

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 1377

A RESOLUTION of the City Council of the City of Bellevue, Washington, authorizing the execution of an agreement with Bellevue Sewer District, the City of Medina, the Town of Clyde Hill, the Town of Hunts Point, the Town of Yarrow Point, and the Town of Beaux Arts Village, to provide for the development, ownership and operation of local sewerage facilities within the areas described in such agreement.

WHEREAS, the City of Bellevue has considered the terms and conditions of a contract proposed by Bellevue Sewer District providing for the development, ownership and operation of local sewerage facilities within the areas described therein; and

WHEREAS, it is in the best interests of the City of Bellevue and the residents thereof that said agreement be entered into,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Bellevue, Washington, as follows:

Section 1. That the City of Bellevue shall enter into an agreement with Bellevue Sewer District, the City of Medina, the Town of Clyde Hill, the Town of Hunts Point, the Town of Yarrow Point, and the Town of Beaux Arts Village, substantially in the form of Exhibit "A" attached hereto and by this reference made a part hereof.

Section 2. That the Mayor and Clerk be and they are hereby authorized and directed to execute such agreement for and on behalf of the City of Bellevue in ten counterparts.

Section 3. This Resolution shall take effect immediately upon its passage.

PASSED by the Council of the City of Bellevue, Washington and approved by its Mayor at a regular meeting thereof held this 3 day of October, 1967.

ATTEST:

Patricia K. Linder
City Clerk

Charles J. [Signature]

EXHIBIT A

AGREEMENT

THIS AGREEMENT, dated as of this _____ day of _____, 1967, between the CITY OF BELLEVUE, a Municipal Corporation, under authority of Ordinance No. _____, (hereinafter called the "City"), the CITY OF MEDINA, a Municipal Corporation, under authority of Ordinance No. _____, (hereinafter called "Medina"), the TOWN OF CLYDE HILL, a Municipal Corporation, under authority of Ordinance No. _____, (hereinafter called "Clyde Hill"), the TOWN OF HUNTS POINT, a Municipal Corporation, under authority of Ordinance No. _____, (hereinafter called "Hunts Point"), the TOWN OF YARROW POINT, a Municipal Corporation, under authority of Ordinance No. _____, (hereinafter called "Yarrow Point"), the TOWN OF BEAUX ARTS VILLAGE, a Municipal Corporation, under authority of Ordinance No. _____, (hereinafter called "Beaux Arts"), and BELLEVUE SEWER DISTRICT, a Municipal Corporation, under authority of Resolution No. _____, (hereinafter called the "District");

W I T N E S S E T H:

WHEREAS, the District was formed for the special purpose of providing sanitary sewer service for areas which now cover a major portion of the City of Bellevue and all of the cities of Medina, Clyde Hill, Hunts Point, Yarrow Point and Beaux Arts in King County, Washington, and more than 60% of the territory of the District now lies within the City of Bellevue; and

WHEREAS, the District has financed and constructed a sewage collection system sufficient to serve substantially all of the developed portions of the District and planned for the

eventual addition of sewers to serve all presently undeveloped portions of the District and a substantial part of the unsewered areas within the City which are now outside of the District; and

WHEREAS, it is in the best interests of the residents of each of the municipalities which are parties to this agreement that the sewer system of the District be financed, developed and operated as a single integrated system and that provision be made for the permanent ownership and operation of such integrated system; and

WHEREAS, to accomplish this purpose it is necessary that an agreement be entered into fixing the rights and duties of the parties, protecting the legitimate interests of bondholders and creditors of the District, the users of the sewerage facilities of the District and the City and the residents and property owners of each of the municipalities which are parties to this agreement; and

WHEREAS, it is the desire of all parties hereto to enter into this agreement pursuant to Section 35.13.250 RCW, to provide for the maintenance and operation of the sewerage facilities of the City and the District, to provide for the allocation of costs of maintenance and operation between the City and the District, to provide for the financing and construction of new sewerage facilities to serve certain unsewered portions of the District and the City, to provide for the temporary retention by the District of certain personal and real property, funds and assets, to provide for the eventual transfer of personal and real property, funds and assets of the District to the City, to continue for the interim period the powers of the District to issue bonds, to fix rates and charges for sewer service, and to promulgate rules and

regulations for the collection of such charges and in general to continue the powers of the District to do all things authorized to the District prior to this agreement in the same manner and by the same means as heretofore provided by law, except as otherwise specifically provided herein;

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

Section 1. Definition of Terms. Wherever the following terms shall be used in this agreement they shall have the following meaning unless otherwise specifically indicated in the context in which they appear:

1. The term "District" shall mean Bellevue Sewer District, a Municipal Corporation, located in King County, Washington, acting by and through its Board of Commissioners unless such authority shall be lawfully delegated to other officers or unless other officers are expressly indicated herein.

2. The term "City" shall mean the City of Bellevue, a Municipal Corporation, located in King County, Washington, acting by and through its City Council unless such authority shall be lawfully delegated to other officers or unless other officers are expressly indicated herein.

3. The term "Metro" shall mean the Municipality of Metropolitan Seattle, a Municipal Corporation.

4. The term "Service Charge" or "Sewer Service Charge" shall mean a monthly or other periodic charge for the use of sewer facilities.

5. The term "Side Sewer Permit Fee" shall mean a charge for the inspection of private side sewers to be connected to public sewerage facilities.

6. The term "Connection Charge" shall mean an additional charge for the connection to public sewerage facilities of properties not previously fully assessed for special benefits conferred by such public sewers.

7. The term "Assessment" shall mean charges levied in Utility Local Improvement Districts or Local Improvement Districts for special benefits conferred by the construction of public sewerage facilities and shall include interest and any penalties thereon.

8. The term "Sewer System" shall mean all sewage collection and transmission facilities heretofore installed or acquired by the District or by the City, or hereafter installed or acquired within the District or hereafter installed or acquired by the District or by the City pursuant to this agreement within the potential service area colored in red on Exhibit A, or hereafter added to such area by agreement between the District and the City, including all appurtenances to such facilities and all future additions and extensions thereof.

9. The term "City Sewer Utility" shall mean all sanitary sewerage facilities hereafter operated by the City.

Section 2. Ownership of Properties. Consistent with the laws of the State of Washington and pursuant to this agreement, all the right, title and interest of the District in and to all real property, franchises, easements, sewers, force mains, pumping stations, lift stations, flushing stations, manholes, valves, fittings, appurtenances, all equipment and vehicles, and all personal property, cash, accounts receivable, investments and choses in action of all kinds which shall be in existence and on hand at the "Title Transfer Date" as hereinafter defined, including all additions thereto and extensions thereof hereafter acquired or construction by the District shall be conveyed, transferred and

quitclaimed by the District to the City, effective on such date, subject to all of the provisions of this agreement. The City hereby agrees that until the Title Transfer Date the District shall have the right to use the sewerage facilities of the City described on Exhibit A hereof on the terms and conditions hereinafter set forth.

The City shall pay nothing to the District in exchange for the property which the City shall acquire hereunder and the District shall pay nothing to the City for the facilities which the District is permitted to use hereunder and the covenants of this agreement to be performed by the parties shall constitute good and sufficient consideration for the conveyances contemplated by this agreement.

It is mutually agreed and recognized that the properties which the City may acquire pursuant to this agreement shall remain subject to all presently outstanding indebtedness of the District, bonded or otherwise, shall be subject to the terms of the following resolutions of the District which are incorporated herein by this reference:

Resolution No. 474 adopted June 9, 1959 (Series "D" Bonds);

Resolution No. 985 adopted May 11, 1965 (Revenue and Refunding Bonds, 1965)

and shall be subject to all rights of the holders of revenue bonds of the District issued under said resolutions. The District will furnish certified copies of said resolutions to the City.

It is further agreed and recognized that the properties which the City shall acquire pursuant to this agreement shall at all times be subject to the right of the other parties to this agreement, all persons now or hereafter residing within the District and the rights

of all owners of property now or hereafter located within the District, whether such residents or property be inside or outside the City, to use the Sewer System. In particular, but not by way of limitation, trunk or lateral sewer lines and pumping facilities now or hereafter located within the City which are used for the transportation of sewage collected from any property located within the Sewer District shall continue to be made available for such use, provided that the users thereof shall pay reasonable nondiscriminatory fees and charges and comply with reasonable rules and regulations, all as provided in this agreement.

It is further recognized and agreed that this agreement is subject to the provisions of the outstanding agreements for sewage disposal between the District and Metro and between the City and Metro. Disposal of all sewage collected pursuant to this agreement shall continue to be made to Metro in accordance with such agreements or duly adopted amendments thereof. This agreement is further subject to any outstanding agreement between the District and the City of Houghton.

Section 3. Operation and Maintenance of Sewer Facilities.

From and after January 1, 1968, the City shall maintain, operate, repair and replace all of the facilities of the Sewer System, whether located within the City or outside of the City, including all trunks, laterals, lift stations, pumping stations, flushing stations, vehicles, electronic warning system, office equipment, billing equipment, and other facilities and equipment now or hereafter constructed, acquired or used as part of the Sewer System or the business operated in connection therewith, and including all sewers constructed or acquired by the City which the District shall use pursuant to this agreement. The City will furnish sewer service to all persons served by the Sewer System for and on behalf of the District.

At all times from and after said date, the City will maintain

and keep the Sewer System and all additions and improvements thereto and all equipment used in connection therewith in good repair, working order and condition and will, at all times, operate such system and the business functions connected therewith in an efficient manner and at the lowest reasonable cost.

On the tenth day of each month, beginning February 10, 1968, and continuing until the Title Transfer Date, the City shall submit to the District an itemized statement of all costs incurred by the City in the operation and maintenance of the Sewer System during the preceding month. Within sixty days from the receipt of such statement, the District shall pay to the City a sum equal to the total amount of said maintenance and operation costs. The District shall advance to the City on or before said date the sum of \$60,000 to be used as a revolving fund to meet costs incurred by the City for operation and maintenance of the Sewer System during the two months period when District payments will lag behind actual expenditures by the City. Such moneys shall ultimately be applied toward the payment of the operating and maintenance costs incurred by the City during the two months immediately preceding the Title Transfer Date.

An annual budget for each year prior to the Title Transfer Date for the operation and maintenance of the Sewer System shall be prepared by the City and submitted to the District at least thirty days prior to its adoption. No expenditure for operation and maintenance, other than emergency expenditures, shall be made unless same shall be within the budget or shall be approved by the City and the District. The City shall maintain a record of all expenditures made in the operation and maintenance of the Sewer System and shall furnish the District, not less than quarterly, regular financial reports on the operation of the System in

sufficient detail to enable the District to relate expenditures to the budget.

Section 4. Fixing and Collecting Charges. Until the Title Transfer Date, the District shall fix Service Charges, Connection Charges, Side Sewer Permit Fees and sewer extension contract payments for the sewer system. The District shall submit any proposed change in rates to the City thirty days before such change shall become effective and the City may submit any comments or suggestions thereon. Such charges shall be sufficient to pay all costs of maintenance and operation of the Sewer System including costs for the disposal of sewage by Metro, such other costs as may be incurred by the District in the performance of its functions and such amounts as may, together with pledged assessments, be required to pay, secure the payment of, and provide covenanted coverage for, any revenue bonds of the District now or hereafter outstanding. The City shall perform the function of billing and collecting all monthly Service Charges, Side Sewer Permit Fees, Connection Charges and sewer extension contract payments. Such billing and collecting shall be performed for and on behalf of the District until the Title Transfer Date and the costs of such billing and collecting shall be deemed to be part of the cost of operation and maintenance of the Sewer System. Enforcement of collection shall continue to be the responsibility of the District until the Title Transfer Date.

Section 5. Construction of Sewer Facilities by the District Prior to the Title Transfer Date. Until the Title Transfer Date, the District shall have the right and power to continue to construct additions to or extensions of the Sewer System of the District outside the City and within those areas of the City described in

Exhibit A. For such purpose, the District shall have the right and power to carry out the provisions of its comprehensive plan, to adopt plans of additions and betterments thereto, subject to the approval of the agencies required by law to approve such plans, to annex territory, to issue and sell sewer revenue bonds, to apply to the payment thereof Service Charges, Connection Charges, Side Sewer Permit Fees and contract extension payments from persons or property served by the Sewer System, whether located within or without the City, or within or without the District, to create utility local improvement districts and to levy and collect special assessments therein, all in the manner provided by law and this agreement.

If the District shall issue any sewer revenue bonds prior to the Title Transfer Date, such bonds shall be made expressly subject to the terms of this agreement and the City agrees from and after such Title Transfer Date to perform the covenants of said bonds and to assume and pay all of such bonds in accordance with their terms solely out of the revenue of the Sewer System and assessments pledged to the payment of such bonds. Neither such obligation nor any other obligation assumed by the City pursuant to this Agreement shall be general obligations of the City.

Except as otherwise specifically provided herein, the District shall, during the period prior to the Title Transfer Date, cause all work to be performed in connection with the construction of additions to or extensions of the Sewer System, both within the City and outside the City, including, but not by way of limitation, the engineering design of the sewer laterals, trunks, lift stations, pumping stations, flushing stations and appurtenances and the District shall let contracts for the work in the manner provided by law and upon completion of such work prepare as-built drawings therefor in form acceptable to the City. The City shall provide

the following engineering services for and on behalf of the District and the District shall pay to the City the cost of such services, provided that the City may authorize the District to furnish any or all of such services:

a. All plans and specifications for sewer improvements to be constructed by the District shall be submitted to and approved by the City prior to construction.

b. The City shall inspect the work in progress to insure that same shall be accomplished in accordance with the plans and specifications and the construction contract and the City shall decide disputes with contractors involving interpretation of the plans and specifications and such decision shall be final.

c. The City shall prepare monthly and final estimates of work performed and recommend acceptance by the District of work as completed and the District shall make no final payments for work performed until acceptance of such work shall have been recommended by the City.

d. The City shall recommend change orders whenever same are deemed to be necessary during the course of construction.

As a part of the cost of construction to be borne by the District, the District agrees to restore all streets disturbed by the construction of sewer improvements in accordance with applicable existing franchise requirements.

The type of road restoration for all streets involved in a proposed improvement shall be determined in advance by a survey of the streets involved conducted jointly by a representative of the particular city or county which shall have jurisdiction over such streets and a representative of the District. The specifications shall state whether the respective city or county or the District or the contractor shall perform such restoration and resurfacing. No work shall be undertaken on any city street

by the District until a permit therefor has been obtained from the City within which such street shall be located. No such permit shall be unreasonably withheld.

The District shall acquire and pay for such easements and rights of way as may be necessary to construct the Sewer System. All easements which may be acquired subsequent to September 1, 1967, shall receive the approval of the City before execution and shall run jointly to the District and the City. The cities which are parties to this agreement shall provide the District with easements over city property, the extent and location of which are consistent with other reasonable use of such property, when such easements are required for the construction of the District's Sewer System and shall make no charge to the District for such easements.

A performance bond in the amount of not less than 100% of the contract price shall be furnished to the District and to the City by the contractor before any work is commenced. Upon completion of any particular sewer improvements constructed by the District and the approval of such work by the City, the District may make final payment therefor in the manner provided by law. The title to all sewer lines, facilities, easements and rights of way hereafter constructed or acquired by the District shall inure to the City on the Title Transfer Date, without cost, subject to the provisions of this agreement, and from and after the date of such completion, the City shall provide maintenance and operation of such sewer improvements in accordance with this agreement.

Section 6. Construction of Sewer Improvements by the City Prior to the Title Transfer Date. Prior to the Title Transfer Date, it is contemplated that the District will construct all sewer improvements within the District and within the area of the

City described in Exhibit A as now or hereafter amended. The City may, however, in the event that the District fails or refuses to proceed with the construction within six months after written request therefor by the City, create local improvement districts or authorize work by private contract within areas contemplated to be served by the District, provided that such improvements are constructed in conformity with the comprehensive plan of the District or amendments thereto and are approved by the District.

The City shall continue to collect assessments levied in local improvement districts of the City heretofore created for the purpose of constructing sewer improvements and to perform the obligations of outstanding local improvement bonds or warrants of the City. From and after January 1, 1968, and prior to the Title Transfer Date, the City shall continue to establish and collect rates and charges for sewer service from persons and properties within such City local improvement districts as may be located outside the District and within the area of Exhibit A as now or hereafter amended, but such rates and charges shall not be lower than those fixed for the same class of service from time to time thereafter by the District. The City shall also fix a schedule of Side Sewer Permit Fees for the privilege of connecting such property to the Sewer System, equal to those fixed by the District. All charges and fees collected by the City from persons and properties connected to the Sewer System shall be paid to the District. All properties heretofore assessed for sewer improvements constructed within the City local improvement districts shall have the right to connect to the improvements constructed therein upon payment of reasonable Side Sewer Permit Fees and Service Charges as provided herein. Within the area described in Exhibit A, the District shall permit connection to the Sewer System of any property which shall request such connection and which shall pay such regular connection

charges, and Side Sewer Permit Fees and Service Charges as shall be provided by general resolution of the District.

Prior to the Title Transfer Date, the City shall not connect any sewer line located outside of the area described in Exhibit A to the Sewer System without the written consent of the District.

Section 7. Side Sewer Regulations and Permits. Each city which is a party to this agreement shall establish effective January 1, 1968, rules and regulations uniform with those of the District governing connections to and discharges into the Sewer System. The said uniform rules and regulations shall govern the connection of all side sewers to the Sewer System. The District shall continue to issue Side Sewer Permits and collect Side Sewer Permit Fees until the establishment of the aforesaid rules and regulations. Thereafter and until the Title Transfer Date, the City shall collect such permit fees and issue such permits for and on behalf of the District. After the Title Transfer Date, the City shall collect such fees as a part of the revenue of the Sewer System and shall issue such permits for and on behalf of the cities which are parties to this agreement, provided only that such fees be nondiscriminatory and limited to an amount equal to the cost of side sewer inspection. Such fees shall be collected from the respective property owners or sewer users applying for side sewer permits. Side Sewer Permit Fees fixed by the City shall be the same for all portions of the Sewer System, whether inside or outside the City. The City shall maintain an as-built drawing of all such side sewer connections.

Section 8. Title Transfer Date. The City may in its sole discretion, upon thirty days written notice to all parties to

this agreement fix a date for the transfer of the System and properties of the District to the City (Title Transfer Date), provided either that all of the District's revenue bonds which are outstanding on the date of this agreement shall have been paid prior to the date of such notice or that the City shall have assumed the obligation to pay such bonds then outstanding and shall have secured the written consent of the holders thereof as required by law. The provisions of Sections 9 to 11, inclusive, hereof shall apply and be effective immediately upon and after the Title Transfer Date.

Section 9. Assumption of District Obligations By The City. The City shall assume, effective on the Title Transfer Date and pay in accordance with their terms solely out of the earnings and revenue of the Sewer System and assessments pledged thereto all obligations of the District outstanding on the Title Transfer Date or thereafter incurred incident to this contract or in connection with winding up the affairs of the District, including but not limited to paying and securing payment of the principal of and interest on all of the District's then outstanding sewer revenue bonds in accordance with the terms thereof. Utility local improvement district assessments which have been levied by the District to secure the payment of such bonds shall continue to be collected by the King County Treasurer and applied to the payment of such bonds until all of such bonds shall have been paid or have been fully provided for.

Section 10. Obligation to Continue Service After Title Transfer Date. From and after the Title Transfer Date, the City shall operate and maintain the Sewer System as a City utility in the manner provided by law, subject to the following requirements of this agreement:

a) The City shall for the useful life of those facilities of the Sewer System which serve persons and properties located within the District but outside of the City make such facilities available to serve such persons and property, upon payment of reasonable Service Charges, Connection Charges and Side Sewer Permit Fees as fixed by the City from time to time consistent with the provisions hereof.

b) The City shall provide sewer service to all portions of the District, whether inside or outside the City, equal in all respects to that provided to residents of the City and the City shall fix Service Charges in all portions of the District, whether located within the City or outside the City, no greater than the lowest rate for the same class of service levied within any portion of the City. The term "class of service" as used in this paragraph shall refer to classification based on type of sewer use, i.e., single family residence, multiple residence, commercial, etc., but shall not include classification on geographical or jurisdictional bases.

c) The parties recognize that the District has financed its sewer facilities by assessments equal to approximately 97% of the total cost thereof. The parties also recognize that other sewer districts or private systems which may hereafter be operated by the City may not have fully paid for sewers equivalent to those installed by the District and/or may not have levied assessments upon benefited property in the same proportion of costs as those heretofore levied in the District, or may have constructed facilities of a standard substantially lower than that of the Sewer System requiring replacement. Whenever such Districts or facilities are incorporated into the City Sewer Utility, the then outstanding revenue bonds of the District shall continue to have a first and prior lien upon the total net revenue of the Sewer System and, wherever equitable treatment of the District residents shall re-

quire, the City shall either establish a differential rate structure for the area served by such other district or system or assess the cost of replacement of substandard sewers against the area served thereby or take such other action as shall avoid, insofar as possible, charging the residents or customers of the District directly or indirectly for costs properly chargeable to such other district or system.

d) The City shall fix rates and charges sufficient to operate and maintain the Sewer System, pay, secure and provide coverage for revenue bonds and repair and replace the facilities of the System as required. However, the revenues of the Sewer System shall not at any time be applied by the City to the payment of the general expenses of City government not directly applicable to the construction, repair, replacement, administration, operation and maintenance of the Sewer System. The City may, however, subject to the foregoing limitation, combine its sewer and water systems into a single utility if such combination shall be deemed desirable by the City. No rate increase may be made by the City without first securing a complete rate analysis by an independent firm of engineers experienced in the development and operation of municipal public utilities. A copy of such rate analysis shall be furnished to each of the other parties to this agreement. The requirement that a rate analysis be made may be waived in writing by the parties to this agreement at anytime.

Section 11. District Funds. From and after the Title Transfer Date, the existing Bond Redemption Fund for the outstanding revenue bonds of the District shall continue to be held by the Treasurer and invested or applied to the payment of such bonds in accordance with written directions given from time to time by the City, until all of such bonds shall have been paid. The City shall make required deposits in such fund out of the earnings and

revenue of the Sewer System. The City shall pay the County Treasurer the statutory fees provided for his services. Upon payment or provision for payment of all of such bonds, any District utility local improvement assessments thereafter collected by the King County Treasurer, shall be paid to the City quarterly and applied solely to the maintenance, operation, repair, replacement or improvement of the Sewer System. Segregations of assessments requested after the Title Transfer Date shall be approved by the City and the County Treasurer is hereby authorized to honor segregation approvals received from the City.

All cash in the Maintenance Fund or Construction Fund of the District, after payment of or provision for payment of all warrants drawn thereon prior to the Title Transfer Date, shall be immediately thereafter paid by the County Treasurer to the City and all money in such funds then on deposit in any bank or savings and loan association shall be withdrawn by the County Treasurer on the earliest practicable date after the Title Transfer Date, and together with all United States Bonds held in such funds shall on said date be delivered by him to the City Treasurer upon receipt therefor and all such money and the proceeds of such bonds shall be applied solely to the maintenance, operation, repair, replacement or improvement of the Sewer System and shall not be diverted directly or indirectly to the general fund or operations of the City.

Section 12. District Policies and Responsibilities of Commissioners. The parties contemplate that for a reasonable time after the Title Transfer Date and insofar as possible, the City will continue existing District policies for connection to the Sewer System and for the construction of extensions of the Sewer System and for the construction of extensions of the System by private developers in order to insure equitable treatment of the District's residents. During the time that District bonds are

outstanding, the District shall continue its corporate existence and the Commissioners of the District shall continue to function, provided that following the Title Transfer Date, the Commissioners' responsibility shall be limited to the enforcement of the provisions of this contract and to serve as an advisory commission to the City in the continuance of the District's policies.

Section 13. Term of Agreement. This agreement shall be effective upon its execution by all the parties hereto and shall continue in effect for a term of ninety-nine (99) years from and after the date hereof.

Section 14. District Employees. The City shall offer employment to each person presently employed on a full-time basis by the District in a position of substantially equal or greater responsibility and compensation than that now held by such District employee and all vacation and pension rights of such employee shall be preserved. This provision shall apply to all District employees who shall qualify under uniform standards applicable to all city employees and such offer shall be made before the City shall undertake to perform operation and maintenance of the Sewer System hereunder.

Section 15. Franchise Within Other Cities. The cities other than the City of Bellevue, which are parties to this agreement, do hereby consent to the assignment of the respective franchises by which the District has used streets and other public places therein and agree to enact such legislation as is necessary to extend the life of such franchises to coincide with that of this agreement. It is recognized that the respective cities have or may adopt by general ordinance such reasonable requirements for the regulation of street use and occupancy as each deems necessary for the public health, safety and general welfare.

Section 16. Hold Harmless and Payment of Expenses.

It is contemplated that the District will continue its corporate existence for some time after the Title Transfer Date to perform such functions as may be required by law and to accomplish the winding up of its affairs. During such period, the City shall pay out of the revenues of the Sewer System all expenses of the District including, but not limited to, auditing costs, clerical, financial and legal services, commissioners' meetings and election costs and costs incident to final dissolution. Counsel for the District shall continue to press or defend any then outstanding claims by or against the District and to recommend settlement thereof to the District. Upon approval by the District Commissioners of the settlement of any such claim or entry of judgment thereon, the City shall pay any District liability thereon out of the revenues of the City Sewer Utility or shall receive any net proceeds thereof which may be due the District and deposit same to the account of the City Sewer Utility. Solely out of the revenues of the City Sewer Utility and moneys received pursuant to this agreement, the City further agrees to pay and to save the District and its commissioners harmless from the payment of any and all legal liability for which the District is not insured and which is now or hereafter incurred in connection with the performance of the functions of the District and the duties of the commissioners thereof, including any costs, expenses and attorney's fees incurred in the defense of the District or its commissioners.

Section 17. Records Made Available and Documents Executed.

The District shall make available to the City all records which it has pertaining to the construction of the Sewer System, schedules

of Sewer Service Charges and Connection Charges and Charges in Lieu of Assessment heretofore made by the District. The District shall furnish to the City records of sewer connections which have been made by the District, sewer customers served by the District, as-built drawings of sewer mains and facilities and such other documents as the City may require to carry out this contract. All parties agree that they shall enter into and execute such instruments, deeds or other documents as may be required to give effect to this agreement.

Section 18. Liability for Damages, Repair and Replacement. The District shall be liable for all damages and claims resulting from the operation or use of the Sewer System prior to the Title Transfer Date. The District shall also be liable for all damages and claims incurred in the construction of additions or extensions to or improvements of the Sewer System prior to the Title Transfer Date. After the Title Transfer Date, the City shall be solely liable for all damages or claims in connection with or arising out of the operation, maintenance, construction, repair or replacement of the Sewer System. The City shall from and after the Title Transfer Date have the duty to make necessary repairs and replacement of the Sewer System sufficient to maintain same in good repair and working order and to provide service to all residents and properties within the District in accordance with the provisions of this agreement.

Section 19. Insurance. Prior to the Title Transfer Date the District shall maintain such insurance against casualty or loss to the System and against public liability as shall normally be maintained by private utilities under similar circumstances.

After the Title Transfer Date, such insurance shall be maintained by the City.

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

CITY OF BELLEVUE

By _____
Mayor

ATTEST:

City Clerk

BELLEVUE SEWER DISTRICT

By _____
Commissioner

Commissioner

Commissioner

ATTEST:

City Clerk

CITY OF MEDINA

By _____
Mayor

ATTEST:

City Clerk

TOWN OF CLYDE HILL

By _____
Mayor

ATTEST:

Town Clerk

TOWN OF HUNTS POINT

By _____
Mayor

ATTEST:

Town Clerk

TOWN OF YARROW POINT

By _____
Mayor

ATTEST:

Town Clerk

TOWN OF BEAUX ARTS VILLAGE

By _____
Mayor

ATTEST:

Town Clerk

APPROVED AND ACCEPTED:

King County Treasurer

APPROVED AND ACCEPTED:

MUNICIPALITY OF METROPOLITAN SEATTLE

By _____
C. Carey Donworth,
Chairman of the Council

STATE OF WASHINGTON)

COUNTY OF KING) : ss.

On this _____ day of _____, 1967, before me personally came and appeared _____ and _____, to me known to be the Mayor and City Clerk of the City of Bellevue, a Municipal Corporation, and acknowledged the within and foregoing 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 they were 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.

Notary Public in and for the State of Washington, residing at _____

STATE OF WASHINGTON)

COUNTY OF KING) : ss.

On this _____ day of _____, 1967, before me personally came and appeared _____ and _____, to me known to be the Commissioners of Bellevue Sewer District, a Municipal Corporation, and acknowledged the within and foregoing 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 they were 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.

Notary Public in and for the State of Washington, residing at _____

STATE OF WASHINGTON)

COUNTY OF KING) : ss.

On this _____ day of _____, 1967, before me personally came and appeared _____ and _____, to me known to be the Mayor and City Clerk, respectively, of the City of Medina, a Municipal Corporation, and acknowledged the within and foregoing 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 they were 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.

Notary Public in and for the State
of Washington, residing at _____

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this _____ day of _____, 1967, before me personally came and appeared _____ and _____, to me known to be the Mayor and Town Clerk, respectively, of the Town of Clyde Hill, a Municipal Corporation, and acknowledged the within and foregoing 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 they were 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.

Notary Public in and for the State
of Washington, residing at _____

STATE OF WASHINGTON)
 : ss.
COUNTY OF KING)

On this _____ day of _____, 1967, before me personally came and appeared _____ and _____, to me known to be the Mayor and Town Clerk, respectively, of the Town of Hunts Point, a Municipal Corporation, and acknowledged the within and foregoing 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 they were 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.

Notary Public in and for the State
of Washington, residing at _____