

PRO/10/2014
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CITY OF KIRKLAND

KING COUNTY

2014 AMENDMENT TO AGREEMENT FOR SEWAGE DISPOSAL

THIS AMENDMENT made as of the 30th day of December, 2014 between the City of Kirkland, a municipal corporation of the State of Washington (hereinafter referred to as "the City") and King County, a political subdivision of the State of Washington (hereinafter referred to as "the County");

- A. WHEREAS, the County and the City have entered into a long-term agreement for sewage disposal dated May 5, 1961, as amended and previously extended on April 19, 1973, March 19, 1987 and October 2, 1992 (hereinafter collectively referred to as the "Basic Agreement"); and
- B. WHEREAS, the County and City have discussed certain changes to, and a second extension of, the Basic Agreement; and
- C. WHEREAS, the County and City have also agreed to coordinate on several operational issues and the steps for collaboration are outlined in Exhibit A to this Amendment;
- D. WHEREAS, the City has agreed in principle to the County's proposed extension and amendments to the Basic Agreement which benefit the County's wastewater ratepayers; and
- F. WHEREAS, the County and the City concur that the below changes and extension of the Basic Agreement are in the best interests of the parties and the ratepayers of both the City and the County;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Amendment of Basic Agreement. Section 5.3 of the Basic Agreement is amended by adding the following new subparagraph (d). The additional charge described in this subparagraph 5.3(d) shall not be made until and unless this new subparagraph (d) is included

within the sewage disposal agreements of all other Participants.

"(d) An additional charge may be made to recover unforeseen costs to operate and maintain the metropolitan sewerage system or meet debt requirements if the County Executive declares and the County Council by a supermajority vote (two thirds of members) finds that an emergency exists and the system cannot be adequately maintained, and debt requirements or debt policies met, without such additional charge. The additional charge shall then be effective no earlier than the first day of the fourth month following the emergency declaration described in this subparagraph 3(d) and shall be billed and collected in the same manner as the monthly rate referenced in subparagraph 3(c). The additional charge described in this subparagraph 3(d) may be incorporated into the next rate setting cycle but will otherwise terminate within twelve months of the effective date."

Section 2. Amendment of Basic Agreement. Section 5.4 of the Basic Agreement is amended by deleting the section and replacing it with the following:

"4. (a) The County shall impose a charge or charges (hereinafter the capacity charge) directly on the future customers of a Participant for purposes of paying for capacity in Metropolitan Sewerage Facilities. The proceeds of the capacity charge shall be used only for capital expenditures or defeasance of outstanding revenue bonds prior to maturity. The capacity charge shall be set at a level to ensure that, in combination with the monthly sewer rate described in subsection 3 above, 95 percent of the costs incurred to provide the wastewater conveyance, treatment, and biosolids capacity to serve new customers are recovered from new customers, to the fullest extent permitted by applicable law."

(b) The City shall, at the County's request, provide such information regarding new Residential Customers and Residential Customer Equivalentents as may be reasonable and appropriate for purposes of implementing the capacity charge."

Section 3. Amendment of Basic Agreement. The Basic Agreement is amended by deleting Section 18 and replacing it with a new Section 18 as follows:

“Section 18. Amendments. The City agrees to amend and hereby concurs in any amendment to this agreement which incorporates any changes in the terms for sewage disposal and payment therefore as may be proposed by the County and agreed to by at least 90 percent of the Participants and by those Participants that represent, in total, at least 90 percent of the residential customers and residential customer equivalents then served by the Metropolitan Sewerage System.”

Section 4. Amendment of Basic Agreement. The Basic Agreement is amended by adding a new Section 19 as follows:

“Section 19. Option to Accept Other Amendments. If the Basic Agreements with any other Participants are amended or otherwise modified to include terms, conditions, or provisions not included in the Basic Agreement or this amendment, the City shall have the option of incorporating said terms, conditions or provisions into its Basic Agreement. The County shall then expedite and approve any amendments to the Basic Agreement as may be necessary and appropriate for such purpose.”

Section 5. Amendment of Basic Agreement. The Basic Agreement is amended by adding a new Section 20 as follows:

“Section 20. Operational Issues Requiring Coordination between the City and County.
Staff from the City and County have identified shared operational issues and interests as follows:

- 1. Installation of a permanent back-up power source at WTD’s Yarrow Bay Pump Station;*
- 2. Use of additives and other technologies to remove fats, oils and grease from the local sewer system;*

3. Potential for use of on-site sewage systems that are not designed to discharge into the sanitary sewer system;
4. Odor control at WTD's York Pump Station discharge;
5. Inspection of Kirkland's 72-inch stormwater outfall and bathymetry study beyond outfall area; and
6. Exploration of sustainable practices, such as serving Kirkland with recycled water.

The City and County agree to work on these items in a cooperative manner as outlined in Exhibit A to this Amendment."

Section 6. Extension of Basic Agreement. The Agreement for Sewage Disposal between the King County and City of Kirkland dated May 2, 1961, as amended, is hereby extended for a period of 20 years and shall continue in full force and effect until July 1, 2056. The agreement dated May 2, 1961, as subsequently amended and extended shall constitute the entire Agreement for Sewage Disposal between the parties.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first written above; said agreement to be effective upon execution.

City of Kirkland

By Marilynne Beard
 Title Deputy City Manager

King County

By [Signature]
 Title Director, KC DNRP

Attest:

Auja Mullin

Attest:

Paige E. Myers

EXHIBIT A

The City of Kirkland ("City") and the Wastewater Treatment Division of the King County Department of Natural Resources and Parks ("County") intend to work on the following items in a cooperative manner.

Section 1. Permanent Back-up Power at Yarrow Bay

A generator has been temporarily installed at the County's Yarrow Bay Pump Station to provide a back-up power source that will come on-line should the electrical feeds from two separate substations fail. This generator was installed by the Washington State Department of Transportation ("WSDOT") to comply with the City's permit requirements for WSDOT's SR 520 bridge construction project.

Prior to completion of the SR 520 project, the County agrees to purchase the generator from WSDOT, or a similar generator that will remain on-site as a back-up power source. The City will assist with its internal permitting to avoid delays through the permit system. The City will also assist the County with any necessary communications efforts to the surrounding community regarding retention of the generator on-site.

Section 2. Use of Additives to Reduce Fats, Oils and Grease (FOG)

Nationally, some sewer agencies are exploring the use of chemical, enzyme, or bacterial substances to break up FOG as it enters sewer lines. Concerns have been raised regarding the impact of additives to sewer pipes or wastewater treatment plant operations. Some emulsifying agents may cause other collection system or treatment plant problems down the line.

The County agrees to work with City staff to explore a possible pilot project for the use of additives or other FOG removing technologies in the city's sewer system, provided the County has the opportunity to review the proposed technology prior to its use and the technology complies with all applicable rules and regulations.

Section 3. Zero Discharge On-Site Wastewater Treatment Systems

The County strives for energy efficiency in its operations and incorporates sustainable features in many of its facilities. The County also stays abreast of technology developments and trends related to its industry. Technologies are emerging for on-site wastewater treatment systems that are designed not to discharge into the sanitary sewer system, although these buildings may still require a connection to the local sewer. These on-site systems are part of a wide range of opportunities in sustainable building technologies systems or fixtures that do not present a human or environmental health risk.