and Extensions; and Fixing the Date, Time and Place for a Public Hearing on the Formation of the Proposed Local Utility District.

WHEREAS, a petition signed by more than 50 percent of the owners of all those lands situated in the property described in Exhibit "A" (legal description) has been filed with the Commission requesting that the District Commissioners (1) adopt and order a plan or improvement for the construction of such facilities necessary to provide water service for domestic and other purposes to the property hereinabove described and to acquire, construct, repair, modify, operate and maintain water mains and all necessary appurtenances and right-of-way to furnish water service over, along and across roadways of the real property hereinabove described, which petition was expressly subject to a condition concerning one or more necessary easements, and (2) create a local utility district comprising all of the above-described real property; and

WHEREAS, the Board of Commissioners of the District has investigated the feasibility of extending and adding to the District's system of distribution of water to lands hereinabove described and in the course of such investigation has caused to be prepared a Feasibility Study Report, attached hereto and incorporated herein as Exhibit "B," and has considered said report in detail and at length, and has determined the method of distributing the cost and expense thereof against the District and against the local utility district proposed to be

created within such lands, and has determined that the cost and expense of constructing and installing such additions to the District's Water Utility, and to acquire the necessary and appropriate easements and facilities in connection therewith, shall be paid from the proceeds received from the issuance and sale of bonds payable from assessments on property specially benefited thereby;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, as follows:

Section 1. A petition for formation of a local utility district known as "Storm Lake Ridge Area" was filed with the Clerk of the Board of Commissioners in February 1997. That petition is determined to be in conformity with the District's resolutions and regulations and state law governing the form and content of such petitions. In addition, the Commission on its initiative and by this Resolution has formulated an intention to create a local utility district with boundaries as established in Exhibit "A" for the purpose of constructing the improvements described in the petition.

Section 2. The plan for additions to the existing distribution system of the District, which shall consist of the acquisition of the existing Storm Lake Ridge water system and necessary upgrades to this system, including installation of meters, new source and storage, all as more fully described in Exhibit "B," (Feasibility Study) appears to be financially and economically feasible and is hereby adopted.

Section 3. The estimated cost of carrying out the plan provided in Section 2, hereof, including all acquisition, construction and installation, overhead and

general expenses, water resource connection charge, engineering and legal expenses hereby is declared to be \$66,000.

Section 4. The cost of the plan provided in Section 2 hereof and here adopted, shall be met and defrayed in their entirety from the proceeds of assessments or the proceeds of bonds payable from the proceeds of assessments levied and assessed against all property within the local utility district referred to in Section 6 hereof, legally and properly assessable therefore and specially benefited by said improvement, as provided by the laws of the State of Washington and the resolutions of the District. The entire principal of and interest on such assessments as well as penalties for late payment shall be paid into a local improvement fund, which shall be created and established in the office of the Snohomish County Treasurer, to be known as "Utility Local Improvement District No. 35 – Storm Lake Ridge" and shall be used for the sole purpose of paying the cost of the plan provided in Section 2 and/or paying principal and interest on District warrants and/or notes, interfund loans and bonds to be issued in payment of the cost and expense of the plan provided in Section 2. The assessments levied with regard to such local utility district may be paid in cash without penalty, interest or cost at any time within 30 days from the first day of publication of notice by the Treasurer of Snohomish County, Washington, that the assessment roll is in his or her hands for collection, or if then not paid, such assessments may, at the option of the several property owners, be paid in such number of equal installments and with interest at such rate as may hereafter be fixed by the Board of Commissioners at the time the final assessment roll is confirmed. The levying, collection, and enforcement of all

assessments in such local utility district shall be in the manner now or hereafter provided by law or resolution of the District.

The method of assessments shall be determined at the time of adoption of the final assessment roll; however, it is currently the intention of the Board of Commissioners that assessments shall be made against the property within said local utility district on a per buildable lot basis, without regard to the zone and termini method, provided, that a connection charge shall also be levied against each individual property to be benefited with such installation of a service connection, as an immediate part of the construction and installation of the improvements described herein. Each assessment shall also include, in addition to a proportionate share of the cost of the distribution facilities to be constructed as part of the plan or system described in Section 2 hereof, a water resource connection charge in the amount of \$1,865, which represents the charge imposed by the District for access and attachment to the water source, storage and transmission facilities of the District's Water Utility.

Section 5. It is the intention of the Board of Commissioners of the District to order the construction of the additions to and extensions of the original general comprehensive water system plan adopted in Section 2 of this Resolution and described in Exhibit "B," (Feasibility Study) attached hereto. The nature and territorial extent of such proposed improvement is described in Exhibit "A" (LUD Boundary). The District reserves the right to make reasonable changes in the proposed improvement which do not substantially alter the purpose thereof.

Section 6. To carry out the proposed improvement described in Section 5, the Board of Commissioners of the District intends to form a local utility district

to be known and designated as Local Utility District No. 35 of Public Utility District No. 1 of Snohomish County, Washington, the boundaries thereof being described in Exhibit "A" attached hereto and by this reference made a part hereof.

Section 7. The estimated cost and expense of the proposed improvement described in Exhibit "B" have been provided above in Section 3, of which not less than 100 percent of actual costs of said improvements shall be borne by assessments against the property within the proposed local utility district specially benefited by such improvement. Actual assessments may vary from assessment estimates so long as they do not exceed a figure equal to the increased true and fair value the proposed improvement adds to the property assessed.

Section 8. A public hearing on the formation of proposed local utility district shall be held before the Board of Commissioners of the District in the Commission Meeting Room, Electric Building, 2320 California Street, Everett, Washington, at 1:30 p.m., Everett Time, on the 14th day of July 1998.

All persons desiring to object to the formation of the proposed local utility district must file their written protests with the Secretary of the Board of Commissioners of the District on or before 12:00 Noon, Everett Time, on the date set for the hearing; no late filing shall be considered. At this hearing, the Board shall hear objections from any persons affected by the formation of the local utility district and may make such changes in the boundaries of the district, or such modification in the plans for the proposed improvement as shall be deemed necessary.

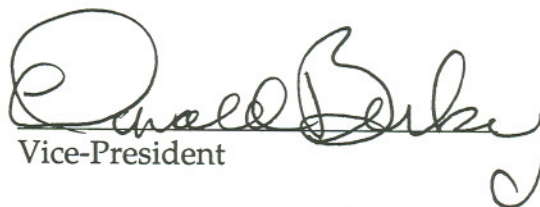
The Secretary of the Board of Commissioners of the District is hereby authorized and instructed to cause notice of the adoption of this Resolution to be given to each owner or reputed owner of any lot, tract, parcel of land, or other property within the proposed local utility district, by mailing that notice at least 15 days before the date fixed for the public hearing to the owner or reputed owner of the property shown on the tax rolls of the County Treasurer of Snohomish County, at the address shown thereon, as required by law.

Notice of the adoption of this Resolution shall be published in at least two consecutive issues of The Herald, a newspaper of general circulation in the proposed local utility district, the date of the first publication to be at least 15 days prior to the time fixed for the hearing before the Board of Commissioners of the District.

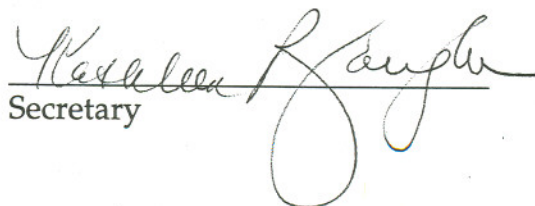
PASSED AND APPROVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, at an open public regular meeting thereof this 9th day of June 1998.



President



Vice-President



Secretary

EXHIBIT A STORM LAKE RIDGE LUD BOUNDARY

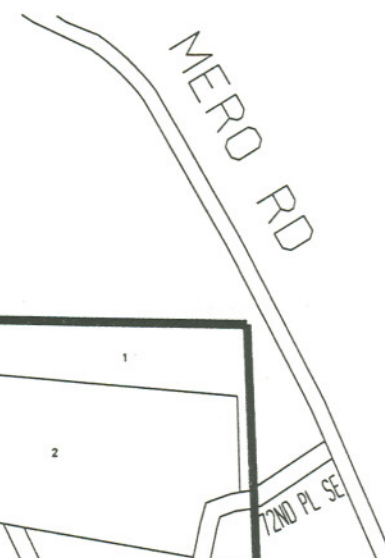
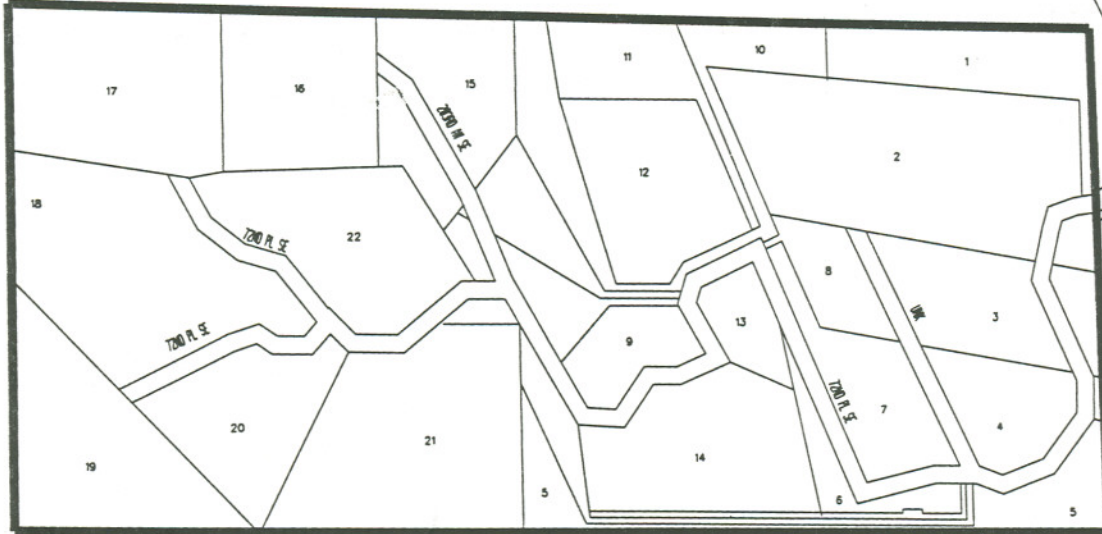
KEY LEGEND

— LUD BOUNDARY

↑

PUD

APPROXIMATE SCALE 1 INCH = 600 FEET



Proposed Storm Lake Heights Development



LEGAL DESCRIPTION OF LUD NO. 35
STORM LAKE RIDGE
SNOHOMISH COUNTY, WASHINGTON

Lots 1 through 22 of the certain survey recorded under Snohomish County Auditor's File No. 7906280225 and revised under Snohomish County Auditor's File No. 8612020303, being portions of the South half of the Northeast quarter and the Southeast quarter of the Northwest quarter of Section 7, Township 28 North, Range 7 East, W.M.

EXHIBIT B

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY

WATER UTILITY

Storm Lake Ridge LUD No. 35

LUD FEASIBILITY STUDY

May 1998

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I. PURPOSE

This report summarizes the research conducted on the existing Storm Lake Ridge Community Water System (System) to determine the feasibility of acquiring said water distribution system and serving the community via a Sub-Regional Water Project with the Everett Number 5 transmission line as its source.

II. BACKGROUND

The Storm Lake Ridge Community approached the District in October 1994 regarding the possible transfer of ownership of the Community Water System to the District.

Consideration was given to the feasibility of assuming control of the System as a PUD owned and operated Satellite. Difficulty with treatment by-products disposal and liability issues with the existing wells led staff to conclude that it was infeasible to maintain the System as a stand-alone satellite. Storm Lake Ridge has two wells, both low in yield and high in minerals. These characteristics are indicative of wells in this locale. The characteristic of ground water in the general area is part of the impetus for solving the area's water problems with a sub-regional solution.

The PUD is currently finalizing a "Water System Installation Agreement" (Agreement - Exhibit 1) with a consortium of developers in the Storm Lake/Meadow Lake area that will result in construction of a Sub-Regional Water Project (Project) that will bring City of Everett water to the area. This is the only manner in which it is feasible for PUD involvement. The LUD formation and the authorization of the General Manager to sign the Agreement will take place concurrently. The formation of the LUD and the execution of the Agreement are co-dependent.

The proposed Project (Exhibit 2) would bring high quality, dependable water to Storm Lake, improved fire protection, higher water pressures and improved reliability. This document will address the feasibility of forming the Storm Lake Ridge Water LUD as part and parcel of the proposed Project for this portion of the Storm Lake/Meadow Lake area.

III. EXISTING SYSTEM

The Storm Lake Ridge Plat is located east of Storm Lake off of Mero Road (Exhibit 3— Vicinity Map) and serves 21 customers with the potential to serve 22. The service area and LUD boundary are shown in Exhibit 4. The facilities were inspected by personnel from the District's Engineering and Operations departments and found to be in adequate condition as outlined below.

Wells

The System is supplied by two shallow wells, *which* will be retained by the community for potential non-potable use. As part of integrating the LUD's distribution system into the Project, it will be necessary to isolate the wells (i.e. disconnect them from the existing distribution system).

Storage

Standby storage is provided with a 26,800 gallon Scafco tank that stands 14 feet tall and measures 18.5 feet in diameter. The tank is at an elevation of 716 feet and has an overflow elevation of 730 feet. The tank provides gravity flow to 12 of the 21 lots. A pump house is located at the tank site and houses a booster pump and pressure tanks serving nine residences at the higher elevation (pressure zone). The proposed Project will include a 200,000-gallon tank with an overflow elevation of 760 feet. This tank will serve the community of Storm Lake Ridge and as many as 200 other connections. The new tank's overflow elevation will increase the pressure by about 13 psi in the Storm Lake Ridge Community. However, the existing nine homes at the highest elevation will continue to be served by the present booster pump. Further, the existing pump house, pump and hydropneumatic storage tanks will be expanded to serve an

additional 11 homes to be built on the hilltop in the proposed plat of Storm Lake Heights which is immediately south of Storm Lake Ridge.

The System's existing tank will be demolished once the proposed regional tank is put in service. The center of the proposed tank will be located approximately 35 feet east and 17.5 feet south of the existing tank.

Distribution System

The System was constructed in 1987 and includes approximately 6,036 feet of 2", 920 feet of 2-1/2" and 1,361 feet of 3", schedule 40 PVC pipe which carries a maximum static pressure rating of 160 psi. The proposed tank with overflow elevation of 760 feet will not cause pressure to exceed 100 psi for any resident within Storm Lake Ridge. The existing schedule 40 PVC pipe will readily tolerate the boosted pressure once the proposed Regional tank is brought on line. The distribution system does not meet PUD standards for new systems, however it appears to have many more years of serviceable life. Hence, the existing distribution system is not proposed for replacement. Service is currently provided to residences via non-metered connections.

Pressure Zones

The System is divided into two pressure zones. The lower zone serves 12 lots (water pressure of these homes is in direct correlation to the overflow elevation of the tank). The static pressure ranges from 49-85 psi for these lots. The water pressure will increase by approximately 13 psi as a result of the increased height of the proposed tank. An individual pressure reducing valve will be installed as part of the LUD for any residence with pressure in excess of 80 psi. The upper zone serves nine homes via hydropneumatic tanks and a booster pump located in a building adjacent to the existing tank. This system is designed to keep the upper zone at static pressures ranging from 35-55 psi with the static pressure in the hydropneumatic tanks varying from 40-60 psi. Under the proposed Project, the upper zone will increase to 20 homes to include 11 homes occupying the high ground in the proposed development of Storm Lake Heights. The cost of expanding the current booster pump station will be borne by the proposed Storm Lake Heights plat.

Fire Flow

The System does not require fire hydrants (because of large lot size - 5 acres) as indicated by Snohomish County. However, two hydrants are proposed to be added as a part of the Regional Project. The first will be in close proximity (350 feet) to the proposed Project's tank on the 72nd Street SE in the vicinity of lot 6 and the second down the hill in the vicinity of lot 11 to more readily serve those homes at lower elevations (exhibit 7 - Proposed Improvements).

IV. PROPOSED TERMS AND CONDITIONS

System Improvements.

During the System inspection, some improvements were identified in order for the system to meet District standards. The improvements and associated costs are shown in Table 1.

- Meters Individual standard domestic water services will be installed at each property owner's address. The District currently charges \$680 to install such services (including the meter). This was the cost estimate used per installation. In addition pressure reducing valves will be installed where service pressures exceed 80 psi.
- Administration and Engineering Covers all costs associated with project management, administration, surveying, permitting, recording, engineering and any other associated costs required to accomplish the improvements. Staff used 25% of the calculated construction costs as an estimate.

- The Water Resource Connection Charge: Represents each customer's share of the PUD's Integrated Water System. Currently (March 1998) the fee is \$1,865 per lot and is adjusted yearly for inflation using the Engineering News Record index.

Easements

The roads, tank site and pump station are all on private easements. PUD would need to be named in these easements.

Plant Assets

All physical plant would have to be transferred to the PUD in the form of a Bill of Sale and Transfer Agreement. **PUD will NOT take title to the wells. The community will retain the wells for non-potable use.**

V. FINANCIAL IMPLEMENTATION PLAN

Assessment

The costs associated with upgrading the system are outlined in Table 1. The estimated capital improvement cost and Water Resource Connection Charge are estimated at \$65,990 making the per lot assessment **\$3,000** as listed on the preliminary assessment roll (Exhibit 8).

Rates

The charges for water service the Storm Lake Community under a regional system would be the District's standard Schedule 11 rate. Table 1 below summarizes an average monthly charge based on 1000 cubic feet of water consumption. That total monthly billing per connection is \$17.79.

Fixed fee	\$ 6.69
Average Water Consumption (1000 cubic feet)	\$ 11.10
Total Monthly Billing per connection	\$ 17.79

VI. ADMINISTRATIVE CONSIDERATIONS

There are a variety of legal issues which would normally be associated with the District acquisition of an existing water system. The District's General Counsel staff can provide most of the legal services. Outside council may be retained in situations where specialized legal services are required.

All District customer service policies and procedures for its Water Utility, as they exist or are subsequently amended, would apply to the Storm Lake Ridge Community.

Staff considered the liability of recovering the cost incurred by the formation of this LUD should any parcel default their assessment. Given the high ratio (at least 50 to 1) of assessed property value to preliminary LUD assessment, it is expected that should any or all of the lots default on their assessments, PUD could recover the defaulted cost incurred.

VII. INTEGRATING LUD NO. 35 WITH THE SUB-REGIONAL PROJECT

PUD has explored four options for bringing water to the Storm Lake region. The most cost effective and hydraulically sound option was found to be the option which taps into the City of Everett Pipeline Number 5 at the point where the pipeline easement crosses 215th Avenue Southeast. At this location a booster pump station will be built to convey water north along Mero Road to be stored in a 200,000 gallon tank located on an easement just south of the current Storm Lake Ridge Community property line. The access road that serves the existing tank site (through

lots 3,4,5 and 6 of Storm Lake Ridge) will also be used for future tank maintenance of the proposed water reservoir. Note, however, that the construction access for the proposed Project's tank will be via the proposed plat of Storm Lake Heights as to not damage 72nd Place SE.

The cost of integrating the Storm Lake Ridge distribution system into the proposed Regional Plan is outlined in Table 2 below. The preliminary assessment as shown would be \$3,000

Standard Domestic Water Service @ \$680 per service	\$	14,960
Disconnect wells from distribution System	\$	3,500
Administration & Engineering	\$	6,500
Water Resource Connection Charge	\$	41,030
TOTAL	\$	65,990
TOTAL PER LOT	\$	3,000

Benefits of the Sub-Regional Project

There are several advantages an integrated system with water supplied by Everett water has over a stand-alone satellite system.

1. Cost
2. Better quality water
3. Sufficient quantity of water
4. Increased fire flow
5. No need for contingency plan for power failure
6. No salt, ion exchange maintenance, holding tank, and wastewater disposal
7. Lower monthly rate

When Storm Lake Ridge first approached the PUD, a Sub-Regional Project was not feasible because there was not a sufficient number of customers to justify the costs of such a project. Now that a "critical mass" exists and the Project appears feasible, the best solution for solving Storm Lake Ridge's water problems is to integrate the community's water distribution system into the proposed Project.

The proposed Sub-Regional solution for bringing water to the area via Mero Road is the most feasible way to solve Storm Lake Ridge's current water problems. Storm Lake Ridge's contribution would come in the form of an access road to the tank site in addition to paying a Water Resource Connection Charge. The existing service road leading to a 26,500-gallon tank would serve as the future access to the proposed 200,000-gallon tank that would stand 40-50 feet tall. In return, Storm Lake Ridge would be provided with a quality and consistent source of water. The dominant source of funding for the Project would be from a consortium of six developers whose plats would be serve by the proposed Project.

SUMMARY AND RECOMMENDATION

In conclusion, given that Storm Lake Ridge participates in the regional plan for bringing water to the area, it would be economically, financially and technically feasible for the District to form LUD No. 35 and acquire, upgrade and operate the Storm Lake Ridge Water System. Conversely, the cost of operating a stand alone system appears of questionable feasibility because of the potential for major expenses related to perpetual disposal of the salt brine solution and the liability of Storm Lake's current source of water.

Participation from both the consortium of developers and the LUD is mutually necessary. The feasibility of the Sub-Regional Project and the LUD are therefore co-dependent. Thus, it is imperative that the formation of the LUD and the execution of the Water System Installation Agreement be carried out concurrently.

EXHIBIT 1

WATER SYSTEM INSTALLATION AGREEMENT

This agreement is made and entered into by and between Public Utility District No. 1 of Snohomish County, a municipal corporation of the State of Washington (the "District"); and L. G. Design, Inc., Velma Wolfe and the Velma Wolfe Trust, Trillium Corporation, Highland Associates, and Land Pros, L.L.C. (when referred to collectively, the "Developers"). The effective date of this agreement shall be the date of execution by all of the parties hereto, _____, 19__.

WHEREAS, the North Snohomish County Coordinated Water System Plan, adopted pursuant to Chapter 70.116 RCW, designates the District as the water service provider for rural areas in the vicinity of Meadow Lake and Storm Lake, approximately 5 miles north of the City of Monroe, Washington; and

WHEREAS, the Developers are in the process of constructing their own respective separate residential plats within such vicinity and each of them desires a dependable, quality source of domestic water supply for dwellings to be located therein; and each of the Developers has requested water service from the District for its own respective plat; and

WHEREAS, the District has been requested by the property owners within the existing residential Plat of Storm Lake Ridge to provide domestic water service to them through establishment of a local utility district ("LUD"); and

WHEREAS, the Parties hereto have determined that a cooperative effort, involving the construction of a single water pumping, transmission, and storage system capable of conveying water to all of the subject residential plats, represents the most economical and efficient manner of meeting their respective needs, and that such system should be constructed in accordance with the terms and conditions herein below, and owned and operated by the District, with costs of construction shared as provided below,

NOW, THEREFORE, based upon the foregoing premises, and the mutual covenants herein, the parties agree as follows:

I. PROJECT DESCRIPTION

A. General

The parties will cooperate to accomplish the construction and operation of a water distribution system with capacity to serve approximately 220 residential units, including but not limited to the individual residential developments of Highland Crest, Wolfe Crest Estates, Storm Lake Heights, Storm Lake Ridge, Marble Ridge, and Summit Ridge, located in the Meadow Lake/Storm Lake area, approximately 5 miles north of the City of Monroe, Washington. The water distribution system will be attached to the City of Everett's water Pipeline No. 5 at the point where such Pipeline crosses 215th Avenue SE and extend northward along such road and Mero Road to the Storm Lake Heights Development entrance, through such development, branching northerly to the water distribution system's storage reservoir, and westerly, crossing the Morse Subdivision, to the entrance of the Summit Ridge Development (all portions within the Storm Lake Heights Development except an approximate 250-foot portion extending westerly from the northern terminus of the Storm Lake Heights water distribution system to be completed by L. G. Design, Inc., at its own cost); the water distribution system extends northerly from the water storage reservoir through the Storm Lake Ridge Development, and terminates at the boundary line between Storm Lake Ridge and Marble Ridge Developments; all as depicted generally on Exhibit A, attached hereto and incorporated herein by this reference. Plat descriptions are as depicted in Exhibit B, attached hereto and incorporated herein by this reference.

Certain portions of the water distribution system will be funded and installed by individual developers; other portions, which are deemed to benefit all parties, will be funded by all of the Developers, with a contribution from the District. Those portions of the water distribution system deemed to benefit all parties to this Agreement shall be generally referred to hereafter as "the Project." The Project is more specifically described as follows:

- Installation of an 8-inch tap and meter on City of Everett No. 5 Water Transmission Pipeline, at the intersection of such Pipeline with 215th Avenue SE.
- Construction and installation of a Project booster pump station to be located along 215th Avenue SE at a point near its intersection with City of Everett Pipeline No. 5; procurement of a site for said Project booster pump station.

- Installation of three-phase electric power to serve the Project booster pump station; power to be obtained from District-owned electric distribution facilities located on Wagner Road at 108th Street SE.
- Installation of approximately 12,300 lineal feet of 8-inch ductile iron (DI) water transmission/distribution pipe (including a fire hydrant at least every 1,000 feet) consisting of:
 - Approximately 8450 feet of 8-inch DI pipe installed from the Pipeline tap to the Project booster pump station, and from said booster pump station north along 215th Avenue SE and Mero Road to the road entrance to the Plat of Storm Lake Heights.
PROVIDED: that the approximately 300-foot portion of the 8-inch DI pipe, which is part of the Project and located within the county road frontage of the Plat of Highland Crest, shall be funded solely by the Developer of such Plats; and the approximately 100-foot portion of such 8-inch DI pipe, which is part of the Project and located within the county road frontage of the Plat of Storm Lake Heights, shall be funded solely by the Developer of such Plat. (Extension of the 8-inch DI water distribution pipe through the plat of Storm Lake Heights to a point approximately 250 feet directly east of the water storage reservoir site, and westerly to the Morse Subdivision is not a part of the Project, although such construction shall be coordinated with, and conducted simultaneously with, Project construction and is critical for a functional Project. Such extension and coordination are solely at the expense of and the responsibility of L. G. Design, Inc., except as otherwise specifically provided in Section III, below.)
 - Approximately 1610 feet of 8-inch DI pipe beginning at its point of connection with the 8-inch DI pipe installed to the western boundary of the Plat of Storm Lake Heights and extending through the Morse Subdivision along dedicated road right-of-way to the easternmost boundary of the Plat of Summit Ridge.
 - Approximately 250 feet of 8-inch DI pipe extending from the northernmost terminus of the water distribution system installed within road right-of-way in the Plat of Storm Lake Heights, westerly to the Project's water storage facility site.
 - Approximately 2000 feet of 8-inch DI pipe extending from the Project's water storage facility, northerly through the Plat of Storm Lake Ridge to its boundary with the Plat of Marble Ridge; such

portion of water line extension shall include two (2) fire hydrants and shall be installed on private property and road right-of-way; procurement by the District of any necessary easements for such portion shall be included as a Project cost.

- Establishment and preparation of a site for installation of the Project's water storage facility within the Plat of Storm Lake Heights at the agreed location described in Section III A. 4., below.
- Construction of an approximately 200,000-gallon concrete "Mt. Baker" Silo Reservoir, approximately 26 feet in diameter by 50 feet in height (actual height to be determined by the District, based upon required elevation and Project system capacity), including but not limited to all necessary reservoir-related valves, pipes, controls and appurtenances on the water storage facility site and extending to the boundary of such site, site preparation, site storm water retention facilities, site grading and access roads, and attachment of the Reservoir to the Project at the boundary of the water storage facility site.

B. Standards

All work, materials, supplies, and construction of items included in the Project as well as all water distribution system installations which are to be funded and/or installed by individual Parties under this Agreement and attached to the Project (all as more particularly described below) shall comply with District water system specifications and standards, and shall be subject to inspection and approval by the District.

C. Construction, Ownership, Maintenance and Operation of the Project and Related Water Systems; Warranty

1) Upon completion of the Project and all separate water distribution system installations by individual Developers, which installations are to be attached to and served by the Project, and following approval thereof by the District, the Developers shall each convey and quitclaim to the District any interest or claim which they may have in the Project, and any interest or claim they may have in the individual water distribution system(s) they have installed or shall install to serve their individual Plats, including easements as necessary for operation and maintenance thereof, and the District shall accept all rights to ownership and use of the Project and all Developer-installed water distribution systems attached thereto under this Agreement. In consideration of conveyance to the District of the Project and related, attached Developer-installed water distribution systems, the District

agrees to own, operate, and maintain all of such systems, and by means of such systems, shall provide water service to each of the Plats listed in this Agreement, subject to the District's regular Lake Stevens Integrated Water System rates and tariffs, except as specifically provided otherwise in this Agreement.

2) Any portion or portions of the Project or individual Developer-installed water systems constructed under this Agreement which fail to meet the required District specifications and standards shall not be accepted and utilized for water service by the District until the same have been modified or repaired to meet District standards.

3) Maintenance for all portions of the Project or other water distribution system installations accepted and approved by the District shall become District responsibility from the date of acceptance by the District. PROVIDED, that all work and materials performed or installed by the Developers, or any of them, shall be subject to a one (1) year warranty from the date of acceptance by the District, as described in Subsection II. d. 2) a). PROVIDED FURTHER, that individual customer service lines, from the point of attachment to the District's meter assembly, shall be and remain the customer's responsibility.

4) All water system distribution lines and other facilities to be conveyed to and operated by the District hereunder shall be installed within public road right-of-way or within easements, on a form acceptable to the District, with the District as the named grantee.

5) All parts of the Project and related attached water distribution system installations shall be conveyed to the District by means of itemized bills of sale, showing the actual, verified cost of each listed component, on a form acceptable to the District, and shall be free of any and all liens and encumbrances of whatsoever nature at the time of conveyance.

6) It is understood and agreed that the timing of construction of any separate water distribution system, or portion thereof, installed by an individual Developer to serve properties within an individual plat only, and not necessary for operation of the Project or necessary for operation of any other party's separate water distribution system, is a matter subject to the sole discretion and control of the respective plat Developer. Except as expressly provided herein, such distribution system construction shall be subject to all applicable policies and requirements of the District at the time of construction.

II. PROJECT COST SHARING, AND RELATIONSHIP OF THE PARTIES

A. Intent of the Parties

By means of this Agreement the parties intend to create a plan and process for construction of the Project and related, attached water distribution system installations which will serve the respective listed subdivisions for which the parties desire to secure a quality, reliable source of potable water supply. Each of the parties will contribute to the Project the respective funding and/or services described in this Section II below and in Section III.

B. Time of the Essence

The parties acknowledge and agree that timely performance of the responsibilities to be undertaken by each of them is essential for success of the Project; therefore, each party agrees to use best efforts in all matters impacting the Project. It is desired that Project construction proceed according to the schedule as shown below, and that individual Developer-installed water distribution systems be coordinated with Project construction as necessary to accommodate such schedule:

ACTION	TIMELINE	PARTY RESPONSIBLE
Secure Pump Station Site	(done)	PUD
Deposit funds for Survey and Geotech Report	(paid)	Developers
Complete Geotech report and Survey for Tank Site	(done)	PUD
Selection of Tank Site	(done)	PUD/ Developers
Secure Tank Site easement	(done)	PUD
Execute Agreement	Time 0	Developers/PUD
Initiate Conditional Use Permit Application for Tank Site	(upon execution)	PUD
Deposit funds for PUD engineering Deposit funds for PUD Real Estate-Easement services and easement purchases	(upon execution)	Developers
Secure all Pipeline easements from third parties	1 month	PUD
Begin Design of Pipeline Project	1 month	PUD

* This schedule applies in relation to the "Effective Date" of this Agreement

Begin Design of Booster Pump (BPS) Station and Tank	1 month	PUD
Initiate County Right of Way (R/W) permit	1 month	PUD
Complete BPS design and Bid package	2 months	PUD
Initiate Building and Grading Permit for Tank	3 months	PUD
Award contract for BPS to low bidder	4 months	PUD
Deposit funds for building pump station and 3-phase power	4 months	PUD
Submit Plans of BPS and Tank to DOH for approval	4 months	PUD
Select General Contractor for Project Pipeline construction	5 months	Developers
Deposit funds for Everett Tap	5 months	Developers
Begin Construction on Pipeline (permit dependent)	6 months	Developers
Begin Construction on Tank (permit dependent)	7 months	Developers
Begin Construction on BPS (permit dependent)	7 months	Developers
Deposit funds for SCADA	9 months	Developers
Project Complete and all components tested	11 months	Developers/PUD
Final acceptance of all facilities by PUD	12 months	PUD
Water available to all plats	13 months	PUD

C. Identification of Parties

1) Developers

<u>Owner/Contact</u>	<u>Development</u>	<u>No. of Lots</u>	<u>Preliminary Pro-Rata Contribution to Project</u>
a) L. G. Design Inc. Attn: Peter Lance 925 116 th NE, Suite 100 Bellevue, WA 98004 Voice 206-948-8922 Fax 425-646-4766 Office 425-455-2065 ext. 201 E-mail peterlan@brigadoon.com	Storm Lake Heights	57	50.893%

b) Velma Wolfe and the Velma Wolfe Trust Donald Setzer and Donald Wolfe, Trustees Attn: Don Setzer P.O. Box 1147 Monroe, WA 98272 360-794-3553	Wolfe Crest Estates	20	17.857%
c) Highland Associates Attn: Ross Woods 2815 Alaskan Way, Suite 228 Seattle, WA 98121 Voice 206-374-0414 Fax 206-374-0415	Highland Crest	6	5.357%
d) Trillium Corporation Attn: Faruk Tayshi 4350 Cordata Parkway Bellingham, WA 98226 Voice 360-676-9400 Fax 360-676-7736	Summit Ridge	14	12.500%
e) Land Pros, L.L.C. Attn: John Robinett 1831 Colby Everett, WA 98201 Voice 425-252-2500 Fax 425-259-0288	Marble Ridge	15	13.393%
TOTAL NEW PLAT LOTS APPLIED FOR TO RECEIVE WATER		112	100.00%
2) Public Utility District No. 1 of Snohomish County P.O. Box 1107 Everett, WA 98206-1107 Voice 1-800-562-9142 Fax 425-258-8222 Attn: Alan Cohen ext. 8602 Al Ryan ext. 8450 Mark Spahr ext. 8601	LUD No. 35, Storm Lake Ridge	22	
	Morse Subdivision	<u>15</u>	
	TOTAL	149	

D. Project Cost Sharing

1) Developer Financial Contributions

Each Developer shall pay its pro-rata share of the costs incurred in installation of the Project, including but not limited to design, engineering, construction, inspection, parts, equipment, materials, permits, easements, rights-of-way, property, survey, and geo-technical testing and reporting. The pro-rata share of each Developer shall be based provisionally upon the number of lots receiving preliminary plat approval or applied for within such party's respective plat development permits (see subsection II.C.1) immediately above). The shares shall be finally determined at the time of final approval of the Project by the District, and contribution adjustments made among the Developers as appropriate. Any additional lots approved within any of the listed plats after such time shall be treated as though attached to the Project by a third party and shall be subject to the charges described below. There shall be no adjustment for lots deleted after such time.

PROVIDED, that the approximately 300-foot portion of the 8-inch DI pipe which is a part of the Project and located within county road frontage abutting the Plat of Highland Crest shall be funded solely by the respective Developer of such Plats and the approximately 100-foot portion of such 8-inch DI pipe which is a part of the Project and located within county road frontage abutting the Plat of Storm Lake Heights shall be funded solely by the respective Developer of such Plat.

Any District contribution toward Project construction, made pursuant to subsection II.D.3) below, shall benefit the Developers in accordance with the pro-rata division of costs in effect at the time of such contribution except as otherwise specifically provided in such subsection. Adjustments of District contribution among the Developers shall be in accordance with any final determination or accounting of cost sharing by the Developers.

2) Financing and Payments by Developers; Security

a) Each Developer shall have its "necessary funding" established and available to meet its entire pro-rata share of Project funding responsibilities under this Agreement, based upon cost estimates supplied by the District, including "contingency" amounts. To the

extent that completion of an operational Project capable of serving all parties is dependent upon construction by a Developer of all or any portion of such Developer's own plat water distribution system, "necessary funding" shall include all amounts necessary to construct and make operational such portion(s) of any such water system.

Construction Security: Each Developer shall have issued to the District, with a copy to each other party hereto, a "standby" letter of credit securing such Developer's payment of its pro-rata share of Project costs and the costs of any portion of such Developer's own water distribution system which are necessary for Project completion and operation as provided herein. Such letter of credit shall be on a form satisfactory to the District, in the amount required in this subsection, and shall be issued as required herein within thirty (30) days following execution of this Agreement by all Developers. Should any such letter of Credit be exercised by the District in the event of default of one or more of the Developers, the District shall act as a trustee with regard to funds obtained pursuant thereto, and shall cause such funds to be disbursed on behalf of the defaulting Developer(s) in accordance with the terms of this Agreement.

LETTER OF CREDIT AMOUNT

<u>Development</u>	<u>Ltr. Of Credit</u>
Storm Lake Heights	\$759,000
Summit Ridge	\$112,000
Wolfe Crest Estates	\$160,000
Highland Crest	\$ 99,000
Marble Ridge	\$120,000

All letters of credit shall be issued by a bank authorized to do business in the State of Washington; the issuing bank shall be subject to the reasonable approval of the other parties to this Agreement.

Warranty Security: Before the District shall issue its letter of final acceptance with regard to the Project, or any separate Developer-installed water system, there shall be provided to the District a performance bond or equivalent security, as approved by the District, guaranteeing correction or replacement of any defective work or materials discovered by the District within the one-year warranty period described in Subsection I. C. 3) above. With

regard to the Project, such security shall be in an amount equal to Ninety Thousand Dollars (\$90,000). The cost of such security shall be apportioned as provided in this Agreement.

With regard to each separate Developer-installed water system, such security shall be in an amount equal to ten (10) percent of the full cost of such separate water system, with the appropriate Developer as the designated principal, and at such Developer's separate cost.

b) The Developers shall retain Interwest Savings Bank of Everett, 8519 Evergreen Way, Everett, Washington, 98208, to issue payment of monthly invoices for Developer-constructed portions of the Project. All Project costs for construction to be performed by the Developers collectively or individually shall be paid monthly, based upon invoices forwarded to Interwest Savings Bank by the District or the respective contractor or contractors performing work on behalf of the Developer(s).

c) Developers shall enter an agreement with Interwest Savings Bank to provide the service of accepting Project invoices and disbursement of payment of Project costs as provided herein.

Such agreement shall also provide:

- 1) for disbursement to the District of funds required by the District to proceed with its Project responsibilities as described in Section III.A. below;
- 2) for disbursement to the Developers pro rata, or individually, certain General Facilities Charges ("GFCs"), Water Resource Connection Charges ("WRCs") and Distribution System Charges ("DSCs") received by the District and to be paid over to the Developers pursuant to subsection II.D.3) below; and
- 3) for maintaining the records and accounts required under this Agreement for payments by and reimbursement of the respective parties as provided herein, and for any final adjustment of such amounts.

d) For those Project actions to be undertaken by the District in accordance with Section III.A. below, fund advances shall be (or have been) disbursed to the District in the following amounts, according to the following schedule*:

<u>ACTION</u>	<u>ESTIMATE</u>	<u>15% Contingency</u>	<u>Date</u>
Geotechnical report and Survey	\$ 9,000	(paid)	2/98
Conditional Use permit for Tank	\$ 4,000	\$ 4,600	(execution)
Real Estate Easement Services	\$ 2,000	\$ 2,300	(execution)
Engineering	\$ 24,348	\$ 28,000	1 month
R.O.W. Permit for pipe	\$ 5,000	\$ 5,750	3 months
Building Permit for Tank	\$ 4,000	\$ 4,600	3 months
Grading Permit for Tank	\$ 2,000	\$ 2,300	3 months
DOH approval for PS and Tank	\$ 1,000	\$ 1,150	3 months
Pump Station	\$130,000	\$ 149,500	4 months
3 Phase Power	\$ 12,000	\$ 13,800	4 months
LESS PUD Contribution	\$ -44,375	\$ -44,375	4 months
Telemetry (SCADA) for PS and Tank	\$ 30,000	\$ 34,500	10 months
Tap on Everett 5 line	\$ 30,000	\$ 34,500	10 months
FUNDS From Developers to District TOTAL	\$199,973	\$ 236,625	

PROVIDED, that the amounts stated above are the District's best estimates only, at the time of contracting, and (except for the District's contribution amount) are subject to change, based upon actual cost. The District shall endeavor to request advance payment in only those amounts it reasonably determines shall be required to accomplish its assigned responsibilities hereunder. Any surplus in advanced payments shall be held by the District and shall be applied to reduce subsequent advances required hereunder. The District's financial contribution shall be in the form of a credit to be applied against the advance payments to be made by Developers at 4 months after the effective date of this Agreement.

Should actual costs exceed estimated costs for any reason, the District shall notify the Developers and request additional funding. Disagreement on amount of additional funding due shall not delay advancing of funds as requested by the District for contractor

* The schedule applies in relation to the "Effective Date" of this Agreement.

payment, and shall not delay Project completion, but shall be resolved through the dispute resolution process provided herein below.

District contractor claims and change orders shall be reviewed with Developers prior to approval and payment by the District. The District shall pay only those contractor claims and change order amounts deemed by it to be reasonable and appropriate.

The Developers shall be responsible for payment of actual cost of the Project, including those portions performed by the District and/or its contractors, except as may be resolved otherwise through the Dispute Resolution Process provided herein below, and except as provided in subsection II.D.3)b) below.

e) The Developer contributions provided in this section II. D. shall constitute full consideration for and shall be in lieu of payment to the District of any GFC or DSC for water service connection to the number of properties indicated in section II.C.1 above, within the Developer Plats listed therein. PROVIDED, however, that all individual customer service meters shall be by the District, at an additional cost to the Developers, their successors and assigns, of approximately \$90 each and if necessary individual customer Pressure Reducing Valves (PRV) at an additional cost of approximately \$145 each, in accordance with the District's Standard Domestic Water Service Policy and then-applicable rates. (Meter and valve installation costs are based upon 1997 rates and are subject to change.)

Additional water service connections shall be in accordance with the District's regular customer service policies in effect at the time of connection.

3) District Contribution

a) Residents of the existing Plat of Storm Lake Ridge have requested water service from the District. Upon execution of this Agreement, the District shall commence the process of formation of a local utility district ("LUD") to serve the Plat of Storm Lake Ridge with water. The District anticipates accepting ownership of the water distribution systems within each of the described developments at no cost to the District, except as specifically provided herein below, and providing water service through such systems by means of the Project, including portions of that water

distribution system to be installed hereunder by L. G. Design, Inc., for its Plat of Storm Lake Heights and Highland Associates for its Plat of Highland Crest.

b)

- (1) As further consideration for the Developers' individual and collective agreements to construct and install the Project as described herein, with capacity sufficient to serve approximately 220 residential units, including but not limited to the District's Storm Lake Ridge LUD and the Morse Subdivision, and the plats listed above, and to construct the water distribution systems to be located within each of the Developers' respective plats, and convey the same to the District, the District agrees that it shall contribute the sum of \$44,375 (forty- four thousand three hundred seventy five dollars) toward the cost of construction of the Booster Pump Station described in section I.A. above. Such contribution shall be made in the form of a credit against the actual cost of construction of the Project Booster Pump Station and shall also reduce the amount of the disbursement to be made to the District by the Developers for such construction under subsection II.D. above.
- (2) For a period of ten (10) years from the date of completion and acceptance by the District of the Project, the District shall forward to Interwest Savings Bank for payment over to the Developers collectively, pro rata, in the same proportions as determined according to subsection II.D.1) above, any DSCs collected by the District, under its then-existing policy, as a result of connection of any new water distribution system, or any new water service customer(s) attaching directly to that portion of the Project paid for by the Developers collectively.
- (3) For a period of ten (10) years from the date of completion and acceptance by the District of the Project, the District shall forward to Interwest Savings Bank for payment over to the appropriate Developer individually:
 - (i) any DSCs collected by the District, under its then-existing policy, as a result of connection of any new water distribution system, or any new water service customer(s), attaching directly to a portion of the

- Project paid for by such Developer individually (see proviso in subsection II.D.1) above); and
- (ii) any DSCs collected by the District, in an amount consistent with its then-existing policy, as a result of connection of any new water distribution system, or any new water service customers, attaching directly to a portion of the water distribution system installed by such Developer within its respective plat as described in this Agreement.
- (4) For a period of ten (10) years from the date of completion and acceptance by the District of the Project, the District shall forward to Interwest Savings Bank for payment over to the Developers collectively, pro rata, in the same proportions as determined according to subsection II.D.1) above, any GFC or WRC collected by the District from new water system customers attaching directly to, or receiving water service by means of, any portion of the Project.
- (5) PROVIDED, that all reimbursements to Developers collectively under subsection II.D.3)b)(2), and individually under subsections II.D.3)b)(3) and II.D.3) b)(4), immediately above, are expressly subject to the following limitations:
- (i) the GFC and WRC applicable to any property attached to the Project by a third party shall be based upon the actual cost of the Project (less one-half of the shared Developer cost of that portion of the Project pipeline between the Everett pipeline tap and the entrance to the Plat of Storm Lake Heights), divided by 220 (total system capacity, in terms of residential unit attachments that may be served); the total combined amount of GFC and WRC reimbursements that may be paid over to the Developers collectively within the 10-year period provided in this Agreement shall not exceed the GFC/WRC amount as determined immediately above in this subsection multiplied by the number of residential unit attachments remaining available after reserving the number of residential lots listed by Developers in Section II. c. above. (At the time of contracting, this number was believed to be 71; however, the actual number shall be determined at the time of final approval of the Project by the District);

- (ii) the total amount of DSC reimbursements to be paid over to any Developer individually with regard to any portion of the Project which is installed within a county road abutting such Developer's Plat, shall not exceed the actual cost to such Developer for installation of such Project portion;
- (iii) the total combined individual and pro rata amount of DSC reimbursements to be paid over to all Developers individually and collectively shall not exceed the actual cost of the Project pipeline only (after subtraction of one-half of the shared Developer cost of that portion of the Project pipeline between the Everett Pipeline tap and the entrance to the Plat of Storm Lake Heights);
- (iv) the actual cost of the Project and its components as stated by Developers shall be true and correct, and shall be as described in that itemized bill of sale to be provided to the District under subsection I.C.5) above, and all records in support of such cost shall be subject to audit by the District and the other parties as provided in this Agreement; and
- (v) All GFCs, WRCs, and DSCs shall be charged by the District subject to its then-applicable water customer service and "late-comer" policies, except as specifically provided otherwise in this Agreement;
- (vi) The District shall retain any and all GFCs, WRCs, DSCs and any other fees or charges it collects from water service customers within, or connecting to the water distribution system within, the Plat of Storm Lake Ridge and the Morse Subdivision, who are served by means of the Project;
- (vii) All GFC, WRC, and DSC amounts received by the District and to be forwarded to the Developers under this Agreement shall be subject to and reduced by an administrative fee retained by the District from such amounts; such fee shall be 5% of any amounts to be forwarded;
- (viii) There shall be no DSC charged or received by the District for attachment to the Project pipeline of any property within the Storm Lake Ridge LUD;
- (ix) There shall be no GFC or DSC charged by or received by the District for attachment to the Project Pipeline of a single residential water service to the property upon which the Project Booster Pump Station is to be located, and none for a single residential water service to the

- property within the Morse Subdivision which is crossed by the Project Pipeline to allow connection between the Plat of Storm Lake Heights and the public right of way within the Morse Subdivision;
- (x) The total respective GFC/WRC and/or DSC reimbursement to any Developer shall not exceed such Developer's proportionate share of the cost of the Project subject to such reimbursement (including any DSC amounts payable to a Developer individually under subsection II.D.3)b)(3) above, with any excess amount being apportioned among the other Developers as provided herein;
 - (xi) It is understood and agreed that notwithstanding the actual date of completion and operation of any individual water distribution systems installed by one or more Developers under this Agreement, the cost reimbursement period under this subsection II.D.3) shall commence upon the date of acceptance by the District of a fully operational Project, and shall end on the tenth anniversary of such date; there shall be no extension of any reimbursement period for any portion of any such Developer – installed water distribution system after such tenth anniversary date; and
 - (xii) There shall be no GFC or DSC paid by the District for any extension or attachment it may make to the Project for District utility purposes, such as, but not limited to, a main extension for an intertie or sampling station installation.

NOTE: It is understood and agreed by all parties that this Agreement has been negotiated solely for the purposes described herein to accommodate a unique circumstance, and that any payment or benefit to Developers, collectively or individually, under this Agreement which exceeds or conflicts with a District policy which would otherwise be applicable, shall not operate as a precedent in any manner or otherwise bind the District to any such policy or agreement in the future, or with regard to, or any other District-owned or-operated water system. Following the end of the ten year period described in this subsection, all WRCs, DSCs and GFCs collected by the District for water service attachments to the Project or to water distribution systems installed by any Developer

pursuant to this Agreement, shall be retained by the District or otherwise distributed in accordance with the District's then-applicable customer service policies.

4) Developer Attachment of Additional Developments to Project

For purposes of attachment by a Developer of additional properties or developments not listed in this Agreement to any portion of the Project, or to any water distribution system installed by an individual Developer pursuant to this Agreement, such Developer shall, with respect to such additional properties or developments, be deemed to be a third party, and not a party to this Agreement, and all GFCs and DSCs to be paid by such Developer to the District for water service shall be subject to subsection II.D.3) above.

5) Accounting at Project Completion

Upon completion of all work on the Project and acceptance of the same by the District (including but not limited to work contracted by the District) the District shall refund to the Developers any amount advanced by them to the District for Project work, which amounts are in excess of amounts duly payable to any contractor or to the District under this Agreement. A Developer who has withdrawn from participation under this Agreement shall receive no refund.

E. Relationship of the Parties

1) Independent Contractors; Obligations Several

The Parties are independent contractors and shall not be deemed to be partners, joint venturers, principals, or agents of each other for any purpose whatsoever. Each party shall have and maintain complete control over all of its employees, agents, and operations. Except as may otherwise be explicitly provided herein, or in separate agreement, each and all of the obligations, responsibilities, and liabilities of the parties under and in connection with this Agreement are several, and not joint, and no separate legal or administrative entity will be created to fulfill the purposes of this Agreement.

2) Appointment of Project Coordinator

Notwithstanding the foregoing, the Developers shall select a Project Coordinator, in charge of communication between the Parties and timely coordination and/or oversight of activities necessary for Project completion under this Agreement or any separate agreement entered between such Developers. Such person shall be "at will", subject to substitution or replacement as desired by the Developers. It is understood that such person is not authorized under this Agreement to act as the agent or representative of any of the Parties nor to accept notice for any of them, or to bind them, or the District, or any of them, in any manner. Costs associated with the Project coordinator shall be shared pro-rata by the Developers as provided in section II.D. above. The Project Coordinator shall be selected and that selection communicated to the District within ten (10) days following execution of this Agreement by the Developers.

3) No Third Party Beneficiaries

Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of or be enforceable by any third party.

4) Dispute Resolution

Any dispute under or in connection with this Agreement may, upon the mutual agreement of the parties involved in such dispute, be submitted for resolution by mediation or binding arbitration. Disputes not resolved in such manner shall be resolved in Superior Court for Snohomish County, Washington. The prevailing party in any dispute, which is resolved through mediation, arbitration, or litigation, shall be entitled to reasonable attorney fees and costs.

5) Subcontracts; Assignment; Binding Agreement

a) No Party may subcontract, transfer, or assign its rights or obligations under or in connection with this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

b) In the event of any permitted transfer or assignment hereunder, the transferor or assignor shall to the extent of the transferred or

assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; PROVIDED, however, that under no circumstances shall any transfer or assignment relieve the transferor or assignor of any liability for any breach of this Agreement by such party.

c) This Agreement is binding on and shall inure to the benefit of the Parties and their respective successors, permitted assigns, and legal representatives.

d) Notwithstanding anything else to the contrary herein, should any one or more of the Developers sell and convey to any other person the real property associated with it and to be developed by it hereunder (or any portion thereof), such Developer(s) shall transfer and assign this Agreement, subject to subsections II.E.5)a) through c) above, to the purchaser of such real property, and the purchaser of such property shall be bound by the terms of this Agreement with respect to its interest in such property.

Any proposed or actual purchaser shall be fully qualified and financially able to carry out all of the assigning/selling Developer's obligations under this Agreement, and shall provide the security required in subsection II.D.2)a) above. Consent to an assignment under this subsection shall operate as a release of any claim or liability of the assigning selling party except as expressly provided herein.

6) Force Majeure

a) No Party shall be liable to any other Party for, or be considered to be in breach of or default under this Agreement because of, any failure or delay in performance by such Party under this Agreement (other than an obligation to make payment of any monetary amount due to any other Party) to the extent such failure or delay is caused by or results from any cause or condition which is beyond such Party's reasonable control, or which such Party is unable to prevent or overcome by exercise of reasonable diligence (any such cause or condition, a "Force Majeure"), including but not limited to: failure or threat of failure of facilities or equipment; fire, lightning, flood, earthquake, volcanic activity, wind, drought, storm, and other natural disasters or acts of the elements; court order and act, or failure to act, of civil, military or governmental authority;

change in governmental law or regulation; strike, lockout, and other labor dispute; epidemic, riot, insurrection, sabotage, war, and other civil disturbance or disobedience; labor or material shortage; and act or omission of any person other than such Party, including breach of contract.

- b) Any Party claiming Force Majeure shall give the other Parties maximum practicable advance notice of any failure or delay resulting from a Force Majeure, and shall use its best efforts to overcome the Force Majeure and to resume performance as soon as possible; PROVIDED, however, that nothing in this Agreement shall be construed to require any Party to settle any strike or labor dispute in which it may be involved.

7) Survival

The expiration or termination of this Agreement shall not relieve any Party of liability for any breach of this Agreement or of any other liability incurred hereunder prior to the date of expiration or termination.

8) Further Assurances

Each Party hereto covenants and agrees to do all things necessary or advisable, including but not limited to the preparation, execution, delivery, and recording of any instruments or agreements, in order to confirm, carry out, and better assure the intent and purposes of this Agreement.

9) Indemnification

- a) Each Party executing this Agreement hereby agrees to hold harmless, release and indemnify each of the other Parties to this Agreement, and such other parties' elected and other officials, officers, employees, and agents and the heirs, personal representatives, successors, and assigns of any of such other parties from and against any and all losses, liabilities, claims, damages, costs, demands, fines, judgments, and penalties, together with reasonable attorneys' fees and out-of-pocket expenses incurred in connection with any of the foregoing arising out of or in connection with (i) any negligent act or omission or willful misconduct of such executing Party, or any of its officers, employees, agents, contractors, or subcontractors of any tier, under or in connection with this Agreement or (ii)

any failure of such executing Party duly to perform or observe any term, provision, covenant, agreement, or condition hereunder to be performed or observed by or on behalf of such executing Party. **To the extent permitted by law, in any and all claims against the District or a Party by any employee of another Party, the indemnification and hold harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the complaining employee of such employer Party under workers compensation acts, disability benefits acts, or other employee benefit acts; and each Party hereby agrees not to claim or otherwise use against the District or the other Parties hereto, in defense against any actual or asserted liability of the employer Party to the District or any other Party under this section, any immunity or limitation on liability provided to the employer Party under any of such acts.**

- b) As a condition of making a claim for indemnification under this section, any Party shall, as soon as practicable after receiving notice of any claim for which it believes that it is entitled to indemnification under this section, provide notice of the claim to the Party or Parties from which it is seeking indemnification. The allegedly liable Party or Parties may, in its or their discretion, retain counsel of their choosing to represent the Party receiving notice of claim in the defense of such claim; and in such event the claim recipient will provide all reasonable cooperation to the allegedly liable Party or Parties and such counsel, at the allegedly liable Party or Parties' cost and expense, in and in connection with such defense.

10) Audit Rights

Each of the Parties hereto shall have the right during this Agreement and for two years hereafter to inspect the records of the other Parties and Interwest Savings Bank pertaining to this Agreement and expenditures made hereunder for any part of the Project and to perform an audit in accordance with generally accepted audit standards. Each Party shall make such records available without charge to the others, during its regular business hours.

11) Termination of Agreement for Failure of Plat or Financing Approval

It is understood and agreed that preliminary plat approval by Snohomish County for each of the Developer plats described above herein is a material condition, the absence of which would frustrate the purpose of this Agreement for any Developer whose plat does not receive timely or anticipated preliminary or final approval. Accordingly, and notwithstanding anything else to the contrary in this Agreement, should any of the Developers herein be informed officially that its plat shall not receive preliminary or final approval by Snohomish County in substantially the form proposed herein by such Developer, then such Developer shall immediately notify each of the other parties as required herein of such determination, and upon receipt of such notice by the other parties, this Agreement may be terminated as to such Developer, and in its entirety, at the option of all Developers, except as otherwise expressly provided herein. A plat shall be approved in substantially the form proposed by a Developer if not fewer than 80% of the number of lots proposed in the application are approved.

Should any Developer herein reasonably determine that it is unable to obtain financing upon commercially-reasonable terms and conditions, sufficient to carry out such Developer's responsibilities under this Agreement, then such Developer shall immediately notify each of the other parties as required herein of such determination, and upon receipt of such notice by the other parties, accompanied by written explanation and review of the facts and circumstances, this Agreement may be terminated as to such Developer and, in its entirety, at the option of all Developers, except as otherwise expressly provided herein. A failure of any Developer to provide the required letter of credit due to inability to obtain commercially-reasonable financing shall not be deemed an act of default.

In the event of termination of this Agreement as to one, or all, Developers, all rights to refund of advance contributions by any party to the date of termination shall be waived, except that any unearned advances to the District shall be refunded to the Developers pro rata. There shall be no claims or liability of or to any party arising solely as a result of termination of this Agreement under this subsection.

In the event of termination of this Agreement under this subsection, nothing herein shall prevent the parties, or any of them, from entering a new agreement for water service, and such contracting parties shall be authorized hereby to utilize any facilities installed, or work completed under this Agreement to the date of termination as they deem appropriate, with no payment therefor to any party not joining the new agreement.

12) Default

Except as provided in subsection II.E.6) and II. E. 11) above, the failure or refusal of any party to this Agreement to meet or perform any of its obligations or to make any of the payments required under this Agreement, and to cure such failure or refusal within ten (10) days following receipt of notice thereof from any other party to this Agreement, shall be deemed a default.

A defaulting party shall be liable for any and all loss, costs, and other damages resulting directly from such default including but not limited to reasonable attorneys fees and costs incurred by any other party in the enforcement of this Agreement and collection of damages; in addition to the foregoing, the parties reserve their right to all other remedies available in law or equity for breach or default of this Agreement.

III. PROJECT ENGINEERING, DESIGN, AND CONSTRUCTION

A. District Responsibilities

1) "Tap" Into City of Everett Water Transmission Line

The District shall procure from the City of Everett any required authorization and shall complete installation of the required "tap" into the City's water transmission line to serve the Project.

PROVIDED, that it is understood and agreed that such "tap" shall be at the sole expense of the Developers, who shall provide timely payment in full either to the District or directly to the City of Everett as required to accomplish completion of the required "tap" and attachment. Estimated cost (including contingency) is \$34,500; and shall be apportioned and paid in advance by Developers as provided in section II.D. above.

2) Procurement and Installation of Electric Power to Operate Booster Pump Station

The District shall extend three-phase electric power from its closest practicable electric transmission line facilities along public road right-of-way to the Booster Pump Station.

PROVIDED, that the estimated cost (including contingency) is \$13,800, and the estimated cost shall be apportioned and advanced to the District by Developers as provided in section II.D. above.

3) Procurement of Booster Pump Station Site and Installation of Station

a) The District has selected and procured a Booster Pump Station site which is as near as practicable to the City of Everett "tap" and which is acceptable to the District and the Developers. The District has negotiated the lowest price practicable for such site; it is agreed by the Parties that the reasonable consideration to be paid for such site is District waiver of any and all charges for a single residential water service customer attachment to the Project by the site property owner. Accordingly, the District shall not collect and the Developers shall not be entitled to receive a GFC or DSC reimbursement from connection to the Project Pipeline of a single residential water service with regard to such property.

b) PROVIDED, that the District shall procure the installation of a Booster Pump Station with design and capacity suitable to serve the Project and the reasonably anticipated number and type of water service customers to be attached thereto.

The estimated cost of such facility (including contingency) is \$149,500, and the estimated cost shall be apportioned and advanced by Developers as provided in section II.D. above.

4) Procurement of Water Storage Tank Site; Survey and Geotechnical Study of Site

a) The agreed water storage tank site for the Project is described as follows:

That portion of the East half of the Southeast quarter of Section 7, Township 28 North, Range 7 East, W.M. in

Snohomish County, Washington lying within the circumference of a circle having a radius of 33.00 feet, the center of which is described as follows:

Commencing at the Northeast corner of said subdivision (which is the Plat of Storm Lake Heights); thence North 87°25'06" West along the North line of said subdivision 588.60 feet; thence South 02°34'54" West 17.50 feet to said center point.

It is understood and agreed that the Project water storage tank site within the Plat of Storm Lake Heights as described above shall be provided at no additional cost to any of the parties beyond the mutual covenants and consideration provided for in this Agreement.

- b) Notwithstanding the description provided above, it is agreed that the tank site to be procured shall be adequate and suitable in size for placement of a water storage tank 26 feet in diameter by 40 to 50 feet in height (whatever height is necessary to achieve an over flow elevation of 760 feet above mean sea level (MSL) per the District's Comprehensive Water Plan), along with (if the District deems it necessary) a small booster pumping station approximately 10 feet by 10 feet in size. There shall also be sufficient space surrounding the tank and station to reasonably accommodate all required valves, piping, and other appurtenances, and a service vehicle.

Note: The construction of a new pump station 10 feet square is a contingency plan to the currently proposed option of expanding the existing small booster pump station building now serving a resident in Storm Lake Ridge (and located within the Plat of Storm Lake Ridge) to accommodate an additional 11 properties in Storm Lake Heights subdivision.

- c) Construction access to the site shall be provided through lot 23, Plat of Storm Lake Heights. Maintenance access to the site shall be provided through lots 3, 4, 5 and 6 of the Plat of Storm Lake Ridge contingent upon securing the necessary easements from affected property owners therein.
- d) The District has procured a survey and geotechnical study of the proposed water storage tank site. The estimated cost (including contingency) was \$ 9,000, which amount was

apportioned and advanced by the Developers to the District as provided in section II.D. above.

5) Engineering and Design for Project; Project Automation

- a) The District shall provide engineering and design for the following portions of the Project:
 - Installation of three-phase electricity to Project Booster Pump Station
 - Project Booster Pump Station
 - All portions of the Project water transmission and distribution line from the "tap", to and from the Project Booster Pump Station, along Mero road to the entrance to the Plat of Storm Lake Heights, from the northerly terminus of the Storm Lake Heights distribution pipeline to the water tank site, through the Morse Subdivision, and within the water storage tank site.
 - All "yard piping", altitude valves, pressure switches, automated control systems ("SCADA"*) for the water storage tank site. (*Supervisory Control and Data Acquisition System).
 - All SCADA for the Project Booster Pump Station.
- b) The District shall provide **review** of engineering and design for those portions of the water system which are to be installed within a Developer-owned Plat listed in section II.C.1) above and which are to be attached by the respective Developers to the Project and/or utilized to convey water to portions of the Project.
- c) As consideration for the engineering and design, and the engineering review to be performed by the District hereunder, the Developers agree to reimburse the District's direct employee costs incurred in performance of such work, including employee benefits paid by the District to or on behalf of such employees, plus 10 percent. The estimated cost (including contingency) is \$28,000. Such estimated cost shall be apportioned and advanced by the Developers as provided in section II.D. above.

6) Procurement and Installation of Automated Control System (SCADA) for Booster Pump Station and Tank Site

The District shall procure and have installed a suitable SCADA system for the Booster Pump Station and water storage tank facilities. Estimated cost (including contingency) is \$34,500, and the actual cost shall be apportioned and advanced by Developers as provided in section II.D. above.

7) Procurement of Project Pipeline Easements from Developers and Third Parties

The District has procured, or shall procure, easements from Developers for the Project Storage Tank Site, Project Pipeline segments, and for distribution pipeline segments crossing any Developer's property, when any such pipeline segment is necessary for service to any property other than the one upon which the segment is to be located. Developers shall provide necessary easements upon and across their property at no cost. The District has procured, or shall procure, any necessary Project Pipeline easements from third parties, at the lowest cost practicable under the circumstances. The amount of the District's cash contribution reflects the cost of pipeline easements obtained from third parties within the Morse Subdivision and Plat of Storm Lake Ridge and approved by Developers.

8) Permits

The District shall make applications for and procure the Conditional Use, Building, and Grading Permits (including completion of documents required for SEPA compliance) for the Project's water storage tank, and all water lines within existing county right-of-way, and that portion of the water distribution line extending through the Morse Subdivision. The District shall also make application for any permits necessary to build and operate the sub-grade Project booster Pump Station (including electric installation). As required, the District shall submit plans and design to the Department of Health for approval. The District shall not be responsible for delays in permit procurement due to matters beyond its reasonable control. Estimated cost (including contingency) is \$18,400. Such estimated cost shall be apportioned and advanced by the Developers as provided in section II.D. above.

9) Contractors

Construction by the District of the Booster Pump Station and any of the other work to be performed under this Agreement by the District, which is not performed by its regularly-employed staff shall be by contract, competitively bid, in accordance with law and regular District procedures.

The District shall require that each of its contractors and all of its subcontractors agree to defend, indemnify, and hold harmless the District and the Developers from and against any and all claims, damages and causes of action arising from negligent acts or omissions by such contractor and all subcontractors in connection with the work performed pursuant to this Agreement, to the full extent permitted by law, and provide all Parties hereto with copies of certificates listing each of the Parties as additional named insureds.

B. Developer Responsibilities

- 1) Permits. Each of the Developers, at its own cost, shall be responsible to submit application for and procure any permits or authorizations required for the construction of water distribution lines within the boundaries of such Developer's respective Plat, and for any and all permits and approvals required by law or regulation for its plat construction, including but not limited to SEPA compliance.

Not later than thirty (30) days following execution of this Agreement by all of the Developers, L.G. Design, Inc., and Highland Associates shall submit to Snohomish County for approval a complete set of construction drawings, and all other documentation of whatsoever nature which may be necessary and appropriate to obtain county authorization for construction of the roadways and water distribution lines within each of their respective plats which are required for a functional Project or for providing water service to the plat of any other party. Failure to timely submit construction drawings and necessary permit application materials to the county shall be considered an act of default.

- 2) Engineering and Design. Each of the Developers, at its own cost, shall design, engineer and install within its own respective plat any portions of its water distribution system which are not a part of the Project Pipeline, completing in a timely manner any and all portions necessary for completion of an operational Project within the agreed time period.
- 3) Water Tank Site.
 - a) L. G. Design, Inc. shall provide, at no charge, an easement on a form satisfactory to the District, authorizing construction and operation of a water storage facility upon the Water Storage Tank Site as agreed and as described in Section III. A.4. above, and hereby authorizes the District, and the other Developers, their employees, agents, and contractors reasonable access to the Plat of Storm Lake Heights and to the Water Tank Site for any additional geotechnical and survey work deemed necessary by the District, and for construction, inspection, installation, operation and maintenance of the proposed water storage tank and appurtenances. Construction of the water storage tank and appurtenances shall be from the Plat of Storm Lake Heights; however, maintenance and service to the site shall be from the Plat of Storm Lake Ridge.

L.G. Design, Inc., agrees to be responsible for any Plat design changes or buffers required as a result of establishment and use of the Water Storage Tank Site and any booster pumping facility upon its property.

- b) Release
 - (i) By execution of this Agreement, L. G. Design, Inc., and Peter Lance, for themselves, their heirs, successors and assigns, agree to forever release each and all other parties to this Agreement, and the owners of property within the Plat of Storm Lake Ridge, their heirs, successors and assigns, from any and all claims, costs, and demands of whatsoever nature, relating to or arising from the placement of the water storage tank within its agreed location, including specifically any claims for loss of profits, inverse condemnation, diminution in value or similar claims based upon placement or location of the

water storage tank and its impacts, or alleged impacts, upon the market value of property within its vicinity.

- (ii) The District agrees to indemnify and hold harmless L. G. Design, Inc., and Peter Lance, their heirs, successors and assigns, from and against all claims, costs, and demands of whatsoever nature, from any property owner within the Plat of Storm Lake Ridge, relating to or arising from the placement of the water storage tank within its agreed location, including specifically any claims for loss of profits, inverse condemnation, diminution in value or similar claims based upon placement or location of the water storage tank and its impacts, or alleged impacts, upon the market value of property within its vicinity.
 - c) Notwithstanding all of the above, it is understood and agreed that construction of a water storage facility upon the agreed site will require a conditional use permit and setback variance from Snohomish County, and that there exists a possibility that the same may not be granted as anticipated by the parties. In such event, the parties shall use best efforts to agree upon an alternative site upon reasonable terms and conditions.
- 4) Water Tank and Project Pipeline. The Developers shall install upon the agreed Water Storage Tank Site a 200,000 -gallon "Mt. Baker" type concrete silo reservoir approximately 26 feet in diameter and 40-50 feet in height with an overflow elevation of 760 feet MSL, subject to District and Department of Health requirements and approval.

The Developers shall also install the Project's eight-inch DI (class 52) water transmission pipeline from the "tap" to the Project Booster Pump Station, from such Station along 215th Avenue SE and Mero Road to the entrance to the Plat of Storm Lake Heights, and through the Morse Subdivision.

The Developers shall install all necessary reservoir-related valves, pipes, and appurtenances within the reservoir site, extending such pipes as necessary to reservoir site boundaries for attachment to the Project pipeline.

It is understood and agreed that the cost of the water tank and Project Pipeline shall include a sum (approximately \$2,500.) for the

installation of trees and landscaping intended to minimize visual impacts of the tank as the plantings mature.

The estimated cost of all of such work is approximately \$615,000; such estimated cost shall be apportioned and advanced by the Developers as provided in section II.D. above.

NOTE:

Expansion of the existing small booster pump station (located within the existing development of Storm Lake Ridge) to serve the addition of approximately 11 lots within the Plat of Storm Lake Heights, and construction of a separate distribution system consisting of roughly 1,100 feet of 4-inch DI pipe (class 52) to serve such lots from such booster pump station, are the sole responsibility of and at the sole expense of L. G. Design, Inc. Such expansion of the existing small booster pump station on its current site is contingent upon securing the necessary easements from property owners within the community of Storm Lake Ridge. (The alternative construction of a new 10' x 10' pump station to be located on the storage tank site shall be the sole responsibility and at the sole expense of L.G. Design, Inc.)

- 5) Contractors. In performance of any of the water distribution system, water tank or Project construction work contemplated herein to be performed by all of the Developers, or by any of them on their respective individual Plats, the Developers shall utilize only contractors who are licensed to do business in the State of Washington, bonded, and insured. Developers shall require that their contractors and all subcontractors agree to defend, indemnify, and hold harmless the other Developers and the District from and against any and all claims, damages, and causes of action arising from negligent acts or omissions by such contractors or subcontractors in connection with work performed pursuant to this Agreement, to the full extent permitted by law, and provide all of the parties hereto with copies of certificates listing each of the Parties as additional named insureds.

All contractors utilized in any portion of the Project shall be acceptable to all of the Developers and to the District.

- 6) Timely Payment. Each of the Developers shall timely pay each and every one of the fund advances to the District, bills, invoices, costs, and expenses which it is responsible to pay under this Agreement in accordance with the terms hereof, and prevent or immediately

satisfy any claim of lien or any other encumbrance against any portion of the Project or impacting its operation.

- 7) Conveyance of Title to System. Each Developer shall, upon completion of construction of its portion of the Project or the water system it has constructed for its respective Plat for attachment to the Project, convey the same to the District, free and clear of any and all liens, claims, or encumbrances, and the District shall accept, operate and maintain the same, subject to the terms hereof.

IV. MISCELLANEOUS

A. Notices and Other Communications

Any notice required or permitted to be given under or pursuant to this Agreement shall be in writing and shall be delivered to the contact person indicated in section II. C. above, as authorized representative of the intended recipient party at its address set forth above either (i) in person, (ii) by nationally recognized overnight delivery service, (iii) by United States Certified Mail, return receipt requested or (iv) by facsimile machine providing printed confirmation of the effectiveness of transmission. Notices delivered in person or sent by overnight delivery service or facsimile shall be effective upon delivery. Notices sent by Certified Mail shall be effective on the date shown on the return receipt as the date of delivery or on the final date on which the Post Office certifies that it was unable to deliver. Fax messages shall be sent to the numbers provided in subsection II.C.3) above.

B. Governing Agreement

This Agreement supersedes any and all prior agreements with respect to the subject matter of this Agreement. The rights and obligations of the parties hereunder shall be subject to and governed by this Agreement. The headings used herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

C. Waivers

Except as otherwise provided herein or as agreed by the Parties, no provision of this Agreement may be waived except as documented or confirmed in writing. Any waiver at any time by a Party of its right with respect to a default under this agreement, or with respect to any other matter arising in connection therewith, shall not be deemed a

waiver with respect to any subsequent default or matter. Any Party may waive any notice or agree to accept a shorter notice than specified in this Agreement. Such waiver of notice or acceptance of shorter notice by a Party at any time regarding a notice shall not be considered a waiver with respect to any subsequent notice required under this Agreement.

D. Invalid Provision

The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

E. Amendment

No change, amendment, or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by each of the Parties.

It is understood and agreed that this Agreement may be amended or supplemented from time to time by the Parties with regard to additional details of this complex transaction. However, it is the intent of the Parties that each such Amendment, change, or supplemental agreement be in writing only, and incorporated herein and made a part of this Agreement.

F. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

G. Signature Clause

Each of the undersigned signatories represents and warrants that such person has all necessary and proper authorization to execute and deliver this Agreement on behalf of the party on behalf of which such person is signing.

H. Governing Law; Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, with venue for resolution of any disputes in Snohomish County.

I. Rules of Construction

No provision of this Agreement shall be construed in favor of or against any of the Parties hereto by reason of the extent to which any such Party or its counsel anticipated in the drafting thereof or by reason of the extent to which such provision or any other provision or provisions of this Agreement is or are inconsistent with any prior draft thereof.

IN WITNESS WHEREOF, each Party has caused its duly authorized representative to execute this Agreement as of the date first above written.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

[SIGNATURE PAGE FOR L. G. DESIGN, INC.]

L. G. DESIGN, INC.

By: _____

Title: _____

Date: _____

[SIGNATURE PAGE FOR PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON]

PUBLIC UTILITY DISTRICT NO. 1
OF SOHOMISH COUNTY, WASHINGTON

By: _____

Title: _____

Date: _____

[SIGNATURE PAGE FOR VELMA WOLFE AND THE VELMA WOLFE TRUST]

VELMA WOLFE AND THE VELMA
WOLFE TRUST

By: _____
Name

Title: _____

Date: _____

By: _____
Name

Title: _____

Date: _____

[SIGNATURE PAGE FOR HIGHLAND ASSOCIATES]

HIGHLAND ASSOCIATES

By: _____

Title: _____

Date: _____

[SIGNATURE PAGE FOR TRILLIUM CORPORATION]

TRILLIUM CORPORATION

By: _____

Title: _____

Date: _____

[SIGNATURE PAGE FOR LAND PROS, L.L.C.]

LAND PROS, L.L.C.

By: _____



Title: _____

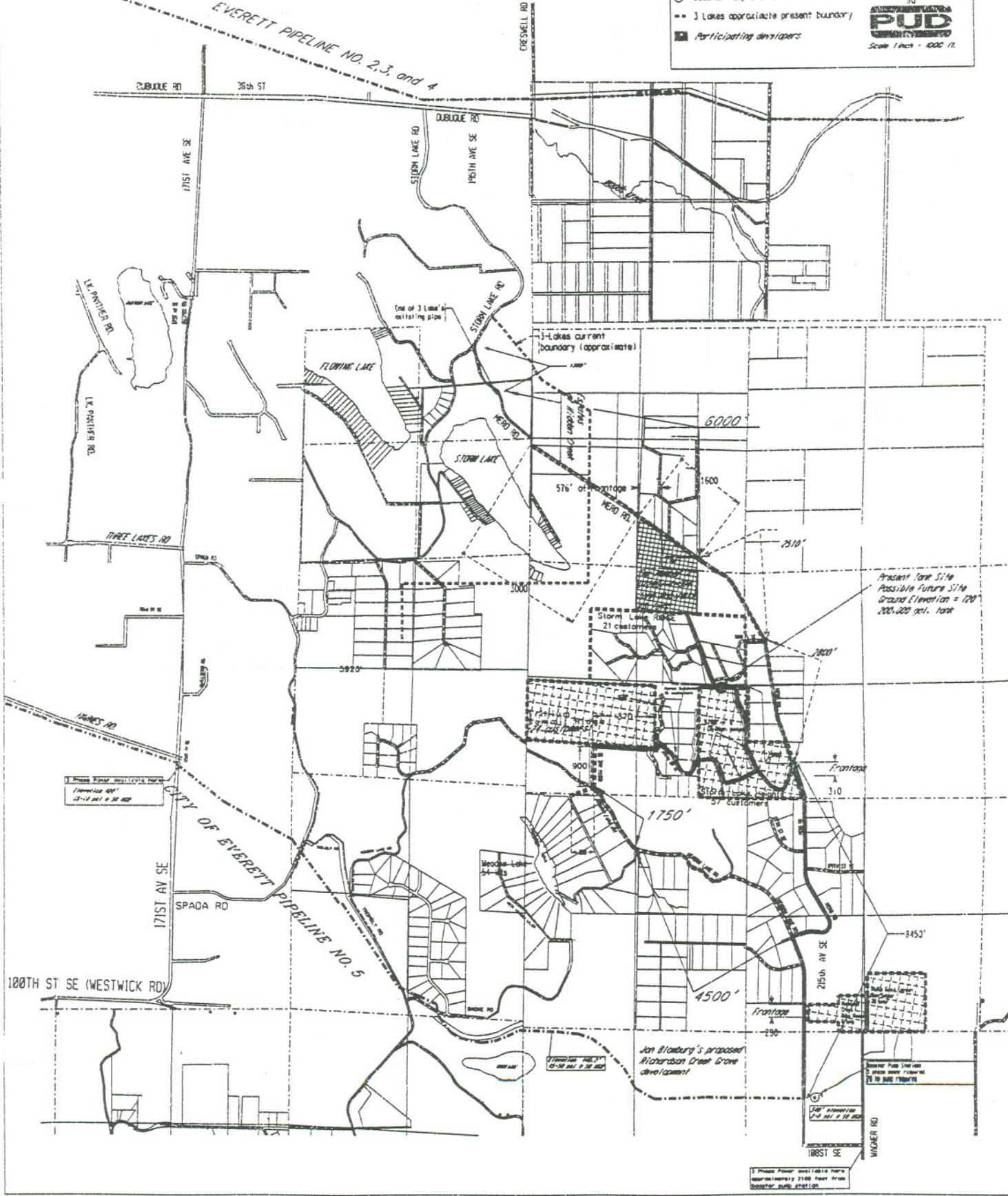
Date: _____

EXHIBIT 2
Sub-Regional Plan for delivering
water to Storm Lake Ridge, Storm
Lake Heights, Summit Ridge, Wolfe
Crest Estates, Highland Crest, and
Marble Ridge

KEY LEGEND

- 8" pipe built by Consortium
- Possible future main artesian needed on district
- 8 inch transmission main built within boundaries of proposed plats
- development boundary
- ⊕ Booster Pump Station
- - - Lakes approximate present boundary
- Participating developers



 Scale 1 inch = 400 ft.



3 Phase Power available here approximately 2100 feet from booster pump station

EXHIBIT 3 - VICINITY MAP

Resolution No. 4754

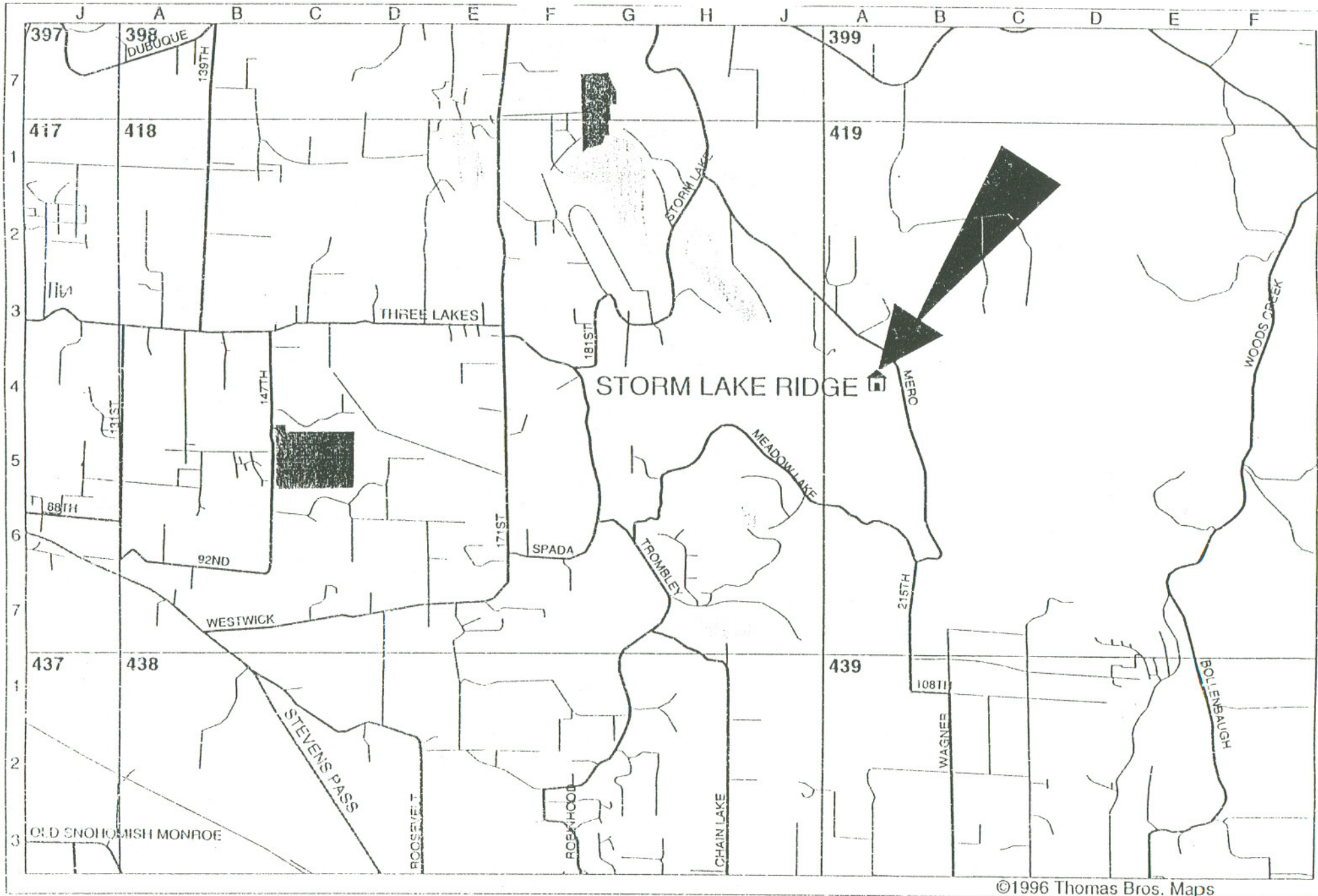


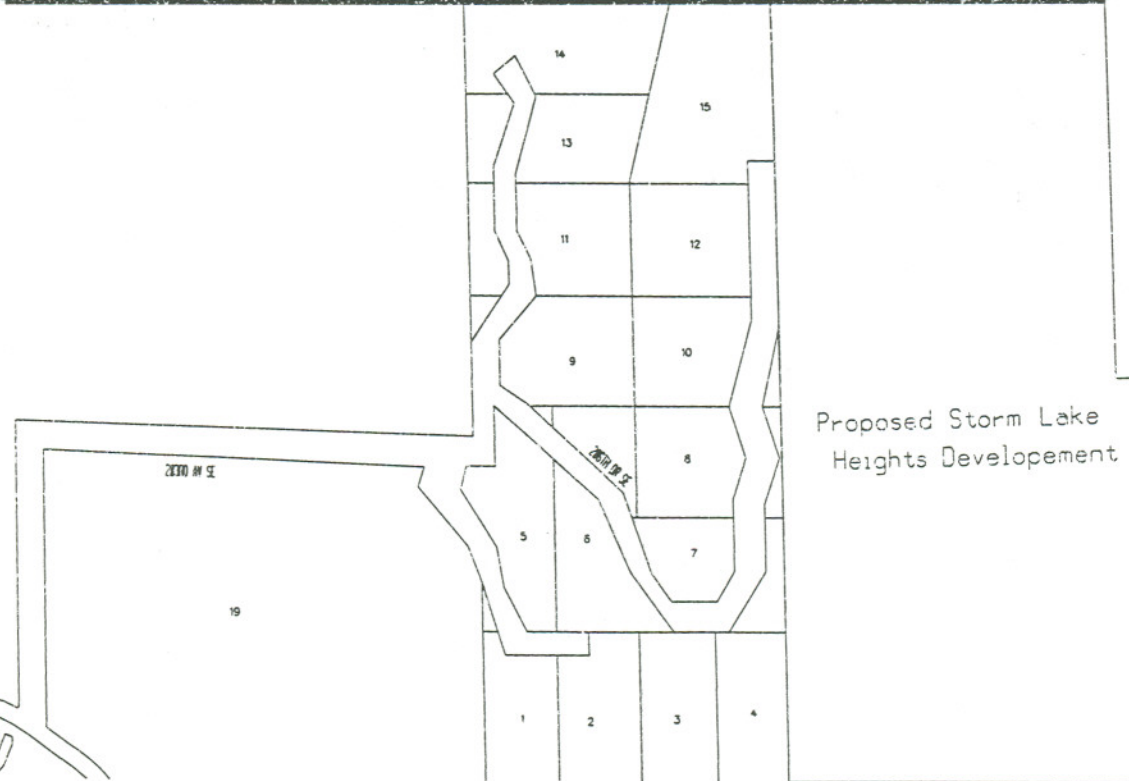
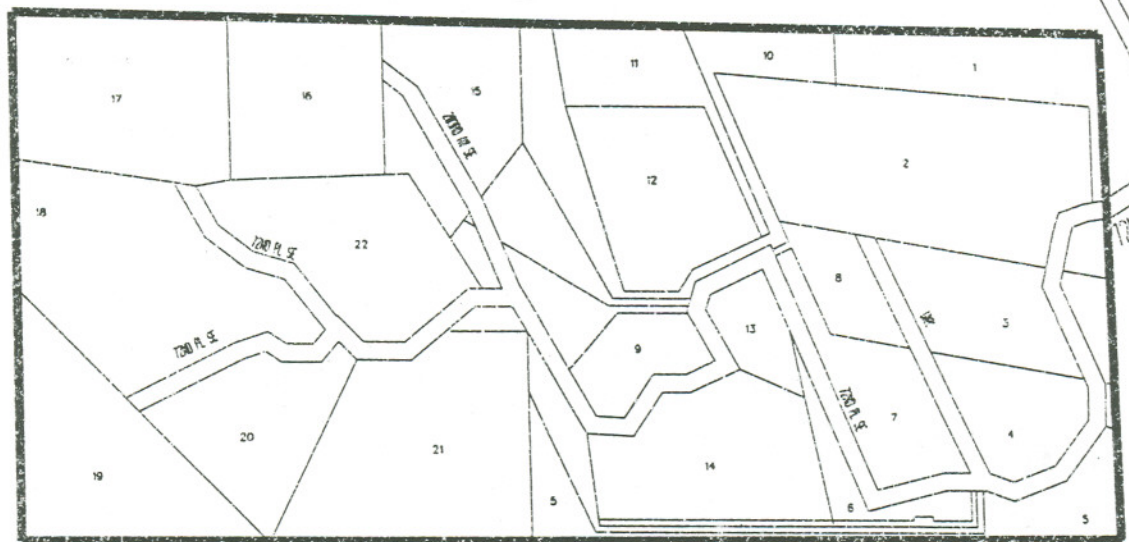
EXHIBIT 4 STORM LAKE RIDGE LUD BOUNDARY

KEY LEGEND

— LUD BOUNDARY

↑
PUD

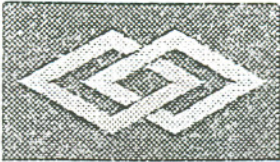
APPROXIMATE SCALE 1 INCH = 600 FEET



Proposed Storm Lake Heights Development

MEADOW LAKE RD

EXHIBIT 5 – PETITION VALIDATION



Real Estate

M e m o r a n d u m

TO: Guillemette Regan, Water Department

FROM: Vicki Baunsgard, Real Estate

DATE: March 4, 1997

SUBJECT: STORM LAKE RIDGE LUD #35
PETITION VALIDATION

In accordance with your request, the LUD petitions have been validated by ownership for each parcel in the Storm Lake Ridge area. Real Estate validated the affirmative petitions of 35 separate landowners, representing **more** than 50% (83%) of the 42 total owners of 22 separate tax accounts. This makes the petition a "majority petition" for purposes of RCW 54.16.150.

The following criteria was used to verify the petitions:

- All landowners were counted with interest of record.
- Security interest were not counted.
- Husband and wife each were considered one "landowner" (2 votes).
- If one person owns several pieces of property, the landowner is counted only once.
- The vendee on a real estate contract/deed should be counted as the landowner.

To substantiate the verification process, included are the following documents:

- All documents indicating "owners of record" for each parcel.
- Snohomish County tax records indicating ownership.
- Map indicating affirmative, unreturned and uncounted petitions.
- Listing by parcel with validation of ownership document and vote tabulation.

If we can be of any further assistance, please contact this office.

Attachments

STORM LAKE RIDGE LUD NO. 35						
PARCEL	OWNER	VALIDATION	RECORDING NO.	PETITION	VOTE	
		DOCUMENT TYPE		RETURNED	YES	NO
Storm Lake (Unplatted) NW/NE 7(28-7)						
1-005	Friesen, Leslie & Mary S.	Quit Claim Deed	9306100781	Yes	2	
1-006	Gertig, Gary W. & Elizabeth J.	Warranty Deed	8810060162	Yes	2	
1-008	Mulford, Jerry L. & Beverly J.	Warranty Deed	8701160217	Yes	2	
1-010	Hoover, Steven G. & Lesa K.	Warranty Deed	9005210327	Yes	2	
1-011	Briggs, III, Templeton & Joanne M.	Warranty Deed	9205150369	No		2
1-012	Carlson, Steven R. & Barbara A.	Warranty Deed	8906120388	Yes	2	
1-013	Kosinski, Robert & Beverly	Warranty Deed	8710290426	No		2
1-014	Stipek, Mark B. & Marcia L.	Warranty Deed	9212180242	Yes	2	
1-015	Winker, Susan	Warranty Deed	9104100241	Yes	1	
1-016	Henderson, Robert C.	Warranty Deed	8909250444	Yes	1	
	Moore, Kathleen L.	Warranty Deed	8909250444	Yes	1	
1-017	McKay, Jr., Howard A. & Sammy J.	Warranty Deed	8804210220	Yes	2	
1-018	Tjoelker, Michael L. & Christina J.	Warranty Deed	9110010165	Yes	2	
1-019	Deitch, Dennis M.	Quit Claim Deed	9508040094	Yes	1	
1-020	Gravelle, Timothy R. & Sarah S.	Warranty Deed	9509210049	Yes	2	
2-010	Bullard, Kevin J. & Michele M.	Warranty Deed	9206250064	Yes	2	
2-013	Trumpour, John A. & Katherine A.	Warranty Deed	8809090276	Yes	2	
2-014	Fideline, Randy L. & Connie L.	Warranty Deed	9106030427	Yes	2	
2-015	Milam, Jami S.	Warranty Deed	8801290205	Yes	1	
	Lamphere, Christopher L.	Warranty Deed	8801290205	No		1
2-016	Gedney, Douglas K. & Carol L.	Warranty Deed	9506190439	Yes	2	
2-017	Coonrod, Bret & Connie	Warranty Deed	9506280509	Yes	2	
2-018	Andulsky, Steven P. & Lorri S.	Warranty Deed	9002160401	No		2
2-019	Devereux, Mark & McMillan, Beverly	Warranty Deed	9008300091	Yes	2	
TOTALS						
					35	7

Exhibit 6

RESOLUTION NO. 4612

A RESOLUTION authorizing a feasibility study for Storm Lake Ridge Water LUD No. 35.

WHEREAS, pursuant to law, a petition to establish a water Local Utility District No. 35, (LUD No. 35) signed by a majority of land owners within the proposed Local Utility District (LUD) has been filed with the Clerk of the Board of Commissioners of the Public Utility District No. 1 of Snohomish County (District); and

WHEREAS, prior to ordering the improvements as requested in the Petition, the Commission has determined that it is prudent that a feasibility study be conducted which will address the financial and economic issues of the proposed improvements; and

WHEREAS, the proposed improvements will benefit those owning property within the boundaries of proposed LUD No. 35, and all costs associated with a feasibility study should be borne by Petitioners,

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Public Utility District No. 1 of Snohomish County, Washington, accept the Petition for formation of Water LUD No. 35, and authorize the General Manager to estimate the cost of a financial and economic feasibility study and to collect the same from Petitioners, and upon receipt of such funds, to prepare the study as outlined in the scope of work identified as Exhibit "A" attached hereto. If LUD

No. 35 is formed, the costs incurred by the feasibility and preliminary studies shall be included as a cost of the Local Utility District. Once the preliminary and feasibility costs have been included as an obligation of the Local Utility District, funds advanced for the study shall be refunded to the Petitioners who advanced the funds.

PASSED AND APPROVED this 8th day of April, 1997.

President


Vice-President


Secretary


EXHIBIT 7


STORM LAKE RIDGE IMPROVEMENTS

KEY LEGEND

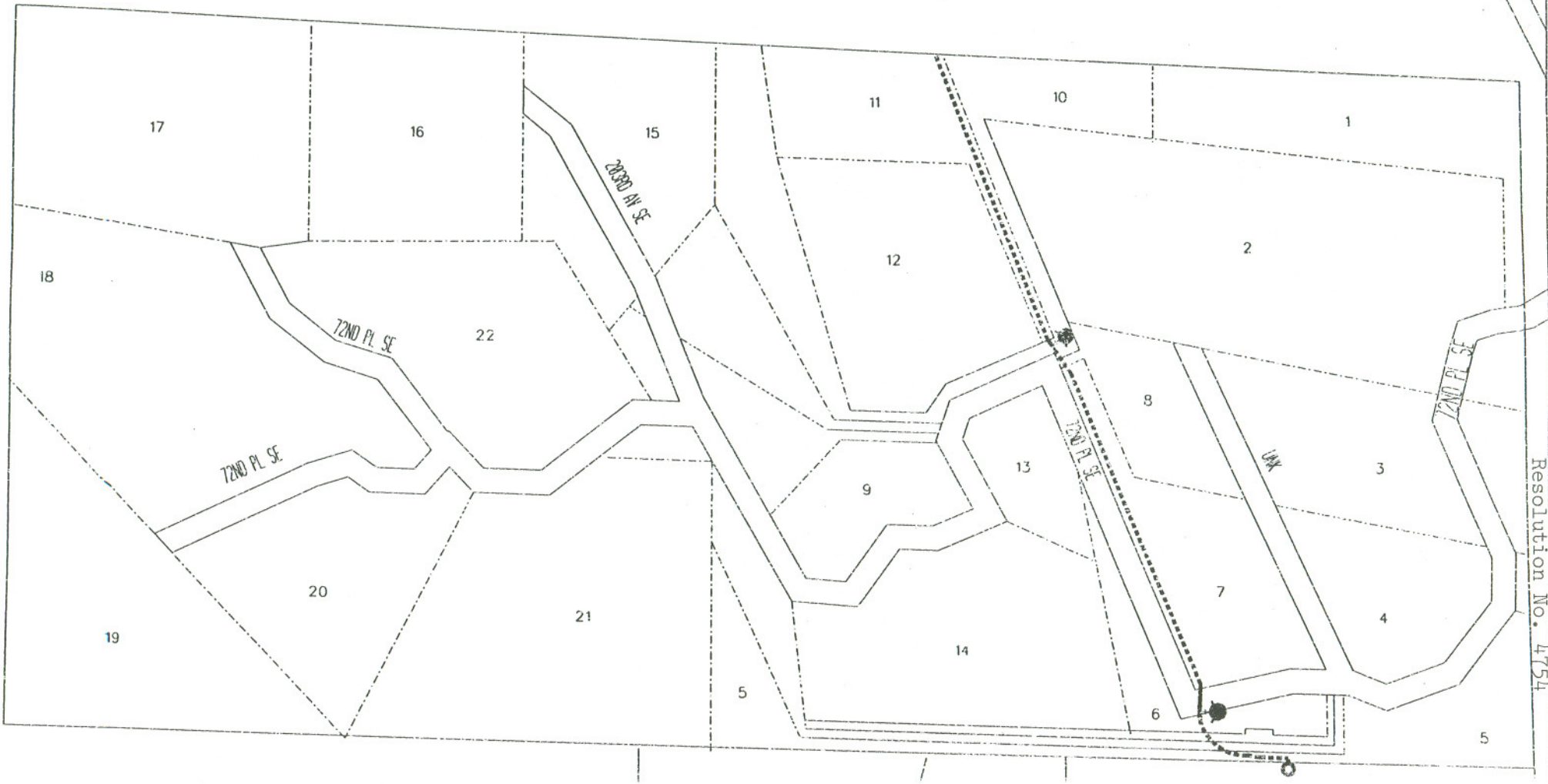
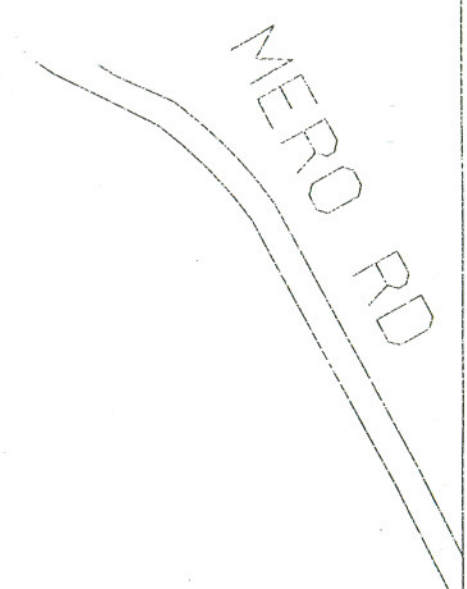


 FIRE HYDRANTS

 8" DI PIPE

 200,000 GALLON TANK

*APPROXIMATE SCALE 1 INCH = 346 FEET
Hydrants and Pipe NOT drawn to scale*



Resolution No. 4751

**Preliminary Assessment Roll For s Within Boundaries of
Water Utility LUD No. 35, Storm Lake Ridge
of Public Utility District No. 1 of Snohomish County, Washington**

EXHIBIT 8

<u>Tax Account No.</u>	<u>Recorded Owner and Mailing Address</u>	<u>Legal Description</u>	<u>Preliminary Assessment</u>
072807-1-005-0007	Leslie & Mary Friesen 21008 72nd Pl SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 5 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SE1/4 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
072807-1-006-0006	Gary W & Elizabeth Gertig 20816 72nd Pl SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 6 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SE1/4 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7 LESS FDT - COM AT NE COR OF S1/2 NE1/4 TH S00*03 56W 500.94FT TH N85*53 17W PLW N LN OF SD SUB 800FT TH S33*30 00E 634.95FT TH S85*53 17E PLW N LN OF SD SUB 72.75FT TH S03*00 00W 210.53FT TH N87*25 06W PLW S LN OF SD SUB 221.60FT TO POB TH N02*34 54E 16.33FT TH N87*25 06E PLW S LN OF SD SUB 82.33FT TH S02*34 54W 16.33FT TH S87*25 06E PLW S LN OF SD SUB 82.33FT TO POB PER BDY LN ADJ AF NO 8801080115	\$3,000.00
072807-1-008-0004	Jerry & Beverly Mulford PO Box 433 Monroe, WA 98272	SEC 07 TWP 28 RGE 07 TH PTN S1/2 NE1/4 DAF BEG NE COR SD SUB TH S00*03 56W ALG E LN SD SUB 295FT TH N85*53 17W PLW N LN SD SUB 60FT TH N00*03 56E PLW E LN SD SUB 5.47FT TH N72*00 00W 38.5FT TH N67*00 00W 53FT TH N80*30 00W 56FT TH N64*30 00W 35FT TH N85*53 17W PLW N LN SD SUB 591.83FT TH N80*45 23W 223.63FT TH S87*46 18W 181.11FT TH N04*06 43E 244.39FT TO N LN SD SUB TH S85*53 17E ALG SD N LN 1210FT TO POB PER BLA #96-105136 REC AF NO 9607160011 & CORR AF NO 9707100305	\$3,000.00
072807-1-010-0000	Robert R & May Welcome 21021 72nd Pl SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 TH PTN OF S1/2 NE1/4 DAF - COM NE COR SD SUB TH S00*03 56W ALG E LN SD SUB 295FT TO TPB TH CONT S00*03 56W ALG SD E LN 205.94FT TH N85*53 17W PLW N LN SD SUB 1431.59FT TH N15*00 00W 270.19FT TH S85*53 17E PLW N LN SD SUB 274.70FT TH N87*46 18E 181.11FT TH S80*45 23E 223.63FT TH S85*53 17E 591.83FT TH S64*30 00E 35FT TH S80*30 00E 56FT TH S67*00 00E 53FT TH S72*00 00E 38.50FT TO WLY ELY LN OF LOT 2 OF REV DESC REC AF NO 8612020303 TH S00*03 56W 5.47FT TH S85*53 17E 60FT TO TPB PER BLA #96-105136 REC AF NO 9607160011 & CORR AF NO 9707100305	\$3,000.00
072807-1-011-0009	US Bancorp Mtg Co Templeton Briggs III #31838967 PO Box 8837 Portland, OR 97208	SEC 07 TWP 28 RGE 07 LOT 11 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SW1/4 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00

Resolution No. 4754

**Preliminary Assessment Roll For s Within Boundaries of
Water Utility LUD No. 35, Storm Lake Ridge
of Public Utility District No. 1 of Snohomish County, Washington**

EXHIBIT 8

<u>Tax Account No.</u>	<u>Recorded Owner and Mailing Address</u>	<u>Legal Description</u>	<u>Preliminary Assessment</u>
072807-1-012-0008	Capstead Mtg. Corp S R Carlson # 115676986 1400 Corporate Dr Irving, TX 75038	SEC 07 TWP 28 RGE 07 LOT 12 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN NE1/4 & NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
072807-1-013-0007	Robert & Beverly Kosinski 15502 Meadow Road Lynnwood, WA 98036	SEC 07 TWP 28 RGE 07 LOT 13 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN S1/2 NE 1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
072807-1-014-0006	Mark & Marcia Stipek 20526 72nd PI SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 14 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN S1/2 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 70	\$3,000.00
072807-1-015-0005	Dean A & Gladys Vanpeursesem 21013 72nd PI SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 3 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN S1/2 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7 TGW FDT: COM AT NE COR OF S1/2 NE1/4 TH S00*03 56W 500.94FT TH N85*53 17W PLW N LN OF SD SUB 800FT TH S33*30 00E 634.95FT TH S85*53 17E PLW N LN OF SD SUB 72.75FT TH S03*00 00W 210.53FT TH N87*25 06W PLW S LN OF SD SUB 221.60FT TO POB TH N02*34 54E 16.33FT TH N87*25 06W PLW S LN OF SD SUB 82.33FT TH S02*34 54W 16.33FT TH S87*25 06E PLW S LN OF SD SUB 82.33FT TO POB LESS FDT: COM AT NE COR OF S1/2 NE1/4 TH S00*03 56W ALG E LN OF SD SUB 760.53FT TH N85*53 17W PLW N LN OF SD SUB 593.57FT TH S33*30 00E 282.83FT TH S85*53 17E PLW N LN OF SD SUB 82.53FT TH S03*00 00W 250FT TH N87*25 06W PLW S LN OF SD SUB 261.45FT TO TPB TH N02*34 54E 16.33FT TH N87*25 06W PLW S LN OF SD SUB 42.33FT TH S02*34 54W 16.33FT TH S87*25 06E PLW S LN OF SD SUB 42.33FT TO POB PER BDY LN ADJ AF NO 8801080115	\$3,000.00
072807-1-016-0004	Robert C Henderson 21007 72nd PI SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 4 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN S1/2 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7 TGW FDT: COM AT NE COR OF S1/2 NE1/4 TH S00*03 56W ALG E LN OF SD SUBDIV 760.53FT TH N85*53 17W PLW N LN OF SD SUBDIV 593.57FT TH S33*30 00E 282.83FT TH S85*53 17E PLW N LN OF SD SUB 82.53FT TH S03*00 00W 250FT TH N87*25 06W PLW S LN OF SD SUB 261.45FT TO TPB TH N02*34 54E 16.33FT TH N87*25 06W PLW S LN OF SD SUB 42.33FT TH S02*34 54W 16.33FT TH S87*25 06E PLW S LN OF SD SUB 42.33FT TO POB PER BDY LN ADJ AF NO 8801080115	\$3,000.00

Resolution No. 4754

**Preliminary Assessment Roll For
of Public Utility District No. 1 of Snohomish County, Washington**

ent

**Preliminary Assessment Roll For
Water Utility LUD No. 35, Storm Lake Ridge
of Public Utility District No. 1 of Snohomish County, Washington**

EXHIBIT 8

<u>Tax Account No.</u>	<u>Recorded Owner and Mailing Address</u>	<u>Tax Account No.</u>	<u>Recorded Owner and Mailing Address</u>	<u>Legal Description</u>	<u>Preliminary Assessment</u>
072807-2-016-0002	Douglas K & Carol L Ged 7226 203rd Ave SE Snohomish, WA 98290	072807-1-017-0003	Howard Jr & Sammy McKay 20825 72nd Pl SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 7 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN NE1/4 & NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
072807-2-017-0001	Colonial Mtg Co Bret Coonrod & Connie Br PO Box 1108 Montgomery, AL 36142	072807-1-018-0002	Countrywide Fund Corp Michael L Tjoelker #7127069 PO Box 10211 Van Nuys, CA 91410	SEC 07 TWP 28 RGE 07 LOT 8 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN NE1/4 NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
072807-2-018-0000	Chase Manhattan Steven P Andulsky # 3085 200 Old Wilson Bridge Rd Worthington, OH 43085	072807-1-019-0001	Dennis M Deitch 20433 72nd Pl SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 9 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SW1/4 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
072807-2-019-0009	Lomas Mtg USA Mark D Devereux 6995896 P O Box 660722 Dallas, TX 75266	072807-1-020-0008	Timothy R & Sarah S Gravelle 20615 72nd Pl SE St Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 10 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN S1/2 NE1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
		072807-2-010-0008	Kevin J Bullard 20030 72nd Pl SE Snohomish, WA 98290	SEC 07 TWP 28 RGE 07 LOT 20 OF SURVEY 167-79 (REV) REC UND AF NO 8612020303 BEING PTN SE1/4 NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
		072807-2-013-0005	Colonial Mtg Co John Trumpour #159672 PO Box 1108 Montgomery, AL 36142	SEC 07 TWP 28 RGE 07 LOT 21 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SE1/4 NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
		072807-2-014-0004	S John & Jean M. TR Vukov 5641 Pleasure Pt Lane Bellevue, WA 98006	SEC 07 TWP 28 RGE 07 LOT 22 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SE1/4 NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00
		072807-2-015-0003	Fleet Mtg Group Christopher L Lamphere #7631373 P O Box 100570 Florence, SC 29501	SEC 07 TWP 28 RGE 07 LOT 15 OF SURVEY 167-79(REV) REC UND AF NO 8612020303 BEING PTN SE1/4 NW1/4 TGW UNDIV INT S 60FT OF N 320FT OF SW1/4 NW1/4 LY WLY OF CO RD IN SEC 08 TWP 28 RG 7	\$3,000.00

RESOLUTION NO. 4765

A RESOLUTION Authorizing the District's General Manager to Execute a Water System Installation Agreement with L.G. Design, Inc., Velma Wolfe and the Velma Wolfe Trust, Trillium Corporation, Highland Associates, and Land Pros, L.L.C. for the Design, Construction and Operation of a Public Water System to Serve the Storm Lake Ridge Area, North of the City of Monroe.

WHEREAS, the residents of the Plat of Storm Lake Ridge located approximately five miles north of the City of Monroe, Washington, have requested that the District form a local utility district (LUD) for the purpose of providing them with public water supply, and District staff has determined that the required water supply project would not be financially or economically feasible in the absence of additional sources of funding; and

WHEREAS, individual developers of five separate residential plats proposed for the Storm Lake Ridge area have also requested water service of the District, and District staff have determined that with the combined resources of those individual developers and the Storm Lake Ridge community, it would be feasible to construct a water system capable of supplying the public water supply needs of all of the requesting parties; and

WHEREAS, District staff and the developers have negotiated an agreement providing for the design and construction of a water supply, transmission, storage and distribution system to be owned and operated by the District, with appropriate funding from each of the benefited parties, and such agreement has been executed by each of the developers and endorsed by the Storm Lake Ridge Community; and based upon the recommendation of staff the Board finds that such agreement is

reasonable and in the best interest of the District and its customers,

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Snohomish County, Washington, that the District's General Manager is hereby authorized and directed to execute a Water System

Installation Agreement for the design, construction and operation of a public water supply system to serve the Storm Lake Ridge area; such Agreement shall be in substantially the form as that contract attached hereto as Exhibit "A" and incorporated herein by this reference.

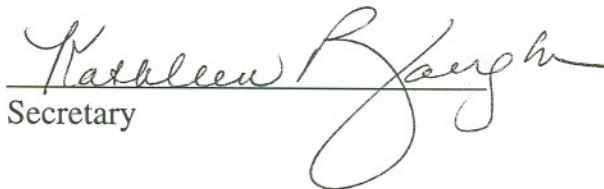
PASSED AND APPROVED this 14th day of July, 1998.



President



Vice-President



Secretary

Exhibit A

WATER SYSTEM INSTALLATION AGREEMENT

This agreement is made and entered into by and between Public Utility District No. 1 of Snohomish County, a municipal corporation of the State of Washington (the "District"); and L. G. Design, Inc., Velma Wolfe and the Velma Wolfe Trust, Trillium Corporation, Highland Associates, and Land Pros, L.L.C. (when referred to collectively, the "Developers"). The effective date of this agreement shall be the date of execution by all of the parties hereto, _____, 19__.

WHEREAS, the North Snohomish County Coordinated Water System Plan, adopted pursuant to Chapter 70.116 RCW, designates the District as the water service provider for rural areas in the vicinity of Meadow Lake and Storm Lake, approximately 5 miles north of the City of Monroe, Washington; and

WHEREAS, the Developers are in the process of constructing their own respective separate residential plats within such vicinity and each of them desires a dependable, quality source of domestic water supply for dwellings to be located therein; and each of the Developers has requested water service from the District for its own respective plat; and

WHEREAS, the District has been requested by the property owners within the existing residential Plat of Storm Lake Ridge to provide domestic water service to them through establishment of a local utility district ("LUD"); and

WHEREAS, the Parties hereto have determined that a cooperative effort, involving the construction of a single water pumping, transmission, and storage system capable of conveying water to all of the subject residential plats, represents the most economical and efficient manner of meeting their respective needs, and that such system should be constructed in accordance with the terms and conditions herein below, and owned and operated by the District, with costs of construction shared as provided below,

NOW, THEREFORE, based upon the foregoing premises, and the mutual covenants herein, the parties agree as follows:

I. PROJECT DESCRIPTION

A. General

The parties will cooperate to accomplish the construction and operation of a water distribution system with capacity to serve approximately 220 residential units, including but not limited to the individual residential developments of Highland Crest, Wolfe Crest Estates, Storm Lake Heights, Storm Lake Ridge, Marble Ridge, and Summit Ridge, located in the Meadow Lake/Storm Lake area, approximately 5 miles north of the City of Monroe, Washington. The water distribution system will be attached to the City of Everett's water Pipeline No. 5 at the point where such Pipeline crosses 215th Avenue SE and extend northward along such road and Mero Road to the Storm Lake Heights Development entrance, through such development, branching northerly to the water distribution system's storage reservoir, and westerly, crossing the Morse Subdivision, to the entrance of the Summit Ridge Development (all portions within the Storm Lake Heights Development except an approximate 250-foot portion extending westerly from the northern terminus of the Storm Lake Heights water distribution system to be completed by L. G. Design, Inc., at its own cost); the water distribution system extends northerly from the water storage reservoir through the Storm Lake Ridge Development, and terminates at the boundary line between Storm Lake Ridge and Marble Ridge Developments; all as depicted generally on Exhibit A, attached hereto and incorporated herein by this reference. Plat descriptions are as depicted in Exhibit B, attached hereto and incorporated herein by this reference.

Certain portions of the water distribution system will be funded and installed by individual developers; other portions, which are deemed to benefit all parties, will be funded by all of the Developers, with a contribution from the District. Those portions of the water distribution system deemed to benefit all parties to this Agreement shall be generally referred to hereafter as "the Project." The Project is more specifically described as follows:

- Installation of an 8-inch tap and meter on City of Everett No. 5 Water Transmission Pipeline, at the intersection of such Pipeline with 215th Avenue SE.
- Construction and installation of a Project booster pump station to be located along 215th Avenue SE at a point near its intersection with City of Everett Pipeline No. 5; procurement of a site for said Project booster pump station.

- Installation of three-phase electric power to serve the Project booster pump station; power to be obtained from District-owned electric distribution facilities located on Wagner Road at 108th Street SE.
- Installation of approximately 12,300 lineal feet of 8-inch ductile iron (DI) water transmission/distribution pipe (including a fire hydrant at least every 1,000 feet) consisting of:
 - Approximately 8450 feet of 8-inch DI pipe installed from the Pipeline tap to the Project booster pump station, and from said booster pump station north along 215th Avenue SE and Mero Road to the road entrance to the Plat of Storm Lake Heights.
PROVIDED: that the approximately 300-foot portion of the 8-inch DI pipe, which is part of the Project and located within the county road frontage of the Plat of Highland Crest, shall be funded solely by the Developer of such Plats; and the approximately 100-foot portion of such 8-inch DI pipe, which is part of the Project and located within the county road frontage of the Plat of Storm Lake Heights, shall be funded solely by the Developer of such Plat. (Extension of the 8-inch DI water distribution pipe through the plat of Storm Lake Heights to a point approximately 250 feet directly east of the water storage reservoir site, and westerly to the Morse Subdivision is not a part of the Project, although such construction shall be coordinated with, and conducted simultaneously with, Project construction and is critical for a functional Project. Such extension and coordination are solely at the expense of and the responsibility of L. G. Design, Inc., except as otherwise specifically provided in Section III, below.)
 - Approximately 1610 feet of 8-inch DI pipe beginning at its point of connection with the 8-inch DI pipe installed to the western boundary of the Plat of Storm Lake Heights and extending through the Morse Subdivision along dedicated road right-of-way to the easternmost boundary of the Plat of Summit Ridge.
 - Approximately 250 feet of 8-inch DI pipe extending from the northernmost terminus of the water distribution system installed within road right-of-way in the Plat of Storm Lake Heights, westerly to the Project's water storage facility site.
 - Approximately 2000 feet of 8-inch DI pipe extending from the Project's water storage facility, northerly through the Plat of Storm Lake Ridge to its boundary with the Plat of Marble Ridge; such

portion of water line extension shall include two (2) fire hydrants and shall be installed on private property and road right-of-way; procurement by the District of any necessary easements for such portion shall be included as a Project cost.

- Establishment and preparation of a site for installation of the Project's water storage facility within the Plat of Storm Lake Heights at the agreed location described in Section III A. 4., below.
- Construction of an approximately 200,000-gallon concrete "Mt. Baker" Silo Reservoir, approximately 26 feet in diameter by 50 feet in height (actual height to be determined by the District, based upon required elevation and Project system capacity), including but not limited to all necessary reservoir-related valves, pipes, controls and appurtenances on the water storage facility site and extending to the boundary of such site, site preparation, site storm water retention facilities, site grading and access roads, and attachment of the Reservoir to the Project at the boundary of the water storage facility site.

B. Standards

All work, materials, supplies, and construction of items included in the Project as well as all water distribution system installations which are to be funded and/or installed by individual Parties under this Agreement and attached to the Project (all as more particularly described below) shall comply with District water system specifications and standards, and shall be subject to inspection and approval by the District.

C. Construction, Ownership, Maintenance and Operation of the Project and Related Water Systems; Warranty

1) Upon completion of the Project and all separate water distribution system installations by individual Developers, which installations are to be attached to and served by the Project, and following approval thereof by the District, the Developers shall each convey and quitclaim to the District any interest or claim which they may have in the Project, and any interest or claim they may have in the individual water distribution system(s) they have installed or shall install to serve their individual Plats, including easements as necessary for operation and maintenance thereof, and the District shall accept all rights to ownership and use of the Project and all Developer-installed water distribution systems attached thereto under this Agreement. In consideration of conveyance to the District of the Project and related, attached Developer-installed water distribution systems, the District

agrees to own, operate, and maintain all of such systems, and by means of such systems, shall provide water service to each of the Plats listed in this Agreement, subject to the District's regular Lake Stevens Integrated Water System rates and tariffs, except as specifically provided otherwise in this Agreement.

- 2) Any portion or portions of the Project or individual Developer-installed water systems constructed under this Agreement which fail to meet the required District specifications and standards shall not be accepted and utilized for water service by the District until the same have been modified or repaired to meet District standards.
- 3) Maintenance for all portions of the Project or other water distribution system installations accepted and approved by the District shall become District responsibility from the date of acceptance by the District. PROVIDED, that all work and materials performed or installed by the Developers, or any of them, shall be subject to a one (1) year warranty from the date of acceptance by the District, as described in Subsection II. d. 2) a). PROVIDED FURTHER, that individual customer service lines, from the point of attachment to the District's meter assembly, shall be and remain the customer's responsibility.
- 4) All water system distribution lines and other facilities to be conveyed to and operated by the District hereunder shall be installed within public road right-of-way or within easements, on a form acceptable to the District, with the District as the named grantee.
- 5) All parts of the Project and related attached water distribution system installations shall be conveyed to the District by means of itemized bills of sale, showing the actual, verified cost of each listed component, on a form acceptable to the District, and shall be free of any and all liens and encumbrances of whatsoever nature at the time of conveyance.
- 6) It is understood and agreed that the timing of construction of any separate water distribution system, or portion thereof, installed by an individual Developer to serve properties within an individual plat only, and not necessary for operation of the Project or necessary for operation of any other party's separate water distribution system, is a matter subject to the sole discretion and control of the respective plat Developer. Except as expressly provided herein, such distribution system construction shall be subject to all applicable policies and requirements of the District at the time of construction.

II. PROJECT COST SHARING, AND RELATIONSHIP OF THE PARTIES

A. Intent of the Parties

By means of this Agreement the parties intend to create a plan and process for construction of the Project and related, attached water distribution system installations which will serve the respective listed subdivisions for which the parties desire to secure a quality, reliable source of potable water supply. Each of the parties will contribute to the Project the respective funding and/or services described in this Section II below and in Section III.

B. Time of the Essence

The parties acknowledge and agree that timely performance of the responsibilities to be undertaken by each of them is essential for success of the Project; therefore, each party agrees to use best efforts in all matters impacting the Project. It is desired that Project construction proceed according to the schedule as shown below, and that individual Developer-installed water distribution systems be coordinated with Project construction as necessary to accommodate such schedule:

ACTION	TIMELINE	PARTY RESPONSIBLE
Secure Pump Station Site	(done)	PUD
Deposit funds for Survey and Geotech Report	(paid)	Developers
Complete Geotech report and Survey for Tank Site	(done)	PUD
Selection of Tank Site	(done)	PUD/ Developers
Secure Tank Site easement	(done)	PUD
Execute Agreement	Time 0	Developers/PUD
Initiate Conditional Use Permit Application for Tank Site	(upon execution)	PUD
Deposit funds for PUD engineering Deposit funds for PUD Real Estate-Easement services and easement purchases	(upon execution)	Developers
Secure all Pipeline easements from third parties	1 month	PUD
Begin Design of Pipeline Project	1 month	PUD

* This schedule applies in relation to the "Effective Date" of this Agreement

Begin Design of Booster Pump (BPS) Station and Tank	1 month	PUD
Initiate County Right of Way (R/W) permit	1 month	PUD
Complete BPS design and Bid package	2 months	PUD
Initiate Building and Grading Permit for Tank	3 months	PUD
Award contract for BPS to low bidder	4 months	PUD
Deposit funds for building pump station and 3-phase power	4 months	PUD
Submit Plans of BPS and Tank to DOH for approval	4 months	PUD
Select General Contractor for Project Pipeline construction	5 months	Developers
Deposit funds for Everett Tap	5 months	Developers
Begin Construction on Pipeline (permit dependent)	6 months	Developers
Begin Construction on Tank (permit dependent)	7 months	Developers
Begin Construction on BPS (permit dependent)	7 months	Developers
Deposit funds for SCADA	9 months	Developers
Project Complete and all components tested	11 months	Developers/PUD
Final acceptance of all facilities by PUD	12 months	PUD
Water available to all plats	13 months	PUD

C. Identification of Parties

1) Developers

<u>Owner/Contact</u>	<u>Development</u>	<u>No. of Lots</u>	<u>Pro-Rata Contribution to Project</u>
a) L. G. Design Inc. Attn: Peter Lance 925 116 th NE, Suite 100 Bellevue, WA 98004 Voice 206-948-8922 Fax 425-646-4766 Office 425-455-2065 ext. 201 E-mail peterlan@brigadoon.com	Storm Lake Heights	57	50.893%

b)	Velma Wolfe and the Velma Wolfe Trust Donald Setzer and Donald Wolfe, Trustees Attn: Don Setzer P.O. Box 1147 Monroe, WA 98272 360-794-3553	Wolfe Crest Estates	20	17.857%
c)	Highland Associates Attn: Ross Woods 2815 Alaskan Way, Suite 228 Seattle, WA 98121 Voice 206-374-0414 Fax 206-374-0415	Highland Crest	6	5.357%
d)	Trillium Corporation Attn: Faruk Tayshi 4350 Cordata Parkway Bellingham, WA 98226 Voice 360-676-9400 Fax 360-676-7736	Summit Ridge	14	12.500%
e)	Land Pros, L.L.C. Attn: John Robinett 1831 Colby Everett, WA 98201 Voice 425-252-2500 Fax 425-259-0288	Marble Ridge	15	13.393%
TOTAL NEW PLAT LOTS APPLIED FOR TO RECEIVE WATER			112	100.00%
2)	Public Utility District No. 1 of Snohomish County P.O. Box 1107 Everett, WA 98206-1107 Voice 1-800-562-9142 Fax 425-258-8222 Attn: Alan Cohen ext. 8602 Al Ryan ext. 8450 Mark Spahr ext. 8601	LUD No. 35, Storm Lake Ridge	22	
		Morse Subdivision	<u>15</u>	
		TOTAL	149	

D. Project Cost Sharing

1) Developer Financial Contributions

Each Developer shall pay its pro-rata share of the costs incurred in installation of the Project, including but not limited to design, engineering, construction, inspection, parts, equipment, materials, permits, easements, rights-of-way, property, survey, and geo-technical testing and reporting. The pro-rata share of each Developer shall be based upon the number of lots listed in Section III.C.1) immediately above, as compared with the total number of Developer lots to be served with water by the Project, as listed above. Any additional lots approved by the county for construction within any of the listed plats beyond the number provided above shall be treated as though attached to the Project by a third party and shall be subject to the charges described below. There shall be no adjustment for lots deleted from that number provided herein above.

PROVIDED, that the approximately 300-foot portion of the 8-inch DI pipe which is a part of the Project and located within county road frontage abutting the Plat of Highland Crest shall be funded solely by the respective Developer of such Plats and the approximately 100-foot portion of such 8-inch DI pipe which is a part of the Project and located within county road frontage abutting the Plat of Storm Lake Heights shall be funded solely by the respective Developer of such Plat.

Any District contribution toward Project construction, made pursuant to subsection II.D.3) below, shall benefit the Developers in accordance with the pro-rata division of costs established above, except as otherwise specifically provided.

2) Financing and Payments by Developers; Security

a) Each Developer shall have its "necessary funding" established and available to meet its entire pro-rata share of Project funding responsibilities under this Agreement, based upon cost estimates supplied by the District, including "contingency" amounts. To the extent that completion of an operational Project capable of serving all parties is dependent upon construction by a Developer of all or

b) any portion of such Developer's own plat water distribution system, "necessary funding" shall include all amounts necessary to construct and make operational such portion(s) of any such water system.

Construction Security: Each Developer shall have issued to the District, with a copy to each other party hereto, a "standby" letter of credit, or equivalent security, securing such Developer's payment of its pro-rata share of Project costs and the costs of any portion of such Developer's own water distribution system which are necessary for Project completion and operation as provided herein. Such letter of credit, or equivalent security, shall be on a form satisfactory to the District, in the amount required in this subsection, and shall be issued as required herein within thirty (30) days following execution of this Agreement by all Developers. Should any such letter of credit, or equivalent security be exercised by the District in the event of default of one or more of the Developers, the District shall act as a trustee with regard to funds obtained pursuant thereto, and shall cause such funds to be disbursed on behalf of the defaulting Developer(s) in accordance with the terms of this Agreement.

SECURITY AMOUNT

<u>Development</u>	<u>Security</u>
Storm Lake Heights	\$759,000
Summit Ridge	\$112,000
Wolfe Crest Estates	\$160,000
Highland Crest	\$ 99,000
Marble Ridge	\$120,000

All letters of credit shall be issued by a bank authorized to do business in the State of Washington; the issuing bank and the letter of credit or equivalent security shall be subject to the reasonable approval of the other parties to this Agreement.

Warranty Security: Before the District shall issue its letter of final acceptance with regard to the Project, or any separate Developer-installed water system, there shall be provided to the District a performance bond or equivalent security, as approved by the District, guaranteeing correction or replacement of any defective work or materials discovered by the District within the one-year warranty period described in Subsection I. C. 3) above. With regard to the Project, such security shall be in an amount equal to

Ninety Thousand Dollars (\$90,000). The cost of such security shall be apportioned as provided in this Agreement.

With regard to each separate Developer-installed water system, such security shall be in an amount equal to ten (10) percent of the full cost to the Developer of such separate water system, with the appropriate Developer as the designated principal, and at such Developer's separate cost.

b) The Developers shall retain Interwest Savings Bank of Everett, 8519 Evergreen Way, Everett, Washington, 98208, to issue payment of monthly invoices for Developer-constructed portions of the Project. All Project costs for construction to be performed by the Developers collectively or individually shall be paid monthly, based upon invoices forwarded to Interwest Savings Bank by the District or the respective contractor or contractors performing work on behalf of the Developer(s).

c) Developers shall enter an agreement with Interwest Savings Bank to provide the service of accepting Project invoices and disbursement of payment of Project costs as provided herein.

Such agreement shall also provide:

- 1) for disbursement to the District of funds required by the District to proceed with its Project responsibilities as described in Section III.A. below;
- 2) for disbursement to the Developers pro rata, or individually, certain General Facilities Charges ("GFCs"), Water Resource Connection Charges ("WRCs") and Distribution System Charges ("DSCs") received by the District and to be paid over to the Developers pursuant to subsection II.D.3) below; and
- 3) for maintaining the records and accounts required under this Agreement for payments by and reimbursement of the respective parties as provided herein.

d) For those Project actions to be undertaken by the District in accordance with Section III.A. below, fund advances shall be (or have been) disbursed to the District in the following amounts, according to the following schedule*:

ACTION	ESTIMATE	15% Contingency	Date
Geotechnical report and Survey	\$ 9,000	(paid)	2/98
Conditional Use permit for Tank	\$ 4,000	\$ 4,600	(execution)
Real Estate Easement Services	\$ 2,000	\$ 2,300	(execution)
Engineering	\$ 24,348	\$ 28,000	1 month
R.O.W. Permit for pipe	\$ 5,000	\$ 5,750	3 months
Building Permit for Tank	\$ 4,000	\$ 4,600	3 months
Grading Permit for Tank	\$ 2,000	\$ 2,300	3 months
DOH approval for PS and Tank	\$ 1,000	\$ 1,150	3 months
Pump Station	\$130,000	\$ 149,500	4 months
3 Phase Power	\$ 12,000	\$ 13,800	4 months
LESS PUD Contribution	\$ -44,375	\$ -44,375	4 months
Telemetry (SCADA) for PS and Tank	\$ 30,000	\$ 34,500	10 months
Tap on Everett 5 line	\$ 30,000	\$ 34,500	10 months
FUNDS From Developers to District TOTAL	\$199,973	\$ 236,625	

PROVIDED, that the amounts stated above are the District's best estimates only, at the time of contracting, and (except for the District's contribution amount) are subject to change, based upon actual cost. The District shall endeavor to request advance payment in only those amounts it reasonably determines shall be required to accomplish its assigned responsibilities hereunder. Any surplus in advanced payments shall be held by the District and shall be applied to reduce subsequent advances required hereunder. The District's financial contribution shall be in the form of a credit to be applied against the advance payments to be made by Developers at 4 months after the effective date of this Agreement.

Should actual costs exceed estimated costs for any reason, the District shall notify the Developers and request additional funding. Disagreement on amount of additional funding due shall not delay advancing of funds as requested by the District for contractor

* The schedule applies in relation to the "Effective Date" of this Agreement.

payment, and shall not delay Project completion, but shall be resolved through the dispute resolution process provided herein below.

District contractor claims and change orders shall be reviewed with Developers prior to approval and payment by the District. The District shall pay only those contractor claims and change order amounts deemed by it to be reasonable and appropriate.

The Developers shall be responsible for payment of actual cost of the Project, including those portions performed by the District and/or its contractors, except as may be resolved otherwise through the Dispute Resolution Process provided herein below, and except as provided in subsection II.D.3)b) below.

e) The Developer contributions provided in this section II. D. shall constitute full consideration for and shall be in lieu of payment to the District of any GFC or DSC for water service connection to the number of properties indicated in section II.C.1 above, within the Developer Plats listed therein. PROVIDED, however, that all individual customer service meters shall be furnished and installed by the District, at an additional cost to the Developers, their successors and assigns, of approximately \$90 each and if necessary individual customer Pressure Reducing Valves (PRV) at an additional cost of approximately \$145 each, in accordance with the District's Standard Domestic Water Service Policy and then-applicable rates. (Meter and valve installation costs are based upon 1997 rates and are subject to change.)

Additional water service connections shall be in accordance with the District's regular customer service policies in effect at the time of connection.

3) District Contribution

a) Residents of the existing Plat of Storm Lake Ridge have requested water service from the District. Upon execution of this Agreement, the District shall commence the process of formation of a local utility district ("LUD") to serve the Plat of Storm Lake Ridge with water. The District anticipates accepting ownership of the water distribution systems within each of the described developments at no cost to the District, except as specifically provided herein below, and providing water service through such systems by means of the Project, including portions of that water

distribution system to be installed hereunder by L. G. Design, Inc., for its Plat of Storm Lake Heights and Highland Associates for its Plat of Highland Crest.

b)

- (1) As further consideration for the Developers' individual and collective agreements to construct and install the Project as described herein, with capacity sufficient to serve approximately 220 residential units, including but not limited to the District's Storm Lake Ridge LUD and the Morse Subdivision, and the plats listed above, and to construct the water distribution systems to be located within each of the Developers' respective plats, and convey the same to the District, the District agrees that it shall contribute the sum of \$44,375 (forty- four thousand three hundred seventy five dollars) toward the cost of construction of the Booster Pump Station described in section I.A. above. Such contribution shall be made in the form of a credit against the actual cost of construction of the Project Booster Pump Station and shall also reduce the amount of the disbursement to be made to the District by the Developers for such construction under subsection II.D. above.
- (2) For a period of ten (10) years from the date of completion and acceptance by the District of the Project, the District shall forward to Interwest Savings Bank for payment over to the Developers collectively, pro rata, in the same proportions as determined according to subsection II.D.1) above, any DSCs collected by the District, under its then-existing policy, as a result of connection of any new water distribution system, or any new water service customer(s) attaching directly to that portion of the Project paid for by the Developers collectively.
- (3) For a period of ten (10) years from the date of completion and acceptance by the District of the Project, the District shall forward to Interwest Savings Bank for payment over to the appropriate Developer individually:
 - (i) any DSCs collected by the District, under its then-existing policy, as a result of connection of any new water distribution system, or any new water service customer(s), attaching directly to a portion of the

- Project paid for by such Developer individually (see proviso in subsection II.D.1) above); and
- (ii) any DSCs collected by the District, in accordance with the terms of its then-existing policy, as a result of connection of any new water distribution system, or any new water service customers, attaching directly to a portion of the water distribution system installed by such Developer within its respective plat as described in this Agreement.
- (4) For a period of ten (10) years from the date of completion and acceptance by the District of the Project, the District shall forward to Interwest Savings Bank for payment over to the Developers collectively, pro rata, in the same proportions as determined according to subsection II.D.1) above, any GFC or WRC collected by the District from new water system customers attaching directly to, or receiving water service by means of, any portion of the Project.
- (5) PROVIDED, that all reimbursements to Developers collectively under subsection II.D.3)b)(2), and individually under subsections II.D.3)b)(3) and II.D.3) b)(4), immediately above, are expressly subject to the following limitations:
- (i) the GFC and WRC applicable to any property attached to the Project by a third party shall be based upon the actual cost of the Project (less one-half of the shared Developer cost of that portion of the Project pipeline between the Everett pipeline tap and the entrance to the Plat of Storm Lake Heights), divided by 220 (total system capacity, in terms of residential unit attachments that may be served); the total combined amount of GFC and WRC reimbursements that may be paid over to the Developers collectively within the 10-year period provided in this Agreement shall not exceed the GFC/WRC amount as determined immediately above in this subsection multiplied by 71, which is the number of residential unit attachments remaining available after reserving the number of residential lots listed by Developers in Section II. c. above;
- (ii) the total amount of DSC reimbursements to be paid over to any Developer individually with regard to any portion of the Project which is installed within a county

road abutting such Developer's Plat, shall not exceed the actual cost to such Developer for installation of such Project portion;

- (iii) the total combined individual and pro rata amount of DSC reimbursements to be paid over to all Developers individually and collectively shall not exceed the actual cost of the Project pipeline only (after subtraction of one-half of the shared Developer cost of that portion of the Project pipeline between the Everett Pipeline tap and the entrance to the Plat of Storm Lake Heights);
- (iv) the actual cost of the Project and its components as stated by Developers shall be true and correct, and shall be as described in that itemized bill of sale to be provided to the District under subsection I.C.5) above, and all records in support of such cost shall be subject to audit by the District and the other parties as provided in this Agreement; and
- (v) All GFCs, WRCs, and DSCs shall be charged by the District subject to its then-applicable water customer service and "late-comer" policies, except as specifically provided otherwise in this Agreement;
- (vi) The District shall retain any and all GFCs, WRCs, DSCs and any other fees or charges it collects from water service customers within, or connecting to the water distribution system within, the Plat of Storm Lake Ridge and the Morse Subdivision, who are served by means of the Project;
- (vii) All GFC, WRC, and DSC amounts received by the District and to be forwarded to the Developers under this Agreement shall be subject to and reduced by an administrative fee retained by the District from such amounts; such fee shall be 5% of any amounts to be forwarded;
- (viii) There shall be no DSC charged or received by the District for attachment to the Project pipeline of any property within the Storm Lake Ridge LUD;
- (ix) There shall be no GFC or DSC charged by or received by the District for attachment to the Project Pipeline of a single residential water service to the property upon which the Project Booster Pump Station is to be located, and none for a single residential water service to the property within the Morse Subdivision which is crossed by the Project Pipeline to allow connection

- between the Plat of Storm Lake Heights and the public right of way within the Morse Subdivision;
- (x) The total respective GFC/WRC and/or DSC reimbursement to any Developer shall not exceed such Developer's proportionate share of the cost of the Project subject to such reimbursement (including any DSC amounts payable to a Developer individually under subsection II.D.3)b)(3) above, with any excess amount being apportioned among the other Developers as provided herein;
 - (xi) It is understood and agreed that notwithstanding the actual date of completion and operation of any individual water distribution systems installed by one or more Developers under this Agreement, the cost reimbursement period under this subsection II.D.3) shall commence upon the date of acceptance by the District of a fully operational Project, and shall end on the tenth anniversary of such date; there shall be no extension of any reimbursement period for any portion of any such Developer – installed water distribution system after such tenth anniversary date; and
 - (xii) There shall be no GFC or DSC paid by the District for any extension or attachment it may make to the Project for District utility purposes, such as, but not limited to, a main extension for an intertie or sampling station installation.

NOTE: It is understood and agreed by all parties that this Agreement has been negotiated solely for the purposes described herein to accommodate a unique circumstance, and that any payment or benefit to Developers, collectively or individually, under this Agreement which exceeds or conflicts with a District policy which would otherwise be applicable, shall not operate as a precedent in any manner or otherwise bind the District to any such policy or agreement in the future, or with regard to, or any other District-owned or-operated water system. The District may adopt rates, charges, and policies which are applicable to this system only, consistent with the terms and conditions herein. Following the end of the ten year period described in this subsection, all WRCs, DSCs and GFCs collected by the District for water service attachments to the Project or to water distribution systems installed

by any Developer pursuant to this Agreement, shall be retained by the District or otherwise distributed in accordance with the District's then- applicable customer service policies.

4) Developer Attachment of Additional Developments to Project

For purposes of attachment by a Developer of additional properties or developments beyond those specifically listed in this Agreement to any portion of the Project, or to any water distribution system installed by an individual Developer pursuant to this Agreement, such Developer shall, with respect to such additional properties or developments, be deemed to be a third party, and not a party to this Agreement, and all GFCs and DSCs to be paid by such Developer to the District for water service shall be subject to subsection II.D.3) above.

5) Accounting at Project Completion

Upon completion of all work on the Project and acceptance of the same by the District (including but not limited to work contracted by the District), and settlement of all claims with respect thereto, the District shall refund to the Developers any amount advanced by them to the District for Project work, which amounts are in excess of amounts duly payable to any contractor or to the District under this Agreement. A Developer who has withdrawn from participation under this Agreement shall receive no refund.

E. Relationship of the Parties

1) Independent Contractors; Obligations Several

The Parties are independent contractors and shall not be deemed to be partners, joint venturers, principals, or agents of each other for any purpose whatsoever. Each party shall have and maintain complete control over all of its employees, agents, and operations. Except as may otherwise be explicitly provided herein, or in separate agreement, each and all of the obligations, responsibilities, and liabilities of the parties under and in connection with this Agreement are several, and not joint, and no separate legal or administrative entity will be created to fulfill the purposes of this Agreement.

2) Appointment of Project Coordinator

Notwithstanding the foregoing, the Developers shall select a Project Coordinator, in charge of communication between the Parties and timely coordination and/or oversight of activities necessary for Project completion under this Agreement or any separate agreement entered between such Developers. Such person shall be "at will", subject to substitution or replacement as desired by the Developers. It is understood that such person is not authorized under this Agreement to act as the agent or representative of any of the Parties nor to accept notice for any of them, or to bind them, or the District, or any of them, in any manner. Costs associated with the Project coordinator shall be shared pro-rata by the Developers as provided in section II.D. above. The Project Coordinator shall be selected and that selection communicated to the District within forty-five (45) following execution of this Agreement by the Developers.

3) No Third Party Beneficiaries

Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of or be enforceable by any third party.

4) Dispute Resolution

Any dispute under or in connection with this Agreement may, upon the mutual agreement of the parties involved in such dispute, be submitted for resolution by mediation or binding arbitration. Disputes not resolved in such manner shall be resolved in Superior Court for Snohomish County, Washington. The prevailing party in any dispute, which is resolved through mediation, arbitration, or litigation, shall be entitled to reasonable attorney fees and costs.

5) Subcontracts; Assignment; Binding Agreement

a) No Party may subcontract, transfer, or assign its rights or obligations under or in connection with this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

b) In the event of any permitted transfer or assignment hereunder, the transferor or assignor shall to the extent of the transferred or

assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; PROVIDED, however, that under no circumstances shall any transfer or assignment relieve the transferor or assignor of any liability for any breach of this Agreement by such party.

c) This Agreement is binding on and shall inure to the benefit of the Parties and their respective successors, permitted assigns, and legal representatives.

d) Notwithstanding anything else to the contrary herein, should any one or more of the Developers sell and convey to any other person the real property associated with it and to be developed by it hereunder (or any portion thereof), such Developer(s) shall transfer and assign this Agreement, subject to subsections II.E.5)a) through c) above, to the purchaser of such real property, and the purchaser of such property shall be bound by the terms of this Agreement with respect to its interest in such property.

Any proposed or actual purchaser shall be fully qualified and financially able to carry out all of the assigning/selling Developer's obligations under this Agreement, and shall provide the security required in subsection II.D.2)a) above. Consent to an assignment under this subsection shall operate as a release of any claim or liability of the assigning selling party except as expressly provided herein.

6) Force Majeure

a) No Party shall be liable to any other Party for, or be considered to be in breach of or default under this Agreement because of, any failure or delay in performance by such Party under this Agreement (other than an obligation to make payment of any monetary amount due to any other Party) to the extent such failure or delay is caused by or results from any cause or condition which is beyond such Party's reasonable control, or which such Party is unable to prevent or overcome by exercise of reasonable diligence (any such cause or condition, a "Force Majeure"), including but not limited to: failure or threat of failure of facilities or equipment; fire, lightning, flood, earthquake, volcanic activity, wind, drought, storm, and other natural disasters or acts of the elements; court order and act, or failure to act, of civil, military or governmental authority;

change in governmental law or regulation; strike, lockout, and other labor dispute; epidemic, riot, insurrection, sabotage, war, and other civil disturbance or disobedience; labor or material shortage; and act or omission of any person other than such Party, including breach of contract.

- b) Any Party claiming Force Majeure shall give the other Parties maximum practicable advance notice of any failure or delay resulting from a Force Majeure, and shall use its best efforts to overcome the Force Majeure and to resume performance as soon as possible; PROVIDED, however, that nothing in this Agreement shall be construed to require any Party to settle any strike or labor dispute in which it may be involved.

7) Survival

The expiration or termination of this Agreement shall not relieve any Party of liability for any breach of this Agreement or of any other liability incurred hereunder prior to the date of expiration or termination.

8) Further Assurances

Each Party hereto covenants and agrees to do all things necessary or advisable, including but not limited to the preparation, execution, delivery, and recording of any instruments or agreements, in order to confirm, carry out, and better assure the intent and purposes of this Agreement.

9) Indemnification

- a) Each Party executing this Agreement hereby agrees to hold harmless, release and indemnify each of the other Parties to this Agreement, and such other parties' elected and other officials, officers, employees, and agents and the heirs, personal representatives, successors, and assigns of any of such other parties from and against any and all losses, liabilities, claims, damages, costs, demands, fines, judgments, and penalties, together with reasonable attorneys' fees and out-of-pocket expenses incurred in connection with any of the foregoing arising out of or in connection with (i) any negligent act or omission or willful misconduct of such executing Party, or any of its officers, employees, agents, contractors, or subcontractors of any tier, under or in connection with this Agreement or (ii)

any failure of such executing Party duly to perform or observe any term, provision, covenant, agreement, or condition hereunder to be performed or observed by or on behalf of such executing Party. To the extent permitted by law, in any and all claims against the District or a Party by any employee of another Party, the indemnification and hold harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the complaining employee of such employer Party under workers compensation acts, disability benefits acts, or other employee benefit acts; and each Party hereby agrees not to claim or otherwise use against the District or the other Parties hereto, in defense against any actual or asserted liability of the employer Party to the District or any other Party under this section, any immunity or limitation on liability provided to the employer Party under any of such acts.

- b) As a condition of making a claim for indemnification under this section, any Party shall, as soon as practicable after receiving notice of any claim for which it believes that it is entitled to indemnification under this section, provide notice of the claim to the Party or Parties from which it is seeking indemnification. The allegedly liable Party or Parties may, in its or their discretion, retain counsel of their choosing to represent the Party receiving notice of claim in the defense of such claim; and in such event the claim recipient will provide all reasonable cooperation to the allegedly liable Party or Parties and such counsel, at the allegedly liable Party or Parties' cost and expense, in and in connection with such defense.

10) Audit Rights

Each of the Parties hereto shall have the right during this Agreement and for two years hereafter to inspect the records of the other Parties and Interwest Savings Bank pertaining to this Agreement and expenditures made hereunder for any part of the Project and to perform an audit in accordance with generally accepted audit standards. Each Party shall make such records available without charge to the others, during its regular business hours.

11) Termination of Agreement for Failure of Plat or Financing Approval

It is understood and agreed that preliminary plat approval by Snohomish County for each of the Developer plats described above herein is a material condition, the absence of which would frustrate the purpose of this Agreement for any Developer whose plat does not receive timely or anticipated preliminary approval.

Accordingly, and notwithstanding anything else to the contrary in this Agreement, should any of the Developers herein be informed officially that its plat shall not receive preliminary approval by Snohomish County in substantially the form proposed herein by such Developer, then such Developer shall immediately notify each of the other parties as required herein of such determination, and upon receipt of such notice by the other parties, this Agreement may be terminated by such Developer, as to such Developer, and in its entirety, at the option of all Developers, except as otherwise expressly provided herein. A plat shall be approved in substantially the form proposed by a Developer if not fewer than 80% of the number of lots proposed in the application are approved.

Should any Developer herein reasonably determine that it is unable to obtain financing upon commercially-reasonable terms and conditions, sufficient to carry out such Developer's responsibilities under this Agreement, then such Developer shall immediately notify each of the other parties as required herein of such determination, and upon receipt of such notice by the other parties, accompanied by written explanation and review of the facts and circumstances, this Agreement may be terminated as to such Developer and, in its entirety, at the option of all Developers, -- except as otherwise expressly provided herein. A failure of any Developer to provide the required letter of credit due to inability to obtain commercially-reasonable financing shall not be deemed an act of default.

In the event of termination of this Agreement as to one, or all, Developers, all rights to refund of advance contributions by any party to the date of termination shall be waived, except that any unearned advances to the District shall be refunded to the Developers pro rata. There shall be no claims or liability of or to any party arising solely as a result of termination of this Agreement under this subsection.

Should remaining Developers determine to continue under this Agreement, following Agreement termination as to any Developer under this Section, such remaining Developers shall apportion any subsequent Project costs to be incurred according to the number of lots in their respective Plats, as compared to the total number of remaining Developer lots to be served with water by the Project, in the same manner as now provided.

In the event of termination of this Agreement under this subsection, nothing herein shall prevent the parties, or any of them, from entering a new agreement for water service, and such contracting parties shall be authorized hereby to utilize any facilities installed, or work completed under this Agreement to the date of termination as they deem appropriate, with no payment therefor to any party not joining the new agreement.

12) Default

Except as provided in subsection II.E.6) and II. E. 11) above, the failure or refusal of any party to this Agreement to meet or perform any of its obligations or to make any of the payments required under this Agreement, and to cure such failure or refusal within ten (10) days following receipt of notice thereof from any other party to this Agreement, shall be deemed a default.

A defaulting party shall be liable for any and all loss, costs, and other damages resulting directly from such default including but not limited to reasonable attorneys fees and costs incurred by any other party in the enforcement of this Agreement and collection of damages; in addition to the foregoing, the parties reserve their right to all other remedies available in law or equity for breach or default of this Agreement.

III. PROJECT ENGINEERING, DESIGN, AND CONSTRUCTION

A. District Responsibilities

1) "Tap" Into City of Everett Water Transmission Line

The District shall procure from the City of Everett any required authorization and shall complete installation of the required "tap" into the City's water transmission line to serve the Project.

PROVIDED, that it is understood and agreed that such "tap" shall be at the sole expense of the Developers, who shall provide timely payment in full either to the District or directly to the City of Everett as required to accomplish completion of the required "tap" and attachment. Estimated cost (including contingency) is \$34,500; and shall be apportioned and paid in advance by Developers as provided in section II.D. above.

2) Procurement and Installation of Electric Power to Operate Booster Pump Station

The District shall extend three-phase electric power from its closest practicable electric transmission line facilities along public road right-of-way to the Booster Pump Station.

PROVIDED, that the estimated cost (including contingency) is \$13,800, and the estimated cost shall be apportioned and advanced to the District by Developers as provided in section II.D. above.

3) Procurement of Booster Pump Station Site and Installation of Station

a) The District has selected and procured a Booster Pump Station site which is as near as practicable to the City of Everett "tap" and which is acceptable to the District and the Developers. The District has negotiated the lowest price practicable for such site; it is agreed by the Parties that the reasonable consideration to be paid for such site is District waiver of any and all charges for a single residential water service customer attachment to the Project by the site property owner. Accordingly, the District shall not collect and the Developers shall not be entitled to receive a GFC or DSC reimbursement from connection to the Project Pipeline of a single residential water service with regard to such property.

b) PROVIDED, that the District shall procure the installation of a Booster Pump Station with design and capacity suitable to serve the Project and the reasonably anticipated number and type of water service customers to be attached thereto.

The estimated cost of such facility (including contingency) is \$149,500, and the estimated cost shall be apportioned and advanced by Developers as provided in section II.D. above.

4) Procurement of Water Storage Tank Site; Survey and Geotechnical Study of Site

- a) The agreed water storage tank site for the Project is described as follows:

That portion of the East half of the Southeast quarter of Section 7, Township 28 North, Range 7 East, W.M. in Snohomish County, Washington lying within the circumference of a circle having a radius of 33.00 feet, the center of which is described as follows:

Commencing at the Northeast corner of said subdivision (which is the Plat of Storm Lake Heights); thence North $87^{\circ}25'06''$ West along the North line of said subdivision 588.60 feet; thence South $02^{\circ}34'54''$ West 17.50 feet to said center point.

It is understood and agreed that the Project water storage tank site within the Plat of Storm Lake Heights as described above shall be provided at no additional cost to any of the parties beyond the mutual covenants and consideration provided for in this Agreement.

- b) Notwithstanding the description provided above, it is agreed that the tank site to be procured shall be adequate and suitable in size for placement of a water storage tank 26 feet in diameter by 40 to 50 feet in height (whatever height is necessary to achieve an over flow elevation of 760 feet above mean sea level (MSL) per the District's Comprehensive Water Plan), along with (if the District deems it necessary) a small booster pumping station approximately 10 feet by 10 feet in size. There shall also be sufficient space surrounding the tank and station to reasonably accommodate all required valves, piping, and other appurtenances, and a service vehicle.

Note: The construction of a new pump station 10 feet square is a contingency plan to the currently proposed option of expanding the existing small booster pump station building now serving a resident in Storm Lake Ridge (and located within the Plat of Storm Lake Ridge) to accommodate an additional 11 properties in Storm Lake Heights subdivision.

- c) Construction access to the site shall be provided through lot 23, Plat of Storm Lake Heights. Maintenance access to the site shall be provided through lots 3, 4, 5 and 6 of the Plat of Storm Lake Ridge contingent upon securing the necessary easements from affected property owners therein.
- d) The District has procured a survey and geotechnical study of the proposed water storage tank site. The estimated cost (including contingency) was \$ 9,000, which amount was apportioned and advanced by the Developers to the District as provided in section II.D. above.
- 5) Engineering and Design for Project; Project Automation
- a) The District shall provide engineering and design for the following portions of the Project:
- Installation of three-phase electricity to Project Booster Pump Station
 - Project Booster Pump Station
 - All portions of the Project water transmission and distribution line from the "tap", to and from the Project Booster Pump Station, along Mero road to the entrance to the Plat of Storm Lake Heights, from the northerly terminus of the Storm Lake Heights distribution pipeline to the water tank site, through the Morse Subdivision, and within the water storage tank site.
 - All "yard piping", altitude valves, pressure switches, automated control systems ("SCADA"*) for the water storage tank site. (*Supervisory Control and Data Acquisition System).
 - All SCADA for the Project Booster Pump Station.
- b) The District shall provide **review** of engineering and design for those portions of the water system which are to be installed within a Developer-owned Plat listed in section II.C.1) above and which are to be attached by the respective Developers to the Project and/or utilized to convey water to portions of the Project.
- c) As consideration for the engineering and design, and the engineering review to be performed by the District hereunder,

the Developers agree to reimburse the District's direct employee costs incurred in performance of such work, including employee benefits paid by the District to or on behalf of such employees, plus 10 percent. The estimated cost (including contingency) is \$28,000. Such estimated cost shall be apportioned and advanced by the Developers as provided in section II.D. above.

6) Procurement and Installation of Automated Control System (SCADA) for Booster Pump Station and Tank Site

The District shall procure and have installed a suitable SCADA system for the Booster Pump Station and water storage tank facilities. Estimated cost (including contingency) is \$34,500, and the actual cost shall be apportioned and advanced by Developers as provided in section II.D. above.

7) Procurement of Project Pipeline Easements from Developers and Third Parties

The District has procured, or shall procure, easements from Developers for the Project Storage Tank Site, Project Pipeline segments, and for distribution pipeline segments crossing any Developer's property, when any such pipeline segment is necessary for service to any property other than the one upon which the segment is to be located. Developers shall provide necessary easements upon and across their property at no cost. The District has procured, or shall procure, any necessary Project Pipeline easements from third parties, at the lowest cost practicable under the circumstances. The amount of the District's cash contribution reflects the cost of pipeline easements obtained from third parties within the Morse Subdivision and Plat of Storm Lake Ridge and approved by Developers.

8) Permits

The District shall make applications for and procure the Conditional Use, Building, and Grading Permits (including completion of documents required for SEPA compliance) for the Project's water storage tank, and all water lines within existing county right-of-way, and that portion of the water distribution line extending through the Morse Subdivision. The District shall also make application for any permits necessary to build and operate the sub-grade Project booster Pump Station (including electric

installation). As required, the District shall submit plans and design to the Department of Health for approval. The District shall not be responsible for delays in permit procurement due to matters beyond its reasonable control. Estimated cost (including contingency) is \$18,400. Such estimated cost shall be apportioned and advanced by the Developers as provided in section II.D. above.

9) Contractors

Construction by the District of the Booster Pump Station and any of the other work to be performed under this Agreement by the District, which is not performed by its regularly-employed staff shall be by contract, competitively bid, in accordance with law and regular District procedures.

The District shall require that each of its contractors and all of its subcontractors agree to defend, indemnify, and hold harmless the District and the Developers from and against any and all claims, damages and causes of action arising from negligent acts or omissions by such contractor and all subcontractors in connection with the work performed pursuant to this Agreement, to the full extent permitted by law, and provide all Parties hereto with copies of certificates listing each of the Parties as additional named insureds.

B. Developer Responsibilities

- 1) Permits. Each of the Developers, at its own cost, shall be responsible to submit application for and procure any permits or authorizations required for the construction of water distribution lines within the boundaries of such Developer's respective Plat, and for any and all permits and approvals required by law or regulation for its plat construction, including but not limited to SEPA compliance.

Not later than thirty (30) days following execution of this Agreement by all of the Developers, L.G. Design, Inc., and Highland Associates shall submit to Snohomish County for approval a complete set of construction drawings, and all other documentation of whatsoever nature which may be necessary and appropriate to obtain county authorization for construction of the roadways and water distribution lines within each of their respective plats which are required for a functional Project or for providing water service to the plat of any other party. Failure to

timely submit construction drawings and necessary permit application materials to the county shall be considered an act of default.

- 2) Engineering and Design. Each of the Developers, at its own cost, shall design, engineer and install within its own respective plat any portions of its water distribution system which are not a part of the Project Pipeline, completing in a timely manner any and all portions necessary for completion of an operational Project within the agreed time period.
- 3) Water Tank Site.
 - a) L. G. Design, Inc. shall provide, at no charge, an easement on a form satisfactory to the District, authorizing construction and operation of a water storage facility upon the Water Storage Tank Site as agreed and as described in Section III. A.4. above, and hereby authorizes the District, and the other Developers, their employees, agents, and contractors reasonable access to the Plat of Storm Lake Heights and to the Water Tank Site for any additional geotechnical and survey work deemed necessary by the District, and for construction, inspection, installation, operation and maintenance of the proposed water storage tank and appurtenances. Construction of the water storage tank and appurtenances shall be from the Plat of Storm Lake Heights; however, maintenance and service to the site shall be from the Plat of Storm Lake Ridge.

L.G. Design, Inc., agrees to be responsible for any Plat design changes or buffers required as a result of establishment and use of the Water Storage Tank Site and any booster pumping facility upon its property.

- b) Release
 - (i) By execution of this Agreement, L. G. Design, Inc., and Peter Lance, for themselves, their heirs, successors and assigns, agree to forever release each and all other parties to this Agreement, and the owners of property within the Plat of Storm Lake Ridge, their heirs, successors and assigns, from any and all claims, costs, and demands of whatsoever nature, relating to or arising from the placement of the water storage tank within its agreed location, including specifically any claims for loss of

profits, inverse condemnation, diminution in value or similar claims based upon placement or location of the water storage tank and its impacts, or alleged impacts, upon the market value of property within its vicinity.

- (ii) The District agrees to indemnify and hold harmless L. G. Design, Inc., and Peter Lance, their heirs, successors and assigns, from and against all claims, costs, and demands of whatsoever nature, from any property owner within the Plat of Storm Lake Ridge, relating to or arising from the placement of the water storage tank within its agreed location, including specifically any claims for loss of profits, inverse condemnation, diminution in value or similar claims based upon placement or location of the water storage tank and its impacts, or alleged impacts, upon the market value of property within its vicinity.
 - c) Notwithstanding all of the above, it is understood and agreed that construction of a water storage facility upon the agreed site will require a conditional use permit and setback variance from Snohomish County, and that there exists a possibility that the same may not be granted as anticipated by the parties. In such event, the parties shall use best efforts to agree upon an alternative site upon reasonable terms and conditions.
- 4) Water Tank and Project Pipeline. The Developers shall install upon the agreed Water Storage Tank Site a 200,000 -gallon "Mt. Baker" type concrete silo reservoir approximately 26 feet in diameter and 40-50 feet in height with an overflow elevation of 760 feet MSL, subject to District and Department of Health requirements and approval.

The Developers shall also install the Project's eight-inch DI (class 52) water transmission pipeline from the "tap" to the Project Booster Pump Station, from such Station along 215th Avenue SE and Mero Road to the entrance to the Plat of Storm Lake Heights, and through the Morse Subdivision.

The Developers shall install all necessary reservoir-related valves, pipes, and appurtenances within the reservoir site, extending such pipes as necessary to reservoir site boundaries for attachment to the Project pipeline.

It is understood and agreed that the cost of the water tank and Project Pipeline shall include a sum (approximately \$2,500.) for the installation of trees and landscaping intended to minimize visual impacts of the tank as the plantings mature.

The estimated cost of all of such work is approximately \$615,000; such estimated cost shall be apportioned and advanced by the Developers as provided in section II.D. above.

NOTE:

Expansion of the existing small booster pump station (located within the existing development of Storm Lake Ridge) to serve the addition of approximately 11 lots within the Plat of Storm Lake Heights, and construction of a separate distribution system consisting of roughly 1,100 feet of 4-inch DI pipe (class 52) to serve such lots from such booster pump station, are the sole responsibility of and at the sole expense of L. G. Design, Inc. Such expansion of the existing small booster pump station on its current site is contingent upon securing the necessary easements from property owners within the community of Storm Lake Ridge. (The alternative construction of a new 10' x 10' pump station to be located on the storage tank site shall be the sole responsibility and at the sole expense of L.G. Design, Inc.)

- 5) Contractors. In performance of any of the water distribution system, water tank or Project construction work contemplated herein to be performed by all of the Developers, or by any of them on their respective individual Plats, the Developers shall utilize only contractors who are licensed to do business in the State of Washington, bonded, and insured. Developers shall require that their contractors and all subcontractors agree to defend, indemnify, and hold harmless the other Developers and the District from and against any and all claims, damages, and causes of action arising from negligent acts or omissions by such contractors or subcontractors in connection with work performed pursuant to this Agreement, to the full extent permitted by law, and provide all of the parties hereto with copies of certificates listing each of the Parties as additional named insureds.

All contractors utilized in any portion of the Project shall be acceptable to all of the Developers and to the District.

- 6) Timely Payment. Each of the Developers shall timely pay each and every one of the fund advances to the District, bills, invoices, costs,

and expenses which it is responsible to pay under this Agreement in accordance with the terms hereof, and prevent or immediately satisfy any claim of lien or any other encumbrance against any portion of the Project or impacting its operation.

- 7) Conveyance of Title to System. Each Developer shall, upon completion of construction of its portion of the Project or the water system it has constructed for its respective Plat for attachment to the Project, convey the same to the District, free and clear of any and all liens, claims, or encumbrances, and the District shall accept, operate and maintain the same, subject to the terms hereof.

IV. MISCELLANEOUS

A. Notices and Other Communications

Any notice required or permitted to be given under or pursuant to this Agreement shall be in writing and shall be delivered to the contact person indicated in section II. C. above, as authorized representative of the intended recipient party at its address set forth above either (i) in person, (ii) by nationally recognized overnight delivery service, (iii) by United States Certified Mail, return receipt requested or (iv) by facsimile machine providing printed confirmation of the effectiveness of transmission. Notices delivered in person or sent by overnight delivery service or facsimile shall be effective upon delivery. Notices sent by Certified Mail shall be effective on the date shown on the return receipt as the date of delivery or on the final date on which the Post Office certifies that it was unable to deliver. Fax messages shall be sent to the numbers provided in subsection II.C.3) above.

B. Governing Agreement

This Agreement supersedes any and all prior agreements with respect to the subject matter of this Agreement. The rights and obligations of the parties hereunder shall be subject to and governed by this Agreement. The headings used herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

C. Waivers

Except as otherwise provided herein or as agreed by the Parties, no provision of this Agreement may be waived except as documented or confirmed in writing. Any waiver at any time by a Party of its right

with respect to a default under this agreement, or with respect to any other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter. Any Party may waive any notice or agree to accept a shorter notice than specified in this Agreement. Such waiver of notice or acceptance of shorter notice by a Party at any time regarding a notice shall not be considered a waiver with respect to any subsequent notice required under this Agreement.

D. Invalid Provision

The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

E. Amendment

No change, amendment, or modification of any provision of this Agreement shall be valid unless set forth in a written amendment to this Agreement signed by each of the Parties.

It is understood and agreed that this Agreement may be amended or supplemented from time to time by the Parties with regard to additional details of this complex transaction. However, it is the intent of the Parties that each such Amendment, change, or supplemental agreement be in writing only, and incorporated herein and made a part of this Agreement.

F. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

G. Signature Clause

Each of the undersigned signatories represents and warrants that such person has all necessary and proper authorization to execute and deliver this Agreement on behalf of the party on behalf of which such person is signing.

H. Governing Law; Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, with venue for resolution of any disputes in Snohomish County.

I. Rules of Construction

No provision of this Agreement shall be construed in favor of or against any of the Parties hereto by reason of the extent to which any such Party or its counsel anticipated in the drafting thereof or by reason of the extent to which such provision or any other provision or provisions of this Agreement is or are inconsistent with any prior draft thereof.

IN WITNESS WHEREOF, each Party has caused its duly authorized representative to execute this Agreement as of the date first above written.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

[SIGNATURE PAGE FOR L. G. DESIGN, INC.]

L. G. DESIGN, INC.

By: 

Title: President

Date: 6/9/58

[SIGNATURE PAGE FOR PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY, WASHINGTON]

PUBLIC UTILITY DISTRICT NO. 1
OF SNOHOMISH COUNTY, WASHINGTON

By: 
Mark A. Schinman

Title: General Manager

Date: July 15, 1998

[SIGNATURE PAGE FOR VELMA WOLFE AND THE VELMA WOLFE TRUST]

VELMA WOLFE AND THE VELMA
WOLFE TRUST

By: Donald E. Wolfe
Name

Title: Trustee, Velma Wolfe Trust

Date: 6/4/98

By: Arnold M. Egan
Name

Title: Trustee, Velma Wolfe Trust

Date: June 4, 1998

Velma L. Wolfe 6/4/98

[SIGNATURE PAGE FOR HIGHLAND ASSOCIATES]

HIGHLAND ASSOCIATES

By:

A large, stylized handwritten signature in black ink, appearing to read 'John A. Goodman', is written over a horizontal line.

John A. Goodman

Title:

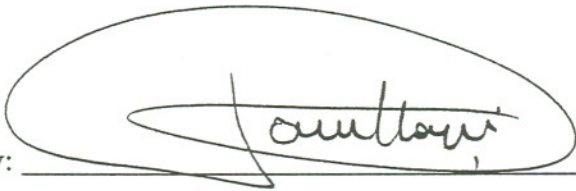
Manager

Date:

June 9, 1998

[SIGNATURE PAGE FOR TRILLIUM CORPORATION]

TRILLIUM CORPORATION

By:  _____

Title: SENIOR VICE PRESIDENT-DEVELOPMENT

Date: JUNE 8, 1998

[SIGNATURE PAGE FOR LAND PROS, L.L.C.]

LAND PROS, L.L.C.

By: John R.

Title: Member

Date: 6-8-98

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