

## **APPENDIX B**

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### **Retail Water Service Area Agreements**

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### EXHIBIT III-3

## 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.



ECONOMIC AND ENGINEERING SERVICES, INC.

### 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 \_\_\_\_\_.

\_\_\_\_\_  
Water Utility

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Title

Receipt Acknowledged:

\_\_\_\_\_  
Snohomish County  
Planning Department

\_\_\_\_\_  
Date





Snohomish County Water Purveyors

# North Snohomish County Coordinated Water System Plan

Plan Adopted By Washington State Department of Health: January 5, 2011  
(UNOFFICIAL VERSION - Map Revision Dates: 1/26/2018)

## LEGEND

- Critical Water Supply Service Area Boundary\*\*
- Expanding Water System Boundary
- Carpenter-Fisher Subbasin Boundary
- Service Overlaps Between Water Purveyors
- Service Gaps Between Water Purveyors

- EXPANDING MUNICIPAL WATER SYSTEMS  
(WITH MORE THAN 50 RESIDENTIAL CONNECTIONS)**
- Municipal Water System, Incorporated Portion
  - Municipal Water System, Unincorporated Portion

- EXPANDING SPECIAL PURPOSE WATER SYSTEMS  
(WITH MORE THAN 50 RESIDENTIAL CONNECTIONS)**
- Alderwood Water and Wastewater District
  - Cross Valley Water District
  - Highland Water District
  - Mukilteo Water and Wastewater District
  - Olympic View Water and Sewer District
  - Silver Lake Water and Sewer District
  - Snohomish County Public Utility District No. 1 (P.U.D.)

- EXPANDING PRIVATE WATER SYSTEMS  
(WITH MORE THAN 50 RESIDENTIAL CONNECTIONS)**
- Roosevelt Water Association
  - Seven Lakes Water Association
  - Three Lakes Water Association
  - Warm Beach Water Association
  - Wilderness Ridge Community Club Water System

- EXPANDING TRIBAL WATER SYSTEMS  
(WITH MORE THAN 50 RESIDENTIAL CONNECTIONS)**
- Tulip Water System

- NONEXPANDING WATER SYSTEMS**
- 50 Or More Connections
  - 15-49 Connections
  - 1- 14 Connections
  - Stillaguamish Tribe of Indians
  - Nonexpanding System Absorbed by Highland

- GENERAL MAP SYMBOLS**
- Incorporated City Boundary
  - Urban Growth Area Boundary
  - Public Land Survey Section Boundary
  - Public Land Survey Township Boundary
  - Mount Baker - Snoqualmie National Forest

This map is intended to provide general information only. No regular data sharing program exists between water purveyors and the county; therefore it is important to always contact the individual purveyors for the most current and accurate information for both district boundaries and water line locations.

New water hookups are dependent upon proximity to existing water lines. It should not be assumed that new hookups are possible at locations within a water service and/or planning area where water lines do not already exist.

Water systems labeled as "nonexpanding" do not offer water extensions outside of their water service boundary. The number of water hookups within a nonexpanding water system are determined by the Washington State Department of Health.

\*Group A water systems come under the jurisdiction of the Washington State Department of Health. Rules, regulations, and definitions for Group A water districts may be found in the Washington Administrative Code (WAC) Chapter 246-260. All Group A water systems (both expanding and nonexpanding) are shown on this map. Group B water systems have not been mapped.

\*\*The Critical Water Supply Service Area is that portion of the county where water supply problems related to uncoordinated planning, inadequate water supply, or unreliable service may exist. No new public water system may be approved within the area unless an existing water purveyor is unable to provide water service. Refer to State RCW 70.16 for more information.

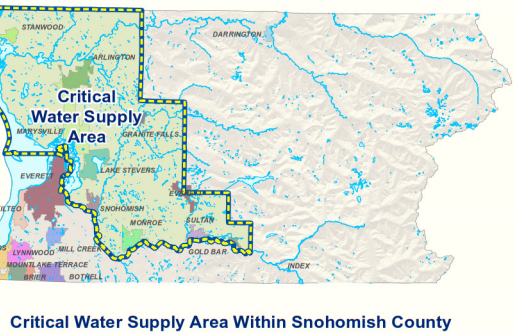
Boundary data for special purpose water districts (those which elect commissioners via public elections) is maintained by the Snohomish County Auditor's Office. All other district boundary data was initially collected by the consulting firm of Economic and Engineering Services in the early 1990s. Over the years, E&E has relied upon annexation notices, comprehensive water plans, and website postings by the individual districts to keep our boundary data sets current. No regular data sharing program exists between the districts and the County.

Date:  
Expanding Water System Boundary, updated 1-2014  
Expanding Municipal Water System Boundary, updated 1-2014  
Snohomish County P.U.D. No. 1, updated 1-2014  
Urban Growth Area Boundaries, E&E 11-2013  
City Boundaries, Assessor 1-2014  
All other data derived from the Snohomish County Group A Water Purveyor, January 2012 map.

Disclaimer: All maps, data and information set forth herein ("Data") are for illustrative purposes only and are not to be considered an official citation to, or representation of, the Snohomish County Code. Amendments and updates to the Data, together with other applicable County Code provisions, may apply without notice to the Data. Snohomish County makes no representation or warranty concerning the content, accuracy, currency, completeness or quality of the Data contained herein and expressly disclaims any warranty of merchantability or fitness for any particular purpose. All persons receiving or otherwise using the Data assume all responsibility for use thereof and agree to hold Snohomish County harmless from and against any damages, loss, claim or liability arising out of any error, defect or omission, intentional or not, in the Data. Washington State Civil Code, RCW 42.56 RCW, prohibits state and local agencies from providing, access to files of individuals intended for use of commercial purposes and, thus, no commercial use of any data compiled by the County is authorized.

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The area outside designated water purveyor boundaries is known as the Satellite System Management Area. See the North Snohomish Coordinated Water System Plan and Washington Department of Health requirements regarding Satellite System Management Agencies.



NOTICE: Carpenter-Fisher Subbasin. As of June 27, 2011, the Washington State Department of Ecology (Ecology) has closed the Carpenter-Fisher Subbasin to all new, unmitigated water uses including permit-exempt wells. For additional information, please contact staff at the Ecology Water Resources Program, Northwest Regional Office. Phone: 425-649-7270.



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## **APPENDIX C**

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### **Agreements with Other Systems**

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**EXHIBIT A**  
**AMENDMENT NO. 1 TO**  
**WHOLESALE WATER AGREEMENT**

THIS AMENDMENT NO. 1 TO WHOLESALE WATER AGREEMENT (the "First Amendment") is made and entered into this 19<sup>th</sup> day of April, 2017, by and between Public Utility District No.1 of Snohomish County, a municipal corporation of the State of Washington, (the "District"), and the City of Snohomish, herein referred to as "the City."

WHEREAS, the District and the City executed an agreement entitled "Wholesale Water Agreement" (the "Original Agreement") on April 17, 2012; and

WHEREAS, the City is in the process of decommissioning its Water Treatment Plant Facility which is an integral part of its water supply infrastructure that provides service to approximately 100 customers along its transmission main. Therefore, the City has determined that it needs to use the District water supply full-time, in excess of the eight (8) times per year allowed by the Temporary/Seasonal Reoccurring Use and one (1) time per year allowed by the Emergency Only Use definitions in the Original Agreement; and

WHEREAS, subject to Section 1 l) and Section 2 c) of the Original Agreement that requires amendment to effectuate the intent of the District and the City, the District and the City have entered into good faith negotiations to promptly establish an amendment to the Original Agreement to provide for such additional water supply; and

WHEREAS, the District and the City upon execution of this First Amendment anticipate entering into good-faith negotiations prior to the termination or expiration of this amendment to establish a new agreement for permanent full-time water supply;

NOW THEREFORE, for and in consideration of the mutual benefits conferred on both parties, the parties agree as follows:

**Section 1.** Subsection b) of Section 2 – Delivery and Use of Water, of the Original Agreement is amended to read as follows:

- b) The City agrees to receive supply from the District under the *Emergency Only Use* provision up to one (1) time per year for no more than ten (10) consecutive days, or under the *Temporary/Seasonal Reoccurring Use* option, up to eight (8) times per year, for no more than ten (10) consecutive days each time.

In the alternative, the City agrees to receive supply from the District full-time from the 2<sup>nd</sup> intertie.

**Section 2.** Subsection c) of Section 3 – Wholesale Water Rate and Billing, of the Original Agreement is amended to read as follows:

- c) Period for Billing. The Master Meter shall be read by the District and the results recorded at the end of each month following commencement of full-time use of the intertie. The Master Meter shall be read by the District and the results recorded at the end of the month following the end of the Emergency Only Use or the Temporary/Seasonal Reoccurring Use. Billing to the City will be issued on or before the 10<sup>th</sup> day of the month following the use and the final reading of the Master Meter as recorded by District crews. Payment to the District shall be due within thirty (30) days of issuance of the billing invoice. A payment shall be deemed delinquent if more than ten (10) days past due. Delinquent wholesale water charge amounts shall accrue interest on the unpaid balance, from the date of delinquency until paid, at the rate of one percent (1%) per month, or twelve percent (12%) per year.

**Section 3.** Subsection b) of Section 4 – General Facilities Charge of the Original Agreement is amended to read as follows:

- b) If the City chooses to use the Master Meter more than one (1) time per year as allowed by Emergency Only Use status, a onetime only General Facilities Charge to the City will be imposed and the City will enter into the *Temporary/Seasonal Reoccurring Use* status as defined in Section 1. The General Facilities Charge will be due no later than sixty (60) days after the City requests that the status of the agreement change from Emergency Use Only to Temporary Seasonal use or other mutually agreeable payment arrangements as described in Section 5 below.

Upon commencement of the full-time water use authorized by Section 1 b) after First Amendment, the District agrees to defer receipt of payment of any applicable General Facilities Charge until a new agreement for permanent full-time water supply can be executed, or this Agreement expires, whichever comes first.

**Section 4.** Section 11- Term, of the Original Agreement is amended to read as follows:

This Agreement shall be effective from the date of execution by authorized representatives of both parties hereto and shall continue in effect through 2018 and thereafter with an option to extend the term for one year by mutual agreement. This Agreement may be terminated with one (1) year written notice by either party.

This Agreement may be amended at any time upon mutual written agreement of the parties. Any Notices required by this Agreement shall be given by certified mail to the official mailing address of each party.

**Section 5.** All other terms and conditions of the Original Agreement shall remain in full force and effect except as expressly modified by this First Amendment.


**Section 6.** In the event any provisions of this First Amendment conflict with the Original Agreement the provisions of this First Amendment shall control.

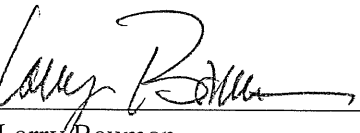
**Section 7.** This Amendment may be executed in two or more counterparts, each of which shall constitute an original and all of which shall constitutes one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the day and year first written above.

PUBLIC UTILITY DISTRICT NO. 1  
OF SNOHOMISH COUNTY

CITY OF SNOHOMISH

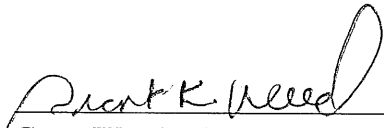
By:   
Craig Collar  
CEO/General Manager

By:   
Larry Bauman  
City Manager

Approved as to Form:

  
Assistant General Counsel

Approved as to Form:

  
Grant Weed, City Attorney