



CITY OF BLACK DIAMOND
August 20, 2015 Regular Business Meeting Agenda
25510 Lawson St., Black Diamond, Washington

7:00 P.M. – CALL TO ORDER, FLAG SALUTE, ROLL CALL

APPOINTMENTS, ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS:

CONSENT AGENDA:

- 1) **Claim Checks** – August 20, 2015, No. 42588 through No. 42640 (voids 38375, 39259) and EFTs in the amount of \$75,944.79
- 2) **Payroll** – July 31, 2013, No. 18631 through No. 18655 (voids 18628, 18648) and ACH payment in the amount of \$258,659.59

PUBLIC COMMENTS: Persons wishing to address the City Council regarding items of new business are encouraged to do so at this time. When recognized by the Mayor, please come to the podium and clearly state your name and address. Please limit your comments to 3 minutes. If you desire a formal agenda placement, please contact the City Clerk at 360-886-5700. Thank you for attending.

PUBLIC HEARINGS:

- 3) **AB15-053** – Proposed Ordinance Extending MPD Moratorium Ms. Kincaid
(Possible action to follow public hearing)

UNFINISHED BUSINESS:

NEW BUSINESS:

- 4) **AB15-054** – Ordinance Regarding the Formation of Ad Hoc Advisory Committees Ms. Morris
- 5) **AB15-055** – Ordinance Establishing a Transportation Benefit District Mr. Boettcher
- 6) **AB15-056** – Resolution Adopting Interlocal Agreement Regarding WRIA 9 Mr. Boettcher
- 7) **AB15-057** – Ordinance Regarding Assuming the Exclusive Right to Provide Water Service to Approximately 98 Acres in the Western Portion of the City Mr. Boettcher

DEPARTMENT REPORTS:

MAYOR'S REPORT:

COUNCIL REPORTS:

A. Council Standing Committees and Regional Committees

- Councilmember Deady – Chair – Public Safety Committee; Budget, Finance and Administration Committee; Domestic Violence Committee

- Councilmember Morgan – Planning and Community Service Committee; Cemetery and Parks Committee; Water Resource Inventory Area Committee (WRIA 9)
- Councilmember Edelman – Chair - Budget, Finance, Administration Committee; Chair - Planning and Community Service Committee; Public Issues Committee (PIC)
- Councilmember Goodwin – Cemetery and Parks Committee; Public Works Committee
- Councilmember Taylor, Chair - Public Works Committee; Public Safety Committee

ATTORNEY REPORT:

PUBLIC COMMENTS:

EXECUTIVE SESSION:

ADJOURNMENT:

CITY COUNCIL AGENDA BILL:

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: AB15-053 – Public Hearing Ordinance extending the moratorium on accepting all non-exempt development permit applications for development activities on property located within the MPD Zone for an additional three months as previously adopted via Ordinance 15-1050.	Agenda Date: August 20, 2015 AB15-053	
	Mayor Carol Benson	
	City Attorney Carol Morris	X
	City Clerk – Brenda L. Martinez	
	Com Dev – Barbara Kincaid	X
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
	Court Administrator – Stephanie Metcalf	
Cost Impact (see also Fiscal Note): N/A		
Fund Source: N/A		
Timeline: Extending the moratorium an additional three months.		
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator		
Attachments: Proposed Ordinance No. 15-1055		
SUMMARY STATEMENT: Ordinance No. 14-1027, adopted on March 20, 2014, imposed a 6-month moratorium on the City's acceptance of certain applications for development for certain property zoned Master Planned Development ("MPD"). On August 21, 2014, the City adopted Ordinance 14-1034 extending the moratorium for an additional six months which was subsequently extended for an additional six months on February 19, 2015 under Ordinance No. 15-1050. Due to staff turnover, specifically the resignation and replacement of the Community Development Director, who is responsible for completing the analysis of rezone options and for processing a rezone, the work was not done in a timely manner and Ordinance No. 15-050 is scheduled to sunset on September 1, 2015. Therefore, more time is needed and this Agenda Bill proposes an additional three month moratorium extension with a work plan to complete the rezone.		
FISCAL NOTE (Finance Department): N/A		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: Planning and Community Service Committee met and discussed this issue at their February 10, 2015 meeting.		
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 15-1055, extending the moratorium for the acceptance of applications for development within the MPD District, excluding any applications subject to the moratorium for the MPD developments entitled The Villages and Lawson Hills.		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote
August 20, 2015		

ORDINANCE NO. 15-1055

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO LAND USE AND ZONING, EXTENDING A MORATORIUM ON THE ACCEPTANCE OF APPLICATIONS FOR NEW DEVELOPMENT WITHIN THE MASTER PLANNED DEVELOPMENT (MPD) DISTRICT FOR ANOTHER THREE MONTHS, SUCH MORATORIUM SHALL EXCLUDE ANY APPLICATIONS SUBJECT TO THE DEVELOPMENT AGREEMENTS APPROVED FOR THE MPD DEVELOPMENTS ENTITLED THE VILLAGES AND LAWSON HILLS; ADOPTING A WORK PLAN AND SCHEDULING THE PUBLIC HEARING ON THE MORATORIUM EXTENSION FOR AUGUST 20, 2015, AND SETTING AN EFFECTIVE DATE.

WHEREAS, on March 20, 2014, the City adopted Ordinance No. 14-1027, which imposed a six-month moratorium on the City's acceptance of certain applications for development for property zoned Master Planned Development ("MPD"); and

WHEREAS, on August 21, 2014, the City adopted Ordinance 14-1034 which extended the moratorium for an additional six-months; and

WHEREAS, on February 19, 2015 the City adopted Ordinance No. 15-1050 which extended the moratorium for an additional six-months, or until September 1, 2015; and

WHEREAS, during the pendency of the moratorium, Staff has potential options for rezoning of the affected property to the property owner and this matter was not resolved until May 7, 2015; and

WHEREAS, since the last moratorium extension was granted, the property owner hired a surveyor to provide the City with the necessary legal descriptions for the affected parcels; and

WHEREAS, since the last moratorium extension was granted, the Community Development Director, who had responsibility for processing this rezone, left his position, and the City has only recently hired a new Director to replace him; and

WHEREAS, the reason the City imposed the moratorium has not changed, but additional time is needed for the City to undertake all of the tasks described in the previous ordinances; and

WHEREAS, City Council may extend a moratorium for a period of up to six months on the acceptance of certain development permit applications as long as the City Council holds a public hearing on the proposed moratorium extension within sixty days after adoption (RCW 35A.63.220, RCW 36.70A.390); and

WHEREAS, the City staff has prepared a work plan and believes that the necessary tasks can be accomplished in three months from the date of the adoption of this Ordinance; and

WHEREAS, the City desires to extend the existing moratorium on the acceptance of development applications for any “development activity,” “development permit” or “project permit” as defined below, for any property within the Master Plan Development (MPD) district, as shown on the City’s Official Zoning Map, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference for another three months after the date this Ordinance is adopted; Now, therefore,

THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON,
ORDAINS AS FOLLOWS:

Section 1. Definitions. For the purpose of this Ordinance, the following definitions shall apply:

A. **“Exempt Development Permits”** shall include all of the following permit applications for “development” or “development activity” defined in Black Diamond Municipal Code (BDMC) Section 18.98.005 and for “project permit” applications as defined in BDMC 18.14.010, which: (1) are subject to the Development Agreements executed by the City for The Villages and Lawson Hills; or (2) were determined complete by City staff and submitted to the

City on or before the effective date of this Ordinance; or (3) propose development or a development activity on property located outside the MDP Zone as identified in the City's Official Zoning Map; or (4) any applications for permits which involve interior remodeling of existing structures in the MPD Zone.

B. **“Non-Exempt Development Permits”** shall include any permits or “project permit applications” for any “development activity” defined in the Black Diamond code sections identified above, proposed to take place on property located within the MPD Zone and submitted after the effective date of this Ordinance.

Section 2. Purpose and Work Plan. The purpose of this moratorium extension is to allow the City to perform the following tasks:

A. City staff have reviewed and analyzed the appropriate land use designation for the property affected by this moratorium, in order to determine whether any changes need to be made in the City's Comprehensive Plan and development regulations. In addition, the City staff have consulted with the property owner and have reached a consensus as to the appropriate zoning designation to be given to the affected property. The City now has a legal description of the properties, which will be attached to the new rezone ordinance.

B. The City Attorney will draft the rezone ordinance on or before August 14, 2015.

C. The City Community Development Director will ensure that the draft rezone ordinance is forwarded to the Washington State Department of Community Development by August 17, 2015. Expedited review by DOC will be requested.

D. SEPA will be performed on the draft rezone ordinance on or before August 17, 2015.

E. Notice of a public hearing before the planning commission for the draft rezone ordinance will be published on or before August 18, 2015.

F. A public hearing will be held on the draft rezone ordinance before the planning commission on or before September 8, 2015.

G. The planning commission's written recommendation to the City Council on the draft rezone ordinance will be forwarded on or before October 6, 2015.

H. The City Council will consider the planning commission's written recommendation on the draft rezone ordinance on or before November 5, 2015.

I. If the Council is inclined to accept the planning commission's written recommendation, the Council plans to take action on the draft rezone ordinance on or before November 19, 2015.

J. A copy of the adopted rezone ordinance will be published and effective five days after publication.

Section 3. Moratorium Extension Imposed. Based on the above work plan, the City Council hereby extends the moratorium due to expire on September 1, 2015, on the acceptance of all non-exempt development permit applications for development activities on property located within the MPD Zone, as shown in the map attached hereto as Exhibit A, which is derived from the City's Official Zoning Map, for another three months after August 30, 2015. All such non-exempt applications submitted to the City during this time period shall be rejected and returned to the applicant.

Section 4. Public Hearing on Moratorium Extension. Pursuant to RCW 36.70A.390 and RCW 35A.63.220, the City Council is required to hold a public hearing on this moratorium extension within sixty (60) days of its adoption. The Council chooses to hold the public hearing

on August 20, 2015, or the date this Ordinance will be considered by the City Council during a regular meeting. Immediately after the public hearing, the City Council shall direct the City staff to draft the findings of fact on the subject of this moratorium extension to either justify its continued imposition or cancel the moratorium. These findings and conclusions shall be presented to the Council at its next regular meeting. The Council shall make the decision to terminate the moratorium by ordinance, and termination shall not otherwise be presumed to have occurred.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 6. Publication and Effective Date. This Ordinance shall be published by an approved summary consisting of the title, and shall be effective five days thereafter.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, this 20th day of August, 2015.

CITY OF BLACK DIAMOND

Mayor Carol Benson

ATTEST/AUTHENTICATED:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Carol A. Morris, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:

**City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010**

ITEM INFORMATION		
SUBJECT: AB15-054 Ordinance relating to the ad hoc advisory committees formed by the City Council.	Agenda Date: August 20, 2015	
	AB15-054	
	Mayor Carol Benson	
	City Administrator	
	City Attorney Carol Morris	X
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Barb Kincaid	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	
Cost Impact (see also Fiscal Note): \$	Police – Chief Kiblinger	
Fund Source: --	Public Works – Seth Boettcher	
Timeline:	Court – Stephanie Metcalf	
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator		
Attachments: Proposed Ordinance No. 15-1056		
SUMMARY STATEMENT: This Ordinance provides the framework for the City Council to establish ad hoc advisory boards that would be used to provide recommendations and advice to the Council on various matters.		
FISCAL NOTE (Finance Department): N/A		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: MOTION to adopt Ordinance No. 15-1056, relating to the ad hoc advisory committees formed by the City Council.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
August 20, 2015		

ORDINANCE NO. 15-1056

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, RELATING TO THE AD HOC ADVISORY COMMITTEES FORMED BY THE CITY COUNCIL, DEFINING SUCH COMMITTEES, SCOPE OF WORK, MEMBERSHIP, NOMINATION AND CONFIRMATION PROCESS, RESIDENCY REQUIREMENTS, OFFICERS, QUORUMS, TERMS OF OFFICE, CONFLICTS OF INTEREST, PROCEDURES FOR THE ADOPTION OF RULES, KEEPING OF MINUTES AND CONDUCT OF MEETINGS, COMMUNICATIONS TO THE CITY COUNCIL, COMPENSATION AND REIMBURSEMENT OF EXPENSES, AND SETTING AN EFFECTIVE DATE.

WHEREAS, the Black Diamond City Council desires to establish ad hoc advisory boards to provide recommendations and advice to the Council on various matters; and

WHEREAS, the City has no procedures to address ad hoc advisory boards; now, therefore,

THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, ORDAINS AS FOLLOWS:

Section 1. A new chapter 2.95 is hereby added to the Black Diamond Municipal Code, which shall read as follows:

CHAPTER 2.95 AD HOC ADVISORY COMMITTEES

Sections:

2.95.010 Definitions

“Ad Hoc Advisory Committee” means any Committee or Commission created by the City Council to give advice on subjects and perform such other functions as prescribed by the City Council. Ad Hoc Advisory Committee shall also include task forces, informal committees, or working groups formed by the City Council by resolution for short periods of time or for specific tasks.

2.95.020 Purpose and Application. The purpose of this section is to establish general procedures applicable to all Ad Hoc Advisory Committees. The provisions of this Chapter shall govern all Ad Hoc Advisory Committees unless otherwise specifically provided by ordinance, motion or resolution of the City Council, or as may be required by state law. In

establishing an Ad Hoc Advisory Committee, the Council shall consider the following:

- A. Scope of work and a clear task description;
- B. Term of Committee – a sunset provision;
- C. Membership, nomination, and confirmation process, and residency or other special member requirements;
- D. Term of office;
- E. Place of Committee within City or Council structure – who does the Committee report to?
- F. Councilmember liaison (if any);
- G. Time frames for Committee action on tasks;
- H. Time frames for Council or Committee action, for example, periodic review or interim reports;
- I. Staffing (if any) for the Committee, and which City Department bears the staffing responsibility or expense for Committee;
- G. Any other matters appropriate to the Committee's work.

2.95.030 Scope of Work.

A. Each Ad Hoc Advisory Board, when it is formed, will have a specific statement of purpose and function, which will be re-examined periodically by the City Council to determine its effectiveness. This statement of purpose, as well as other information regarding duties and responsibilities, will be made available to all members when appointed.

B. The City Council may determine any specific guidelines or tasks to be referred to the Ad Hoc Advisory Board by motion or resolution.

C. Each Ad Hoc Advisory Board shall develop a scope of work within the jurisdiction and area of responsibility consistent with the City Council resolution forming the Committee.

2.95.040 Membership, Nomination, Confirmation and Residency

Requirements. The number of members and any specific qualifications of each Ad Hoc Advisory Committee member shall be set forth by resolution of the City Council. Unless otherwise specifically provided by applicable resolution or motion, or as may be required by state law, the following procedures and requirements shall apply to all members of each Ad Hoc Advisory Committee:

A. Each person at the time of nomination and continuing uninterrupted thereafter while serving on an Ad Hoc Advisory Committee shall be a resident of and/or work in the City of Black Diamond.

B. Each person to be appointed shall be nominated by the Mayor for a specific numbered position on each Ad Hoc Advisory Committee.

C. Each person shall be deemed appointed and shall commence service after confirmation by the City Council or on the effective date of the previous member's resignation

or on the expiration of the existing term for the position, as applicable.

D. Each conformation motion by the Council shall include ending date and term for the position to which the person is appointed and such information shall be entered into the Council minutes.

2.95.050 Officers – Identification and Election. Each Ad Hoc Advisory Committee shall elect from its membership a presiding officer who shall be referred to as the chairman, chairwoman or chairperson, as determined appropriate by the Committee. Such officer shall serve for one year, or until the Committee discontinues its operation, whichever is shorter. The Committee may elect other officers as it deems necessary and such officers shall be set forth in the rules of procedure adopted by the Committee.

2.95.060 Quorums, Transacting Business. A majority of the appointed members of the Committee shall constitute a quorum for the transaction of business. An affirmative vote of the majority of a quorum in attendance at any meeting shall be necessary to transact business or carry any proposition.

2.95.070 Terms of Office or Vacancies. Appointments to Ad Hoc Advisory Committees shall be provided for in the resolution establishing or providing for a Committee. Vacancies shall be filled by the City Council, upon nomination by the Mayor, for the unexpired term in the same manner as the original appointment. Membership vacancies other than through expiration of term shall be filled for the unexpired term. Any member may be removed by Council action at any time based upon Council decision that removal is in the best interests of the City.

2.95.080 Conflicts of Interest. Members of Ad Hoc Advisory Committees shall be subject to chapter 42.23 RCW, Code of Ethics for Municipal Officers. If any members of an Ad Hoc Advisory Committee conclude that they have a conflict of interest or an appearance of fairness problem with respect to a matter that is pending before the Committee, so that they cannot discharge their duties on the Committee, they shall disqualify themselves from participating in the deliberations and the decision-making process with respect to the matter.

2.95.090 Liaisons and Representatives. A City Council representative may be available to each Ad Hoc Advisory Committee for the purpose of providing a constructive relationship between the City Council and the Advisory Committee without implying direction, review or oversight of the activities of the Advisory Committee.

2.95.100 Procedures, Records and Minutes. The Ad Hoc Advisory Committee shall be governed by Roberts Rules of Order as the same may be updated or amended. The Committee may adopt supplementary rules of procedure. The Committee shall provide for the taking of minutes and maintaining the records of all regular and special meetings.

2.95.110 Meetings. The Committee shall decide upon regular meeting dates and times as provided in the Council resolution establishing the Committee. All meetings of the entire body of the Committee and any subcommittee or task force of the Committee shall be subject to all requirements of the Washington Open Public Meetings Act (chapter 42.30 RCW)

and shall be open to the public. The meetings shall be held at a public place at a regularly scheduled time, or at a special meeting time following notice by the City Clerk, according to RCW 42.30.080. Notice of all meetings shall be provided to the City Clerk for publication on the City's website. Records of documents and evidence considered must be maintained by the Committee and are subject to the Public Records Act, chapter 42.56 RCW.

2.95.120 Communications to City Council.

A. Expressions of an Ad Hoc Advisory Committee's position, recommendation or request for any action shall be in the form of a resolution, motion or other written communication setting forth the reasons, facts, policies and/or findings of the Committee to support the communication, and shall be directed to the City Council and Mayor.

B. Communications from the Ad Hoc Advisory Committees shall be acknowledged by the Council.

C. Should any member of the Council determine that any such communication should be officially answered by the Council, the Mayor shall place that matter on the agenda under New Business for the current meeting or any subsequent meeting.

2.95.130 Compensation and Reimbursement of Expenses. Members of an Ad Hoc Advisory Committee shall serve without compensation. Members shall be reimbursed for travel expenses that are incidental to that service, as long as such expenses are authorized by the Mayor in advance by resolution or motion. Members must seek pre-authorization for any proposed expense or the expense will not be reimbursed.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 3. Publication and Effective Date. This Ordinance shall be published by an approved summary consisting of the title. This ordinance shall be effective five days after publication, as provided by law.

PASSED by the Council and approved by the Mayor of the City of Black Diamond, this 20th day of August, 2015.

CITY OF BLACK DIAMOND

Mayor Carol Benson

ATTEST/AUTHENTICATED:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Carol A. Morris, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: AB15-055 Ordinance establishing a Transportation Benefit District coincident with the Black Diamond City limits.	Agenda Date: August 20, 2015	
	AB15-055	
	Mayor Carol Benson	
	City Administrator	
	City Attorney Carol Morris	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Barb Kincaid	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	
Cost Impact (see also Fiscal Note): \$67,000 new revenue for streets	Police – Chief Kiblinger	
Fund Source: new taxing authority	Public Works – Seth Boettcher	X
Timeline: Right away	Court – Stephanie Metcalf	
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input checked="" type="checkbox"/> PW and Finance Committee		
Attachments: Ordinance 15-1057; Implementing action schedule		
<p>SUMMARY STATEMENT: The street department budget has been operating at a deficit recently because the revenue from Motor vehicle excise tax and funding support from development have gone down while costs for the basic maintenance activities have gone up. A Transportation Benefit District will provide the City with a new source of revenue to assist in meeting the operation and maintenance needs of the Street Department.</p> <p>FISCAL NOTE (Finance Department): It is expected that a Transportation Benefit District with a \$20 License tab fee will generate about \$67,000 in the first year and about \$80,000 in the second year. This will assist in closing the gap in funding for the Street Department.</p>		
<p>COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: Public Works Committee recommends approval.</p>		
<p>RECOMMENDED ACTION: MOTION to adopt Ordinance 15-1057, establishing a Transportation Benefit District coincident with the Black Diamond City limits.</p>		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
August 20, 2015		

CITY OF BLACK DIAMOND, WASHINGTON
ORDINANCE NO. 15-1057

AN ORDINANCE OF BLACK DIAMOND, WASHINGTON, RELATING TO THE ESTABLISHMENT OF THE BLACK DIAMOND TRANSPORTATION BENEFIT DISTRICT, IDENTIFYING THE GOVERNING BOARD, DESCRIBING THE FUNCTIONS OF THE DISTRICT, DESCRIBING THE MANNER IN WHICH TRANSPORTATION IMPROVEMENTS SHALL BE FUNDED AND DISSOLUTION OF THE DISTRICT, ALL AS ALLOWED BY CHAPTER 36.73 RCW, ADDING A NEW CHAPTER 12.06 TO THE BLACK DIAMOND MUNICIPAL CODE.

WHEREAS, the City Council desires to respond to the need for transportation funding for the maintenance and operation of city streets by establishing a transportation benefit district, as authorized by chapter 36.73 RCW; and

WHEREAS, the SEPA Responsible Official has determined that this Ordinance is categorically exempt under SEPA, WAC 197-11-800(19) as a program relating solely to governmental procedures and containing no substantive standards respecting use or modification of the environment; and

WHEREAS, notice of a public hearing on this Ordinance establishing a transportation benefit district was provided according to RCW 36.73.050(1), including, but not limited to, publication of such notice in a newspaper in general circulation in the City, not less than ten days before the hearing; and

WHEREAS, the public hearing was held on the establishment of a transportation benefit district by the Black Diamond City Council on August 6th, 2014; and

WHEREAS, the City Council considered the adoption of this ordinance during its regular meeting of August 20, 2015 and determined that the establishment of a transportation benefit district is in the public interest; Now, Therefore,

IT IS HEREBY ORDAINED BY THE BLACK DIAMOND CITY COUNCIL AS FOLLOWS:

Section 1. A new chapter 12.06 shall be added to the Black Diamond Municipal Code, which shall read as follows:

CHAPTER 12.06

TRANSPORTATION BENEFIT DISTRICT

Sections:

12.06.010	Purpose.
12.06.020	Establishing the Transportation Benefit District
12.06.030	Governing Board
12.06.040	Functions of the District
12.06.050	Transportation Improvements Funded
12.06.060	Dissolution of District
12.06.070	Liberal Construction.

12.06.010 Purpose. The purpose of this chapter is to establish a transportation benefit district (TBD) pursuant to RCW 35.21.225 and chapter 36.73 RCW, consistent with the public interest, to provide adequate levels of funding for the preservation, maintenance and operations of the street transportation system of the City of Black Diamond.

12.06.020 Establishing the Transportation Benefit District. There is created a transportation benefit district to be known as the Black Diamond Transportation Benefit District or “District” with geographical boundaries comprised of the corporate limits of the City as they currently exist or as they may exist following future annexations.

12.06.030 Governing Board.

A. The governing board of the Black Diamond Transportation Benefit District shall be the Black Diamond City Council, acting in an ex officio and independent capacity, which shall have the authority to exercise the statutory powers set forth in chapter 36.73 RCW.

B. The treasurer of the Transportation Benefit District shall be the City Finance Director.

C. The Board shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW 36.73.160(1). The policy must at least address material changes to cost, scope and schedule, the level of change that will require governing body involvement and how the governing body will address those changes. At a minimum, if the District funding participation in a transportation improvement exceeds its original cost by more than twenty percent (20%) as identified in the District’s original plan, a public hearing shall be held to solicit public comment regarding how the cost change should be resolved.

D. The Board shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

12.06.040 Functions of the District.

A. The District, by a majority vote of its governing board, may authorize a motor vehicle license fee of up to twenty dollars as provided in RCW 82.80.140 for the purposes set forth in this chapter and as may be subsequently authorized according to law.

B. The District may impose additional taxes, fees or charges authorized by RCW 36.73.040 or ad valorem property taxes authorized by RCW 36.73.060, only if approved by District voters pursuant to RCW 36.73.065.

C. The District shall have all powers and functions provided by chapter 36.73 RCW to fulfill the functions of the District, including the power to issue general obligation bonds and revenue bonds as provided in RCW 36.73.070, or form a local improvement district as provided in RCW 36.73.080.

12.06.050 Transportation improvements funded. The funds generated by the Transportation Benefit District may be used for transportation improvements that preserve, maintain, operate, construct and reconstruct the existing transportation infrastructure of the City, consistent with chapter 36.73 RCW, as it now exists or is hereafter amended. In addition to the foregoing, the funds generated may be used for any purpose allowed by law, including to operate the District and to make transportation improvements that are consistent with state, regional and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels, pursuant to chapter 36.73 RCW. The District shall select to the extent practicable projects for funding that reduce the risk of transportation facility failure and improve safety, decrease travel time, increase daily and peak period trip capacity, improve modal connectivity, provide for economic development, improve accessibility for persons with special transportation needs, and preserve and maintain optimal performance of the infrastructure over time to avoid expensive infrastructure construction and replacement in the future.

All funds raised through the District shall be expended only for such construction, reconstruction, preservation, maintenance and operation in accordance with the provisions of chapter 36.73 RCW as it now exists or is hereafter amended. The funds expended by the District shall preserve, maintain, operate and improve the City's investments in the transportation infrastructure, reduce the risk of transportation facility failure, improve safety, continue the cost effectiveness of the City's infrastructure investments, provide for economic development and continue the optimal performance of the transportation system.

Additional transportation improvement projects may be funded only after compliance with the provisions of RCW 36.73.050(2)(b) following notice, public hearing and enactment of an authorizing ordinance.

12.06.060 Dissolution of District. The District shall be automatically dissolved when all indebtedness of the District has been retired and when all of the District's anticipated responsibilities have been satisfied.

12.06.070 Liberal Construction. This chapter is to be liberally construed to accomplish the purpose of establishing a transportation benefit district with the broadest possible authority under chapter 36.73 RCW, as it now exists or is hereafter amended.

Section 4. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 5. Publication. This Ordinance shall be published by an approved summary consisting of the title.

Section 6. Effective Date. This Ordinance shall take effect and be in full force and effect five days after publication, as provided by law.

PASSED by the City Council of Black Diamond this 20th day of August, 2015.

Carol Benson, Mayor

AUTHENTICATED:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Carol A. Morris, City Attorney

PUBLISHED:
EFFECTIVE DATE:

TRANSPORTATION BENEFIT DISTRICT

SCHEDULE

DATE	MEETING	ACTION	
August 6 th	City Council	Public hearing; take testimony on TBD formation	<i>Published in paper on July 21st and 28th.</i>
August 13 th	Normal Workshop	Council/TBD discussion; of various pending actions of the TBD	<i>Materials due to City Clerk on Wednesday, August 5th @ 10 a.m.</i>
August 20 th	Council Meeting	Adoption of Ordinance establishing TBD	<i>Materials due to City Clerk on Wednesday, August 12th @ 10 a.m.</i>
August 20 th	Council Meeting	set the first TBD meeting for Sept 3 rd .	<i>Materials due to City Clerk on Wednesday, August 12th @ 10 a.m.</i>
Sept 3 rd	TBD meeting	Adopt bylaws	<i>Materials due to Clerk on Wed Aug 26th @ 10 AM</i>
		Set license tab fee	<i>Materials due to Clerk on Wed Aug 26th @ 10 AM</i>
		Adopt material change policy	<i>Materials due to Clerk on Wednesday, August 26th @ 10 a.m.</i>
		Set a hearing date for 2016 TBD budget	<i>If public hearing is October 1st, notice to the paper on Sept. 11 by 10 a.m.. Materials due to Clerk on Sept 14 for posting to the website.</i>
October 1 st .	Second TBD meeting	Take testimony on the 2016 TBD budget	
		Approve an interlocal agreement with the City	<i>Materials due to Clerk on Wednesday, September 23rd by 10 a.m.</i>
October 1 st	City council meeting	Approve an interlocal agreement with the BD TBD.	<i>Materials due to City Clerk on Wednesday, September 23rd by 10 a.m.</i>
October 1 st	TBD meeting	Adopt a 2016 TBD budget	<i>Materials due to Clerk on Wednesday,</i>

			<i>September 23rd by 10 a.m.</i>

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: AB15-056 Authorizing the Mayor to execute an interlocal agreement among participating jurisdictions for the watershed basins within the Watershed Resource Inventory Area 9 (WRIA 9)	Agenda Date: August 20, 2015	
	AB15-056	
	Mayor Carol Benson	
	City Administrator	
	City Attorney Carol Morris	
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Barb Kincaid	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
Cost Impact (see also Fiscal Note): \$4,219/year	Public Works – Seth Boettcher	X
Fund Source: Stormwater	Court – Stephanie Metcalf	
Timeline: 10 year agreement		
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator		
Attachments: Resolution 15-1037; Interlocal Agreement		
SUMMARY STATEMENT: This interlocal agreement will extend the current agreement that City has been part of since 2006. That agreement expires December 31, 2015. This agreement provides a mechanism and governance structure for implementing the “WRIA 9 Salmon Habitat Plan,” basically outlines programs and projects within the watershed for recovering the threatened Green River Chinook Salmon population.		
FISCAL NOTE (Finance Department): The City’s share of the cost will be \$4,219 per year, which is less than the \$4,354 under the previous agreement. This is budgeted in the Stormwater Fund. Share is calculated based on population, assessed value, and physical size of the City.		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION: Public Works Committee recommends approval.		
RECOMMENDED ACTION: MOTION to adopt Resolution 15-1037, authorizing the Mayor to execute an interlocal agreement among participating jurisdictions for the watershed basins within the Watershed Resource Inventory Area 9 (WRIA 9)		
RECORD OF COUNCIL ACTION		
Meeting Date	Action	Vote
August 20, 2015		

RESOLUTION NO. 15-1037

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO EXECUTE AN
INTERLOCAL AGREEMENT AMONG PARTICIPATING
JURISDICTIONS FOR THE WATERSHED BASINS WITHIN
WATERSHED RESOURCE INVENTORY AREA 9 (WRIA 9)**

WHEREAS, RCW 39.34 authorizes cities and counties to enter into interlocal agreements, as necessary, to work together on issues requiring joint action of the parties; and

WHEREAS, the City executed an interlocal agreement with participating jurisdictions for the watershed basins within Watershed Resource Inventory Area 9 (WRIA 9); and

WHEREAS, the existing interlocal agreement expires on December 31, 2015; and

WHEREAS, this agreement would continue to provide a mechanism and governance structure for implementing the "WRIA 9 Salmon Habitat Plan"; and

WHEREAS, the City desires to continue participating in the interlocal agreement for WRIA 9;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute an interlocal agreement among participating jurisdictions for the watershed basins within Watershed Resource Inventory Area 9 (WRIA 9), substantially in the form attached hereto.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 20TH DAY OF AUGUST, 2015.

CITY OF BLACK DIAMOND:

Carol Benson, Mayor

Attest:

Brenda L. Martinez, City Clerk

INTERLOCAL AGREEMENT

For the Green River, Duwamish River, and Central Puget Sound Watersheds
within the geographic planning area of Water Resource Inventory Area 9 (which
includes portions of Water Resource Inventory Areas 8, 10, and 15)

PREAMBLE

THIS AGREEMENT ("Agreement") is entered into pursuant to Chapter 39.34 RCW by and among the eligible county and city governments signing this Agreement that are located in King County or Pierce County, lying wholly or partially within or having a major interest in the Green River, Duwamish River, and Central Puget Sound Watersheds and within the planning and management area of Watershed Resource Inventory Area 9, which includes portions of WRIA 8, 10, and 15, ("WRIA 9") all political subdivisions of the State of Washington (individually, for those signing this agreement, "Party", and collectively "Parties");

WHEREAS, the planning and management area of WRIA 9 includes all of the area recognized by the State of Washington as WRIA 9 and portions of WRIA 8, 10, and 15;

WHEREAS, the Parties share interests in and responsibility for addressing long-term watershed planning and conservation of the aquatic ecosystems and floodplains of the Green River, Duwamish River, and Central Puget Sound Watersheds and wish to collectively provide for planning, funding and implementation of various activities and projects therein; and

WHEREAS, the Parties have participated in an Interlocal Agreement for the years 2001-2005 to develop "Making Our Watershed Fit for a King" as approved in 2005 and since amended ("**Salmon Habitat Plan**"), contributed to the federally-approved Puget Sound Salmon Recovery Plan, and desire to continue providing efficient participation in the implementation of such plans; and

WHEREAS, the Parties took formal action in 2005 and 2006 to ratify the **Salmon Habitat Plan**, and

WHEREAS, the Parties have participated in an extension of the 2001-2005 Interlocal Agreement and an Interlocal Agreement for the years 2007-2015 in implementing the **Salmon Habitat Plan**; and

WHEREAS, the Parties have demonstrated in the **Salmon Habitat Plan** that watershed ecosystem services are worth billions of dollars of value to local people in terms of stormwater management, pollution treatment, recreational value, and other expensive and difficult to replace services; and

WHEREAS, the Parties seek information on watershed conditions and salmon conservation and recovery needs to inform local decision-making bodies regarding actions in response to listings under the Endangered Species Act ("ESA"); and

WHEREAS, the Parties have prioritized and contributed resources and funds for implementing projects and programs to protect and restore habitat; and

WHEREAS, the Parties wish to monitor and evaluate implementation of the *Salmon Habitat Plan* through adaptive management; and

WHEREAS, the Parties wish to continue to use adaptive management for identifying, coordinating and implementing basin plans and water quality, flood hazard reduction, water quantity, and habitat projects in the watersheds; and

WHEREAS, the Parties have a strong interest in participating on the Puget Sound Salmon Recovery Council because of the contributions of the Green River, Duwamish River, and Central Puget Sound Watersheds to the overall health of Puget Sound; and

WHEREAS, the Parties have a strong interest in participating on the Washington Salmon Coalition and other groups associated with the Salmon Recovery Funding Board to collectively seek funding to implement the *Salmon Habitat Plan*; and

WHEREAS, the Parties have a strong interest to implement the Puget Sound Partnership Action Agenda to restore the Puget Sound to health and sustain that health by 2020; and

WHEREAS, the Parties have a strong interest in participating on the Puget Sound Salmon Recovery Council and other entities associated with Puget Sound salmon recovery and Puget Sound South Central Action Area Caucus Group to collectively seek funding to implement the *Salmon Habitat Plan*; and

WHEREAS, the Parties have a strong interest to achieve multiple benefits by integrating salmon recovery planning and actions; and

WHEREAS, the Parties recognize that identification of watershed issues, and implementation of salmon conservation and recovery actions may be carried out more efficiently if done cooperatively than if carried out separately and independently; and

WHEREAS, individual Parties are taking separate and independent actions to improve the health of the Green River, Duwamish River, and the Central Puget Sound Watersheds and the overall health of Puget Sound;

NOW, THEREFORE, the Parties hereto do mutually covenant and agree as follows:

MUTUAL CONVENANTS AND AGREEMENTS

1. **DEFINITIONS.** For purposes of this Agreement, the following terms shall have the meaning provided for below:
 - 1.1 **ELIGIBLE COUNTY AND CITY GOVERNMENTS:** The local governments eligible for participation in this Agreement as parties are King County, and the Cities of Algona, Auburn, Black Diamond, Burien, Covington, Des Moines, Enumclaw, Federal Way, Kent, Maple Valley, Normandy Park, Renton, SeaTac, Seattle, Tacoma, Tukwila, and any newly incorporated city that lies fully or partially within the boundaries of WRIA 9.
 - 1.2 **WRIA 9 ILA PARTIES:** The *Parties to the WRIA 9 Interlocal Agreement* are the Parties who sign this Agreement and are the Parties responsible for implementing this

Agreement. The Parties to this ILA shall each designate a representative and alternate representative to the **WRIA 9 Watershed Ecosystem Forum**.

- 1.3 **WRIA 9 WATERSHED ECOSYSTEM FORUM:** The **WRIA 9 Watershed Ecosystem Forum** referred to herein is the cooperative body comprised of the designated representatives of the **WRIA 9 ILA Parties** and a balance of **Stakeholder** representatives and any other persons who are deemed by the Parties to this Agreement to be appropriate members for the implementation of the **Salmon Habitat Plan**. The **WRIA 9 Watershed Ecosystem Forum** shall be an advisory body responsible for making recommendations for implementing the **Salmon Habitat Plan** including substantive plan amendments recommended as a result of adaptive management or other changed conditions.
- 1.4 **GREEN/DUWAMISH AND CENTRAL PUGET SOUND WATERSHED WATER RESOURCE INVENTORY AREA 9 SALMON HABITAT PLAN:** The **Green/Duwamish and Central Puget Sound Watershed Water Resource Inventory Area 9 Salmon Habitat Plan (2005 Salmon Habitat Plan or Salmon Habitat Plan)** is the plan developed by the **WRIA 9 Watershed Ecosystem Forum** and ratified by all of the parties to an interlocal agreement for its development and implementation. The **Salmon Habitat Plan** recommends actions that should be taken to protect and restore salmon habitat, using an ecosystem approach, in the Green/Duwamish and Central Puget Sound Watersheds. The **Salmon Habitat Plan** may be amended from time to time according to the procedure in Section 6 herein and approved amendments shall be considered integral parts of the **Salmon Habitat Plan**. Efforts under the **Salmon Habitat Plan** are intended to complement habitat improvements in other parts of Puget Sound and hatchery and harvest actions to recover Puget Sound Chinook salmon, steelhead, and bull trout, and when implemented achieve multiple ecosystem benefits. The **Salmon Habitat Plan** constitutes a chapter of the Puget Sound Salmon Recovery Plan.
- 1.5 **MANAGEMENT COMMITTEE:** The **Management Committee** as referred to herein consists of seven (7) elected officials or their designees. The seven officials of the **Management Committee** are chosen by the **WRIA 9 ILA Parties**, according to the voting procedures in Section 5 herein, charged with certain oversight and administrative duties on the **WRIA 9 ILA Parties'** behalf.
- 1.6 **SERVICE PROVIDER:** The **Service Provider**, as used herein, means that agency, government, consultant, or other entity which supplies staffing or other resources to and for the **WRIA 9 ILA Parties**, in exchange for payment. The **Service Provider** may be a Party to this Agreement.
- 1.7 **FISCAL AGENT:** The **Fiscal Agent** refers to that agency or government which performs all accounting services for the **WRIA 9 ILA Parties** as it may require, in accordance with the requirements of Chapter 39.34 RCW.

- 1.8 **STAKEHOLDERS:** *Stakeholders* refers to those public and private entities within WRIA 9 who reflect the diverse interests integral to implementing the ***Salmon Habitat Plan***, and may include but is not limited to environmental and business interests.
2. **PURPOSES.** The purposes of this Agreement include the following:
- 2.1 To provide a mechanism to protect and restore the ecological health of the Green/Duwamish Rivers and Central Puget Sound Watersheds.
 - 2.2 To provide a mechanism, through an annually agreed upon work plan, for implementing and coordinating local efforts to address issues with watershed-wide or basin implications, including but not limited to flood hazard reduction, floodplain management, surface and groundwater quality, water quantity, and habitat.
 - 2.3 To provide information for ***WRIA 9 ILA Parties*** to inform land use planning, regulations, environmental programs, education, and enforcement of applicable codes.
 - 2.4 To provide a mechanism and governance and funding structures for jointly implementing the ***Salmon Habitat Plan***.
 - 2.5 To develop and take actions on key issues during the implementation of the ***Salmon Habitat Plan***.
 - 2.6 To provide a mechanism for cooperative review and implementation of recommended policies and regulations needed for response to listings under the Endangered Species Act.
 - 2.7 To provide a venue for the ongoing participation of citizens and other stakeholders in salmon recovery and other watershed efforts and to ensure continued public outreach efforts to educate and garner support for current and future watershed and Endangered Species Act listed species response efforts by local governments and in accordance with ***the Salmon Habitat Plan***.
 - 2.8 To provide a mechanism for securing technical assistance and any available funding from federal, state, and other sources to implement the ***Salmon Habitat Plan***.
 - 2.9 To provide a mechanism for implementing other multiple benefit habitat, surface and groundwater quality, water quantity, floodplain management, and flood hazard reduction projects with other local, regional, tribal, state, federal and non-profit funds as may be contributed to or secured by the ***WRIA 9 ILA Parties*** and ***Watershed Ecosystem Forum***.
 - 2.10 To annually recommend WRIA 9 administrative support, projects, and programs for funding by the King County Flood Control District through the District's Cooperative Watershed Management grant program.
 - 2.11 To annually recommend projects for implementation of planning, engineering, permitting and construction tasks for the Green/Duwamish Ecosystem Restoration Project in partnership with the U.S. Army Corps of Engineers.

- 2.12 To provide a framework for cooperating and coordinating among the Parties on issues relating to WRIA 9 to meet the requirement of a commitment by any Party to participate in WRIA 9 planning and implementation, to prepare or implement a basin plan, or to respond to any state or federal law which may require these actions as a condition of any funding, permitting or other program of state or federal agencies. Participation is at the discretion of such Party to this Agreement.
- 2.13 To provide a mechanism to approve and support, through resources and funding from grant sources or other means, implementation of restoration and protection projects and programs.
- 2.14 To provide a mechanism for on-going monitoring and adaptive management of the ***Salmon Habitat Plan*** as defined in the Plan and agreed to by the ***WRIA 9 ILA Parties*** and ***Watershed Ecosystem Forum***.

It is not the purpose or intent of this Agreement to create, supplant, preempt or supersede the authority or role of any jurisdiction, governmental entity or water quality policy bodies including the Regional Water Quality Committee.

- 3. **EFFECTIVE DATE AND TERM.** This Agreement shall become effective upon its execution by at least five (5) of the eligible local governments within WRIA 9 representing at least seventy percent (70%) of the affected population within the geographic area of WRIA 9, as authorized by the legislative body of each local government, and further provided that after such signatures this Agreement has been filed by King County in accordance with the terms of RCW 39.34.040 and .200. Once effective, this Agreement shall remain in effect for an initial term of ten (10) years; provided, however, that this Agreement may be extended for such additional terms as the Parties may agree to in writing with such extension being effective upon its execution by at least five (5) of the eligible local governments within WRIA 9 representing at least seventy percent (70%) of the affected population within the geographic area of WRIA 9, as authorized by the legislative body of each local government, and further provided that after such signatures this Agreement has been filed by King County in accordance with the terms of RCW 39.34.040 and .200. Such extension shall bind only those Parties executing the extension.

- 4. **ORGANIZATION AND MEMBERSHIP.** The Parties to this Agreement serve as the formal governance structure for carrying out the purposes of this Agreement.

- 4.1 Each Party to this Agreement except Tacoma shall appoint one (1) elected official to serve as its primary representative, and one (1) alternate representative to serve on the ***WRIA 9 Watershed Ecosystem Forum***. The alternate representative may be a different elected official or senior staff person. Tacoma's representative shall be the Tacoma Water Superintendent or designee, which designee shall be a senior staff position.
- 4.2 Upon the effective execution of this Agreement and the appointment of representatives to the ***WRIA 9 Watershed Ecosystem Forum***, the appointed representatives of the ***WRIA 9 ILA Parties*** shall meet and choose from among its members, according to the

provisions of Section 5 herein, seven (7) officials or their designees, to serve as a **Management Committee** to oversee and direct the scope of work, funds, and personnel agreed to and contributed under this Agreement, in accordance with the adopted annual budget and work program and such other directions as may be provided by the **WRIA 9 ILA Parties**. Representatives of the **Fiscal Agent** and **Service Provider** may serve as non-voting ex officio members of the **Management Committee**. The **Management Committee** shall act as the executive subcommittee of the **WRIA 9 ILA Parties**, responsible for oversight and evaluation of any **Service Providers** or consultants, administration of the budget and work plan, and for providing recommendations on administrative matters to the **WRIA 9 ILA Parties** for action, consistent with other subsections of this section. The appointed representatives of the **WRIA 9 ILA Parties** shall consider new appointments or reappointments to the **Management Committee** every two years following its initial appointments.

- 4.3 The services cost-shared under this agreement shall be provided to the **WRIA 9 ILA Parties and the Watershed Ecosystem Forum** by the **Service Provider**, which shall be King County Department of Natural Resources and Parks, unless selected otherwise by the **WRIA 9 ILA Parties**. The **Management Committee** shall prepare a Memorandum of Understanding to be signed by a representative of the **Service Provider**, and the Chair of the **WRIA 9 Management Committee**., and this Memorandum of Understanding shall set out the expectations for services so provided. Services should include, without limitation, identification of and job descriptions for dedicated staff, description of any supervisory role retained by the **Service Provider** over any staff performing services under this Agreement, and a method of regular consultation between the **Service Provider** and the **Management Committee** concerning the performance of services hereunder.

4.3.1 A subset of the Parties to this Agreement may purchase and cost share services from the **Service Provider** in addition to the annual cost-shared services agreed to by all Parties pursuant to Section 4.3 herein.

4.3.2 The **Management Committee** shall prepare a Memorandum of Understanding to be signed by a representative of the **Service Provider**, and the Chair of the **WRIA 9 Management Committee**, which shall set out the expectations for the additional services to be provided to the subset of the Parties to this Agreement.

- 4.4 The **WRIA 9 ILA Parties** by September 1 of each year shall establish and approve an annual budget that provides for the level of funding and total resource obligations of the Parties for the following calendar year. Such obligations are to be allocated on a proportional basis based on the average of the population, assessed valuation and area attributable to each Party to this Agreement, in accordance with the formula set forth in Exhibit A, which formula and accompanying data shall be updated every third year by the

WRIA 9 Management Committee. Individual Party cost shares may change more frequently than every three years for Parties involved in an annexation that changes the area, population, and assessed value calculation of such Party to the extent that the cost shares established by the formula set forth in Exhibit A would be changed by such annexation. Tacoma's cost share will be determined on an annual basis by the Management Committee, and will be included in the annual updates to Exhibit A. The weight accorded Tacoma's vote for weighted voting pursuant to Section 5 herein shall correspond to Tacoma's cost share for each year relative to the cost shares contributed by the other Parties.

4.4.1 The level of funding, total resource obligations, and allocation of obligations for those members of the Parties that agree to cost share additional services pursuant to Subsection 4.3.1 herein shall be negotiated and determined by those Parties purchasing the additional services.

4.5 The **WRIA 9 ILA Parties** shall incorporate the negotiated additional cost share and incorporate the services in the annual budget and work plan. The **WRIA 9 ILA Parties** shall oversee and administer the expenditure of budgeted funds and shall allocate the utilization of resources contributed by each Party or obtained from other sources in accordance with the approved annual work program.

4.6 The **WRIA 9 ILA Parties** shall review and evaluate the duties to be assigned to the **Management Committee** hereunder and the performance of the **Fiscal Agent** and **Service Provider** to this Agreement, and shall provide for whatever actions are necessary to ensure that quality services are efficiently, effectively and responsibly delivered in the performance of the purposes of this Agreement. The performance of the **Service Provider** shall be assessed every year.

4.7 The Parties to the **WRIA 9 Interlocal Agreement** may contract with similar watershed forum governing bodies such as the Puget Sound Partnership or any other entities for any lawful purpose related to the purposes provided for in this Agreement. The Parties may choose to create a separate legal or administrative entity under applicable state law, including without limitation a nonprofit corporation or general partnership, to accept private gifts, grants or financial contributions, or for any other lawful purpose consistent with the purposes provided for herein.

4.8 The **WRIA 9 ILA Parties** shall adopt other rules and procedures that are consistent with its purposes as stated herein and are necessary for its operation.

5. **VOTING.** The **WRIA 9 ILA Parties** shall make decisions, approve scopes of work, budgets, priorities, and any other actions necessary to carry out the purposes of this Agreement as follows:

5.1 Decisions shall be made using a consensus model as much as possible. Each Party agrees to use its best efforts and exercise good faith in consensus decision-making. Consensus may be reached by unanimous agreement of the Parties. If unanimous

agreement of members cannot be reached then the Parties to this agreement may reach consensus by a majority recommendation with a minority report. Any Party who does not accept a majority decision may request weighted voting as set forth below.

5.2 In the event consensus cannot be achieved, as determined by rules and procedures adopted by the Parties to the **WRIA 9 Interlocal Agreement**, the **WRIA 9 ILA Parties** shall take action on a dual-majority basis, as follows:

5.2.1 Each Party, through its appointed representative, may cast its weighted vote in connection with a proposed **WRIA 9** action.

5.2.2 The weighted vote of each Party in relation to the weighted votes of each of the other Parties shall be determined by the percentage of the annual contribution made by each Party as set in accordance with Section 4.4 herein in the year in which the vote is taken.

5.2.3 For any action subject to weighted voting to be deemed approved, valid and binding, an affirmative vote must be cast by both a majority of the Parties to this Agreement and by a majority of the weighted votes of the Parties to this Agreement.

6. **IMPLEMENTATION and ADAPTIVE MANAGEMENT OF THE SALMON HABITAT PLAN.** The **Salmon Habitat Plan** shall be implemented consistent with the following:

6.1 The **WRIA 9 Watershed Ecosystem Forum** shall provide information to the **WRIA 9 ILA Parties** regarding progress in achieving the goals and objectives of the **Salmon Habitat Plan**. Recommendations of the **WRIA 9 Watershed Ecosystem Forum** are to be consistent with the purposes of this Agreement. The **WRIA 9 ILA Parties** may authorize additional advisory bodies to the **WRIA 9 Watershed Ecosystem Forum** such as a technical committee and adaptive management work group. The **Watershed Ecosystem Forum** shall develop and approve operating and voting procedures for its deliberations, but such procedures do not affect the voting provisions contained in this Agreement for the **WRIA 9 ILA Parties**.

6.2 The **WRIA 9 ILA Parties** shall act to approve or remand any substantive changes to the **Salmon Habitat Plan** based upon recommendations by the **WRIA 9 Watershed Ecosystem Forum** within ninety (90) days of receipt of the proposed changes, according to the voting procedures of Section 5 herein. In the event that the **Salmon Habitat Plan** changes are not so approved, the recommended changes shall be returned to the **WRIA 9 Watershed Ecosystem Forum** for further consideration and amendment and thereafter returned to the **WRIA 9 ILA Parties** for decision.

6.3 The **WRIA 9 ILA Parties** shall determine when ratification is needed of substantive changes to the **Salmon Habitat Plan**. The changes shall be referred to the Parties for ratification prior to the submission to any regional, state, or federal agency for further action. Ratification means an affirmative action, evidenced by a resolution, motion, or

ordinance of the local government's legislative body, by at least five Parties representing at least seventy percent (70%) of the total population within the geographic planning and management area of WRIA 9.

6.4 Upon remand for consideration of any portion or all of the changes to the ***Salmon Habitat Plan*** by any regional, state or federal agency, the ***WRIA 9 ILA Parties*** shall undertake a review for consideration of the remanded changes to the plan. The ***WRIA 9 ILA Parties*** may include further referral to the ***WRIA 9 Watershed Ecosystem Forum*** for recommendation or amendments thereto.

6.5 The Parties agree that any changes to the ***Salmon Habitat Plan*** shall not be forwarded separately by any Party to any regional, state or federal agency unless the changes have been approved and ratified as provided herein.

7. **OBLIGATIONS OF PARTIES; BUDGET; FISCAL AGENT; RULES.**

7.1 Each Party shall be responsible for meeting only its individual obligations hereunder as established in the annual budget adopted by the ***WRIA 9 ILA Parties*** under this Agreement, including all such obligations related to the ***WRIA 9 ILA Parties*** and ***WRIA 9 Watershed Ecosystem Forum*** funding, technical support and participation in related planning and implementation of projects, and activities as set forth herein. It is anticipated that separate actions by the legislative bodies of the Parties will be necessary from time to time in order to carry out these obligations.

7.2 The maximum funding responsibilities imposed upon the parties during each year of this Agreement shall not exceed the amounts that are established annually pursuant to Section 4.4 herein.

7.3 No later than September 1 of each year of this Agreement, the ***WRIA 9 ILA Parties*** shall adopt a budget, including its overhead and administrative costs, for the following calendar year. The budget shall propose the level of funding and other (e.g., staffing) responsibilities of the individual parties for the following calendar year and shall propose the levels of funding and resources to be allocated to specific prioritized planning and implementation activities within WRIA 9. The Parties shall thereafter take whatever separate legislative or other actions as may be necessary to address such individual responsibilities under the proposed budget, and shall have done so no later than December 1 of each year. Parties may elect to secure grant funding to meet their individual obligations.

7.4 Funds collected from the Parties or other sources on behalf of the ***WRIA 9 ILA Parties*** shall be maintained in a special fund by King County as ***Fiscal Agent*** and as *ex officio* treasurer on behalf of the ***WRIA 9 ILA Parties*** pursuant to rules and procedures established and agreed to by the ***WRIA 9 ILA Parties***. Such rules and procedures shall set out billing practices and collection procedures and any other procedures as may be necessary to provide for its efficient administration and operation.

- 7.5 Any Party to this Agreement may inspect and review all records maintained in connection with such fund at any reasonable time.
8. **LATECOMERS.** A county or city government in King County lying wholly or partially within the management area of or with a major interest in WRIA 9 which has not become a Party to this Agreement within twelve (12) months of the effective date of this Agreement may become a Party by obtaining written consent of all the Parties to the Agreement. The provisions of Section 5 herein otherwise governing decisions of the ***WRIA 9 ILA Parties*** shall not apply to this section. The Parties of the Agreement and any governments seeking to become a Party shall jointly determine the terms and conditions under which a government may become a new Party. The terms and conditions shall include payment of an amount by the new Party to the ***WRIA 9 Fiscal Agent***. The amount of payment is determined jointly by the existing ***WRIA 9 ILA Parties*** and the new Party. The payment of the new Party is to be a fair and proportionate share of all costs associated with activities undertaken by the ***WRIA 9 ILA Parties*** as of the date the government becomes a new Party. Any government that becomes a Party pursuant to this section shall thereby assume the general rights and responsibilities of all other Parties.
9. **TERMINATION.**
- 9.1 Termination can only occur on an annual basis, beginning on January 1 of each calendar year, and then only if the terminating Party, through action of its governing body, provides at least sixty (60) days' prior written notice of its intent to terminate. The terminating Party shall remain fully responsible for meeting all of its funding and other obligations through the end of the calendar year in which such notice is given, together with any other costs that may have been incurred on behalf of such terminating Party up to the effective date of such termination. It is possible that the makeup of the Parties to this Agreement may change from time to time. Regardless of any such changes, the Parties choosing not to exercise the right of termination shall each remain obligated to only meet their respective share of the obligations of the ***WRIA 9 ILA Parties*** as reflected in the annual budget. The shares of any terminating Party shall not be the obligation of any of the Parties not choosing to exercise the right of termination.
- 9.2 This Agreement may be terminated in its entirety at any time by the written agreement of all of the Parties. In the event this Agreement is terminated all unexpended funds shall be refunded to the Parties pro rata based on each Party's cost share percentage of the total budgeted funds and any real or personal property acquired to carry out the purposes of this Agreement shall be returned to the contributing Party if such Party can be identified, and if the Party cannot be identified, the property shall be disposed of and the proceeds distributed pro rata as described above for unexpended funds.
10. **HOLD HARMLESS AND INDEMNIFICATION.** To the extent permitted by state law as to city and county governments, and federal law as governing to tribes, and for the limited purposes set forth in this Agreement, each Party shall protect, defend, hold harmless and indemnify the other

Parties, their officers, elected officials, agents and employees, while acting within the scope of their employment as such, from and against any and all claims (including demands, suits, penalties, liabilities, damages, costs, expenses, or losses of any kind or nature whatsoever) arising out of or in any way resulting from such Party's own negligent acts or omissions related to such Party's participation and obligations under this Agreement. Each Party to this Agreement agrees that its obligations under this subsection extend to any claim, demand and/or cause of action brought by or on behalf of any of its employees or agents. For this purpose, each Party, by mutual negotiation, hereby waives, with respect to the other Parties only, any immunity that would otherwise be available against such claims under the industrial insurance act provisions of Title 51 RCW. In the event that either Party incurs any judgment, award, and/or cost arising therefrom, including attorneys' fees, to enforce the provisions of this Section, all such fees, expenses, and costs shall be recoverable from the responsible Party to the extent of that Party's culpability. The provisions of this Section shall survive and continue to be applicable to Parties exercising the right of termination pursuant to Section 9 herein.

11. **NO ASSUMPTION OF LIABILITY.** In no event do the Parties to this Agreement intend to assume any responsibility, risk or liability of any other Party to this Agreement or otherwise with regard to any Party's duties, responsibilities or liabilities under the Endangered Species Act, or any other act, statute, regulation or ordinance of any local municipality or government, the State of Washington, or the United States.
12. **VOLUNTARY AGREEMENT.** This Agreement is voluntary and is acknowledged and agreed that no Party is committing to adopt or implement any actions or recommendations that may be contained in the *Salmon Habitat Plan*.
13. **NO PRECLUSION OF ACTIVITIES OR PROJECTS.** Nothing herein shall preclude any one or more of the Parties from choosing or agreeing to fund or implement any work, activities or projects associated with any of the purposes hereunder by separate agreement or action, provided that any such decision or agreement shall not impose any funding, participation or other obligation of any kind on any Party which is not a party to such decision or agreement.
14. **NO THIRD PARTY RIGHTS.** Nothing contained in this Agreement is intended to, nor shall it be construed to, create any rights in any third party, including without limitation the National Oceanic and Atmospheric Administration - Fisheries, United States Fish and Wildlife Service, any agency or department of the United States, or the State of Washington, or to form the basis for any liability on the part of the *WRIA 9 ILA Parties* or any of the Parties, or their officers, elected officials, agents and employees, to any third party.
15. **AMENDMENTS.** This Agreement may be amended, altered or clarified only by the unanimous consent of the Parties to this Agreement, and requires authorization and approval by each Party's governing body.
16. **COUNTERPARTS.** This Agreement may be executed in counterparts.

17. **APPROVAL BY PARTIES' GOVERNING BODIES.** The governing body of each Party must approve this Agreement before any representative of such Party may sign this Agreement.
18. **FILING OF AGREEMENT.** This Agreement shall be filed by King County in accordance with the provisions of RCW 39.34.040 and .200 and with the terms of Section 3 herein.
19. **ENTIRE AGREEMENT.** This Agreement contains the entire Agreement among the Parties, and supersedes all prior negotiations, representations, and agreements, oral or otherwise, regarding the specific terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below:

Approved as to form:

CITY OF ALGONA:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF AUBURN:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF BLACK DIAMOND:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF BURIEN:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF COVINGTON:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF DES MOINES:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF ENUMCLAW:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

By: _____

Title: _____

Date: _____

CITY OF FEDERAL WAY:

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____

Title: _____

Date: _____

CITY OF KENT:

By: _____

Title: _____

Date: _____

Approved as to form:

KING COUNTY:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF MAPLE VALLEY:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

By: _____

Title: _____

Date: _____

CITY OF NORMANDY PARK:

By: _____

Title: _____

Date: _____

Approved as to form:

By: _____

Title: _____

Date: _____

CITY OF RENTON:

By: _____

Title: _____

Date: _____

Approved as to form:

CITY OF SEATAC:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

By: _____

Title: _____

Date: _____

CITY OF SEATTLE:

By: _____

Title: _____

Date: _____

Approved as to form:

CITY OF TACOMA:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

CITY OF TUKWILA:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A

WRIA Based Cost Share: WRIA 9

Regional Watershed Funding

For 2016

Total: \$424,320

Note: Beginning with the 2017 cost shares, jurisdictional area, population, and assessed value are to be recalculated every three years or if there is a significant annexation per the WRIA 9 interlocal agreement for 2016-2025.

Watershed Ecosystem Forum Approved May 14, 2015

WRIA 9 Jurisdiction	Population (Pop) %	Adjusted Pop	Assessed Value (AV) %	Adjusted AV	Area %	Adjusted Acres	Cost-Share Amount (Average of Pop, AV, Area)*	WRIA 9 Jurisdiction
1 Algona*	0.23%	1,543	0.19%	\$197,378,600	0.16%	363.06	\$784	1 Algona
2 Auburn*	6.06%	40,956	5.06%	\$5,318,451,800	5.67%	12,550.28	\$22,686	2 Auburn
3 Black Diamond	0.61%	4,120	0.57%	\$595,345,385	1.95%	4,308.20	\$4,219	3 Black Diamond
4 Burien	6.51%	44,006	5.10%	\$5,356,038,587	2.86%	6,340.17	\$19,554	4 Burien
5 Covington	2.54%	17,190	1.86%	\$1,954,508,239	1.70%	3,773.03	\$8,252	5 Covington
6 Des Moines	4.30%	29,090	2.66%	\$2,792,105,100	1.78%	3,951.55	\$11,817	6 Des Moines
7 Enumclaw*	0.65%	4,366	0.55%	\$573,979,500	0.62%	1,380.31	\$2,453	7 Enumclaw
8 Federal Way*	9.01%	60,918	5.06%	\$5,316,134,126	3.63%	8,048.27	\$23,925	8 Federal Way
9 Kent*	16.35%	110,605	12.06%	\$12,671,122,513	9.84%	21,781.73	\$51,698	9 Kent
10 King County*	15.04%	101,701	10.66%	\$11,206,469,402	53.44%	118,333.97	\$106,972	10 King County
11 Maple Valley*	1.67%	11,299	1.77%	\$1,863,263,500	1.37%	3,034.15	\$6,507	11 Maple Valley
12 Normandy Park	0.95%	6,435	1.23%	\$1,289,320,500	0.72%	1,593.21	\$3,917	12 Normandy Park
13 Renton*	4.47%	30,221	4.09%	\$4,299,847,610	2.75%	6,096.59	\$15,291	13 Renton
14 SeaTac	3.78%	25,530	2.78%	\$2,918,228,100	1.85%	4,092.51	\$11,354	14 SeaTac
15 Seattle*	25.18%	170,297	42.49%	\$44,654,964,773	9.00%	19,919.60	\$103,624	15 Seattle
16 Tukwila	2.66%	18,000	3.90%	\$4,096,959,014	2.65%	5,867.21	\$12,448	16 Tukwila
	100.0%	676,277	100.0%	\$105,104,116,749	100.0%	221,433.83	\$405,500	SUBTOTAL
+Tacoma							\$18,820	
							\$424,320 TOTAL	

NOTES: Cost shares reflect 2009 annexations of North Highline to Burien and Kent NE to Kent. No annexations or incorporations have occurred since these two major annexations.

DATA SOURCES:

- 2007 Puget Sound Regional Council population estimates by census tract.
- 2009 King County Assessor's data. Assessed value of parcels owned by Port of Seattle Aviation Division is excluded from the analysis.
- Adjusted Acres excludes the Upper Green River subwatershed from King County's area and excludes Port of Seattle Aviation Division properties (airport and residential buyouts) from Burien, Des Moines, and SeaTac shares.

* Cost share amount is an averaging of the population, assessed value, and area percentage of each jurisdiction within WRIA 9
(% population + % assessed value + % area divided by 3 = Cost Share)

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: AB15-057 Ordinance that will assume the exclusive right to provide water service to approx. 98 acres in the western portion of the City.	Agenda Date: August 20, 2015	
	AB15-057	
	Mayor Carol Benson	
	City Administrator	
	City Attorney Carol Morris	X
	City Clerk – Brenda L. Martinez	
	Com Dev/Nat Res – Barb Kincaid	
	Finance – May Miller	
	MDRT/Ec Dev – Andy Williamson	
	Police – Chief Kiblinger	
Cost Impact : \$ None	Public Works – Seth Boettcher	X
Fund Source: Future water department revenue	Court – Stephanie Metcalf	
Timeline: Before development starts		
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input checked="" type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator		
Attachments: Proposed Ordinance and attachments. Staff report including CH2M Hill Tech Memo and City Water System Plan Approval. For map reference see page 16 of CH2M Hill Tech Memo.		
SUMMARY STATEMENT: See attached staff report		
COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:		
RECOMMENDED ACTION: Motion to adopt Ordinance 15-1058, to assume the exclusive right to provide water service to approximately 98 acres in western Black Diamond south of Roberts Drive.		
RECORD OF COUNCIL ACTION		
<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
August 20, 2015		

ORDINANCE NO. 15-1058

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, TO ASSUME THE EXCLUSIVE RIGHT TO PROVIDE WATER SERVICE TO APPROXIMATELY 98 ACRES LOCATED ON THE CITY'S WEST SIDE PURSUANT TO CH. 35.13A RCW AND TO CONFORM THE 1989 COORDINATED WATER SYSTEM PLAN SERVICE AREA MAP TO THE CITY'S 2009 STATE DEPARTMENT OF HEALTH APPROVED WATER SERVICE AREA AND CITY ANNEXATION.

WHEREAS, under the Growth Management Act, Ch. 36.70A RCW ("GMA"), cities are the preferred providers of urban services; and,

WHEREAS, the State Department of Health approved the City's Water System Plan and retail service area in 2009; and,

WHEREAS, the City of Black Diamond plans to provide water service throughout its entire water service area, which is located within its corporate boundaries; and,

WHEREAS, GMA charges the City with coordinating its land use plans, including its zoning and Comprehensive Plan, with its Water System Plan; and,

WHEREAS, in 1989 King County adopted a Coordinated Water System Plan ("CWSP") which includes a map showing certain property within the City being located within the Covington Water District's future service area, and,

WHEREAS, some of this property is within the City's State Department of Health approved retail service area; and,

WHEREAS, it is inconsistent with GMA and inefficient for multiple service providers to attempt to serve the same properties as duplicative infrastructure is constructed, and property owners and rate payers must then bear the burden of those additional costs; and,

WHEREAS, the 1989 CWSP map should be conformed to the City's State Department of Health approved retail service area and the 2005 annexation; and,

WHEREAS, the City finds it is in the public interest, consistent with GMA's purpose to ensure the efficient provision of urban services and infrastructure to urban development, for it to be sole water service provider within its existing water service area, given the inefficiencies associated with multiple providers attempting to provide water service to the same properties.

THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, ORDAINS
AS FOLLOWS:

Section 1. The City Council makes the following findings to support the actions described herein:

A. BACKGROUND

1. The property ("Property") that is the subject of this assumption, pursuant to Ch. 35.13A RCW, is the approximately 98 acres shown in the map of the Property and as legally described in Attachment A, which is incorporated by this reference.

2. The Property is part of a master planned development covering 1,196 acres. The City plans to provide water service to the entire development, which surrounds the Property on three sides. The City is presently providing water for construction purposes within the master planned development. The entire master planned development is within the City's water service area approved by the State Department of Health in 2009.

3. The Property was annexed to the City in 2005. As part of the annexation, the City was identified as the water provider to the Property.

4. As a result of these and other decisions, the City has secured the exclusive right to supply water to the Property. Specifically, these actions include: (a) King County's inclusion of the Property in the City's designated urban growth area ("UGA"); (b) King County actions under the GMA and agreements entered into with the City and Property owner to implement the UGA designation; (c) the City's annexation of the Property; and (d) the 2009 Washington State Health Department approval of the City's Water System Plan and retail service area including the Property.

5. Covington Water District wishes to provide water service to the Property. In a decision issued on May 1, 2015, in an appeal brought by the Covington Water District, the King County UTRC (Utilities Technical Review Committee) found that the City has statutory authority to assume the Property and that "an assumption should be pursued" by the City under Ch. 35.13A RCW. Covington Water District did not appeal the UTRC's finding or conclusion as to assumption. The UTRC also found that the Property was within the City's approved water service area and City service is "timely and reasonable." The District did not appeal these holdings.

6. The UTRC also determined that the 1989 CWSP service area map needed to be amended to identify the City as the sole service provider to the Property and that assumption would accomplish that.

7. The City has appealed the UTRC decision as assumption is not necessary given past planning decisions and the lack of Covington Water District facilities on the Property, and given the Property is outside the District's corporate boundaries. However, completing assumption may reduce litigation and lead to a more efficient resolution of the matter.

8. The City published notice of a public hearing regarding this assumption ordinance on July 21st and 28th, 2015 in the Voice of the Valley Newspaper. The public hearing was held before the City Council on August 6th, 2015. During the hearing, the City heard public testimony and has also reviewed written comments.

B. DISTRICT RESPONSIBILITIES, PROPERTY, FACILITIES, AND/OR EQUIPMENT

9. The City is authorized to "assume by ordinance, jurisdiction of the District's responsibilities, property, facilities and equipment within the corporate limits of the City." RCW 35.13A.050. The Property is located within Black Diamond corporate limits.

10. The Property is not within the corporate boundaries of the Covington Water District,¹ and the District has no authority to impose and has not imposed any taxes or assessments on the Property.

11. The Covington Water District does not own, control, or operate any property, facilities, or equipment in the Property. Specifically, the District does not have any water supply pipelines or transmission mains or other water pumping or conveyance facilities in the Property. The District does not own any real property within the Property. The District does not have any customers in the Property. In sum, the District does not own or hold any property, facilities, equipment or any other assets in the Property. As a result, there are no District contractual obligations secured by the Property for which the City or owners/occupants bear any liability under RCW 35.13A.050.

12. Accordingly, the City's assumption of the District's remaining "responsibilities" in the Property, if any, is repetitive and redundant of the City annexation of the Property in 2005.

13. Following City assumption, RCW 35.13A.050 provides for the District to make certain "serving facilities" available to the City. "Serving facilities" means i) any facilities serving or designed to serve any portion of the District outside the corporate limits of the City, and ii) any facilities serving or designed to serve territory included within the City.

a. Assuming without conceding that the District's three water pipe lines that are located immediately west of the Property are "serving facilities" under RCW 35.13A.050, the City has the right to make use of available capacity in the District's three water pipelines.

b. RCW 35.13A.050 requires the District, for the economically useful life of any "serving facilities," to "make available sufficient capacity" in the serving facilities to meet the water requirements of the Property at a reasonable rate to all parties.

¹ CWD 2007 Water System Plan, Ex. 1-1. Absent limited exceptions, including agreement with another water district serving the area, "[t]he District will not extend water service to any area that has not been formally annexed to the District's corporate boundaries." CWD Admin. Reg. 1.08.020.

c. The City finds that the District's three water pipelines are not useful to meeting water requirements in the Property because they cannot deliver water at adequate pressure. CH2MHill, *Review of Technical Data Related to Water Service Area Dispute in The Villages MPD, Black Diamond* (January 19, 2015), pgs. 5-6; Hearing Examiner's Preliminary Pat Conditions of Approval re: The Villages (December 10, 2012). These water pipelines are not affected by the City's assumption under this Ordinance.

d. Accordingly, the City is not requesting any capacity in the three water pipelines and the District should continue to use all of the available capacity in the "serving facilities" to serve customers in the District's corporate boundaries.

C. CITY SERVICE AND GMA CONSISTENCY

14. Under GMA, cities are the primary providers of urban services, which include urban water utility service.² The King County Countywide Planning Policies are consistent. "The Urban Growth Area is completely located within cities, which are the primary providers of urban services."³

15. The Property was originally located outside the City's Urban Growth Area or UGA, so was not slated for urban development. However, in 1996, King County, the City, and the Property owners executed the Black Diamond Urban Growth Area Agreement, or BDUGGAA, which charges the City with annexation and water utility planning for the Property.⁴

16. Several years later, in 2003, the City and Property owners executed the Water Supply Facilities and Funding Agreement. In return for infrastructure improvements, City water service to the entire 1,196 acre master planned area was provided for.⁵

17. Two years later, in 2005, the City annexed the Property. Notice was provided to the King County Boundary Review Board ("BRB") of the annexation.⁶ In the annexation petition filed with the BRB, the City was identified as the service provider. Covington Water District did not contest or otherwise appeal annexation.

18. The annexed area was then subjected to extensive public review. Following City moratoria, in 2008, the City commenced work on updating comprehensive planning documents, engineering, municipal codes, and construction standards for the master planned

² RCW 36.70A.110(4); *see also* RCW 57.04.020 (City consent required for utility district to provide service within the city).

³ Countywide Planning Policies, pg. 7. *See also* pg. 46, Policy PF-7 ("Plan and locate water systems in the Rural Area that are appropriate for rural uses and densities and do not increase the development potential of the Rural Area."); County Comprehensive Plan, pg. 8-5, Policy F-209 ("In the Rural Area, services provided by agencies should support a rural level of development and not facilitate urbanization").

⁴ Black Diamond Urban Growth Area Agreement, App. A, ¶¶ 6.5 and 8.1, *see also* Maps 1 and 7. The Agreement is also at Appendix B to the City's Water System Plan.

⁵ City Water System Plan, App. N, *see e.g.*, Section Four - Agreement Purpose (agreement intended to provide infrastructure funding and guarantee water supply).

⁶ Black Diamond Urban Growth Area Agreement, App. A, ¶¶ 6.5 and 8.1, *see also* Maps 1 and 7. The Agreement is also at Appendix B to the City's Water System Plan.

development, with multiple hearings held from 2008-2010. This process resulted in a series of utility and land use decisions.

19. The State Department of Health approved the City Water System Plan in 2009 following Covington Water District review and approval by King County. The Water System Plan includes the Property within the City's Service Area and provides detail on City service.⁷

20. The City's Water System Plan was subject to extensive public review. Both Covington Water District and King County, including the King County Utilities Technical Review Committee, reviewed and commented on the City's Water System Plan.

21. Following this review, the King County Council adopted Ordinance 16774, approving the City's Water System Plan and finding the City's Water System Plan is:

consistent with other pertinent county adopted plans and policies, with the exception of the existing South King County Coordinated Water System Plan, which will need to be modified as provided for by law.⁸

22. The South King County Coordinated Water System Plan, or SKCCWSP, was adopted in 1989, and has never been formally updated. King County's more recent legislative actions supersede the CWSP's 1989 map of future service areas.

23. The City's approved water service area includes the Property, which consists of approximately 98 vacant, partially graded, but unimproved acres located on the City's western side. *See* Attachment A. The Property is part of a larger 1,196 acre development,⁹ which the City will be serving consistent with its Water System Plan and GMA planning documents.

24. Also in 2009, the City updated its Comprehensive Plan. The City's Plan makes note of the annexation and, consistent with past planning, provides for City water service to the Property.¹⁰

25. The County Comprehensive Plan is consistent with City water service,¹¹ as are

⁷ RCW 36.70A.103 ("State agencies shall comply with the local comprehensive plans and development regulations and amendments thereto adopted pursuant to" GMA.).

⁸ King County Ordinance 16774, Finding e.

⁹ CH2MHill Technical Memo, section two, Fig. 3 and Fig. 5; *see also* City Water System Plan, Fig. 2.7, pg. 2-21 (City's water service area).

¹⁰ City's 2009 Comprehensive Plan, *see e.g.*, pgs. 8-35-36 (Fig. 9.1a and 9.1b provide detail on City water service), *see generally*, 8-28-8-32. Long-standing plans for Property development are described at pgs. 1-9, 2-1-2-2, with the master plan development requirements described at pg. 1-11, and the UGA shown at Fig. 2-1, and the 2005 annexation noted on pg. 2-11.

¹¹ County Comprehensive Plan, *see* maps of City/UGA at end of Chapters 1 and 2, note policy commitment to implementation of Black Diamond Urban Growth Area Agreement, pg. 10-37, Policy C-1104. *See also*, pg. 2-18, UGA Policy U-9 ("Sewer and water facilities extended to the UGA will not serve adjacent rural or resource lands."), and pg. 2-6 ("Efficient use of resources will result from the appropriate location of development so that public water, sewer, storm drainage, police and fire protection service costs are minimized.").

the Countywide Planning Policies, which identify the City UGA and boundaries.¹²

26. A series of development approvals followed. The City approved Yarrow Bay's Master Planned Development in 2010, the Yarrow Bay Development Agreement in 2011, and then a preliminary plat for the first phase of development.

D. SEPA REVIEW

27. This assumption action is the same proposal as the City's adoption of its 2009 Water System Plan, which included the Property within the City's water service area. SEPA was completed on that proposal. A SEPA Checklist was prepared and the City issued a DNS (determination of non-significance). Those documents are attached to the City's Water System Plan and were circulated as part of the Plan update. No appeals were filed. SEPA review has been completed on this proposal.

28. In any event, this action to amend the CWSP map is exempt from SEPA as it is procedural in nature. The Property is already within the City's Water Service Area, which the State Department of Health has approved, and within the City's corporate boundaries. The action contains no substantive standards and does not modify the environment. Such a matter is an exempt procedural action, as defined by SEPA.

The proposal, amendment or adoption of legislation, rules, regulations, resolutions or ordinances, or of any plan or program shall be exempt if they are: (a) Relating solely to governmental procedures, and containing no substantive standards respecting use or modification of the environment. (b) Text amendments resulting in no substantive changes respecting use or modification of the environment.¹³

29. Even if the action being taken was an actual annexation of property or altered the City's municipal boundaries, those types of actions are also exempt. "All agency organization, reorganization, internal operational planning or coordination of plans or functions"¹⁴ are exempt. More broadly, annexations are exempt from SEPA review¹⁵ as are city consolidations and incorporations.¹⁶

30. Development planned on the Property, including City water utility service to the Property, has undergone extensive SEPA review, including preparation of an environmental impact statement, or EIS. The Villages Master Planned Development EIS, City of Black Diamond (December 2009). The Court of Appeals decision upheld the City's EIS, and no further litigation over that document is pending. *Toward Responsible Development v. City of Black Diamond*, ___ Wn. App. ___ (Div. I, January 27, 2014), unpublished. A water line serving the entire master planned development has also undergone SEPA review. The MDNS

¹² CWPP, pg. 50, *see also* PF-7 ("Plan and locate water systems in the Rural Area that are appropriate for rural uses and densities and do not increase the development potential of the Rural Area.")

¹³ WAC 197-11-800(19)(a) and (b).

¹⁴ WAC 197-11-800(14)(h).

¹⁵ RCW 43.21C.222.

¹⁶ RCW 43.21C.225; *see also* RCW 43.21C.227; WAC 197-11-800(5)(a) and (b) (acquisition of real property rights exempt, as are inter-governmental transfers of real property).

was issued on March 31, 2015 and not appealed (File No. PLN 14-0037). The City's 2009 Comprehensive Plan which addresses City water service also underwent SEPA review and that review was not appealed.

E. ENGINEERING AND COST CONSIDERATIONS

31. The City's Water System Plan, dated 2009, as approved by the State Department of Health, as well as the EIS prepared for the master planned development, addresses water service and outlines in detail the approach to providing water service to the Property. In addition, the City retained independent consultants to further evaluate water service. CH2MHill prepared an engineering analysis which provides further detail on water service. *Review of Technical Data Related to Water Service Area Dispute in The Villages MPD, Black Diamond* (January 19, 2015).

32. The CH2MHill engineering analysis compared the City's approach to service to that proposed by Covington Water District. As the City will be serving the surrounding urban development, City service is logical and more efficient than the District's approach which would extend water pipes from rural areas to provide urban utility service. The District has no infrastructure on the Property. Three pipes within the unincorporated County terminate adjacent to the Property but the pipes are not needed for service and present engineering concerns. In general, the engineering analysis concluded that the District's service approach would require the construction of 4,250 additional feet of 12" pipeline and \$5.2 million of additional costs.¹⁷ There are no hook-up fees associated with City service.

33. There are additional issues with Covington Water District service, as the District cannot meet fire flow requirements.¹⁸ This is not an issue with City service.

34. Costs to the City associated with assumption are minimal. The developer of the Property (Yarrow Bay Holdings) will be installing the extension to the area and the distribution and service lines, and will cover City costs to inspect and install meters and set up customer accounts. After construction of the facilities, they will be turned over to the City for ownership and maintenance.

35. The City's actual service costs will start upon service to the new customers. Initial operational costs will involve slight increases, such as more chlorine, pumping additional water, using more sodium hydroxide, sending out additional bills, and additional water quality testing. Eventually, as the system grows, the City anticipates hiring additional staff. However, these operational cost increases are minimal in comparison to the increased revenue from the additional City customers on the basic existing system. The 98 acres is a small portion of the _____ acres the City either is presently serving or plans to serve throughout its entire service area, which includes the 1,196 acre master planned development.

¹⁷ CH2MHill Technical Memo (January 19, 2015), pg. 14, bullets two and three and Fig. 7, sections six and eight of the Memo provide additional detail.

¹⁸ *Id.*, see pgs. 4, 6, 13-14 (Table 8).

Section 2. Assumption of Exclusive Right to Provide Water Service to Conform 1989 CWSP Service Area Map with 2009 State Department of Health's Approval of City's Water System Plan Service Area and the 2005 Annexation.

a. The City hereby assumes the sole right to provide water service to the Property pursuant to RCW 35.13A.050.

b. This assumption is taken to address a recommendation of the King County Utilities Technical Review Committee to undergo assumption to achieve map conformance. With this action, the City does not concede assumption is in fact necessary.

c. Even though the City finds that the District has no assets whatsoever in or on the Property, for avoidance of doubt, the City hereby assumes any and all "responsibilities, property, facilities, and/or equipment" on the Property pursuant to RCW 35.13A.050.

Section 3. No Assumption of Assets or Indebtedness. With this action, the City is not taking ownership of any Covington Water District assets or assuming any indebtedness with respect to the Property. There are no Covington Water District assets, facilities, or indebtedness on the Property, which is vacant, lacks any District infrastructure, and is located outside the District's corporate boundaries.

Section 4. Transmittal. The City Mayor or her designee shall transmit this ordinance to the King County Utilities Technical Review Committee to take the ministerial action of conforming the 1989 Coordinated Water System Plan mapping with this action.

Section 5. No Waiver. The City expressly disclaims any waiver of its rights and authority separate and independent of RCW 35.13A.050, to provide retail water service in the Property and to continue to implement plans and authority to be the exclusive water purveyor to the Property.

Section 6. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 7. Publication and Effective Date. This Ordinance shall be published by an approved summary consisting of the title. This ordinance shall be effective five days after publication, as provided by law.

PASSED by the Council and approved by the Mayor of the City of Black Diamond,
this ____ day of ____, 2015.

CITY OF BLACK DIAMOND

Mayor Carol Benson

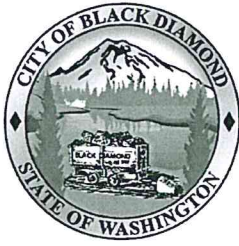
ATTEST/AUTHENTICATED:

Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

Carol A. Morris, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:



CITY OF BLACK DIAMOND

P.O. BOX 599 ~ 24301 ROBERTS DRIVE

BLACK DIAMOND, WA 98010

PHONE (360)886.2560 • FAX (360)886.2592

Date: August 14, 2015

To: Black Diamond City Council

From: Seth Boettcher, Public Works Director

In reference to: Proposed Assumption Action

Action Requested: Assumption pursuant to Ch. 35.13A RCW of 98 Acres located within the Villages Master Planned Development ("Property"), *see* draft ordinance for fuller description, including area map and legal description.

This memo provides information on why the Property is presently located within the City's water service area and includes additional materials for Council consideration. For ease of reference, a supplemental memo which attaches the exact pages cited to in the draft ordinance will be provided on Monday, August 17. The Council will be considering this matter on August 20. The Council need not make a decision that evening. The Council may elect to take additional time to review comment and continue deliberations to its next meeting.

A. Efficiencies of City Service

The 98 acres is within the City's current water service area, as previously approved by the State Department of Health. This acreage is part of a larger 1,196 acre development the City also plans to serve. The action the Council is considering is procedural, as the City has already elected to provide water service. However, the rationale for the City's previous decision to include the property within its service area and the current assumption included the following considerations

1. A single water service supplier that is the same as the stormwater and sewer and street services provider gives the customer:
 - Efficiency in utility billing and payment
 - Efficiency in permitting for development or redevelopment
 - One stop shop for most utility and infrastructure questions
2. A single water service supplier within the Master Planned Development provides:
 - A more efficient water distribution system with better looping with more customers per foot of water main
 - A more efficient permitting process
 - An easier way for the City to make sure that the development meets the conservation requirements established in the MPD approvals.
 - A planned distribution network that will meet all of the hearing examiner requirements for fire flow for schools, commercial and multi-family development.
3. Serving all of the Villages MPD with City water helps the water utility finances as the City already has the infrastructure, storage and sources of supply in place or private CIP funding to provide more than enough water to the entire Mater Planned Developments. The operational costs to serve the additional water customers (about 442), and to pump and treat the water is about \$46,000 annually. Total revenue received will exceed this figure, providing the City with approximately **\$227,000 of additional net annual** revenue toward repair and replacement and debt retirement. Additional information on costs associated with City versus CWD service are addressed in the attached memo, CH2MHill, *Review of Technical Data Related to Water Service Area Dispute in The Villages MPD, Black Diamond* (January 19, 2015).
4. When the City is in ownership and control of most of the utilities within the public right of way the City can plan infrastructure improvements in concert with road improvement projects. For an example illustrating this point; recently, the city processed a short plat in north Black Diamond but had no idea that Covington Water District wanted to loop the water main to the water main in 288th. Covington Water District will now have to cut across the recently overlayed road and patch it.

5. When the City is in ownership and control of most of the utilities within the public right of way it is much easier to coordinate the relocation of infrastructure under one public contract rather than coordinate separate relocation activities before or during a project.
6. If the City is not the water service provider in this area it significantly hampers the city's ability to collect delinquent utility bills. The City would not have the authority to turn water off for lack of payment for the sewer and stormwater utility bill in the subject area. Not serving this area with water will force the City to go through the much more expensive process of filing liens to insure utility payment.

B. Materials

The proposed ordinance cites to various materials. The CH2MHill report and City and County approvals of the City's Water System Plan are attached, as noted below. Due to their length, web links to the other documents are provided below. For ease of reference, the exact pages cited to in the draft ordinance will also be provided to the Council next week.

1. Attached: CH2MHill, *Review of Technical Data Related to Water Service Area Dispute in The Villages MPD, Black Diamond* (January 19, 2015). This document provides an engineering comparison of City versus CWD water service.

2. City of Black Diamond's 2009 Water System Plan. The City's Water System Plan is on the City Public Works website, under "documents."
<http://www.ci.blackdiamond.wa.us/Depts/PubWorks/water.html>.

3. Attached: City and County Approvals of City Water System Plan. (City Resolution 08-512, City Ordinance 09-929, and King County Ordinance 16774).

4. Black Diamond Urban Growth Area Agreement. This document is Appendix B to the City's Water System Plan.

5. Covington Water District 2007 Water System Plan. CWD provided excerpts with their comment. The complete plan is available on their website.
http://www.covingtonwater.com/comp_plan.html.

6. City of Black Diamond's 2009 Comprehensive Plan is posted on the City's Planning Department website,
<http://www.ci.blackdiamond.wa.us/Depts/CommDev/planning.html>.

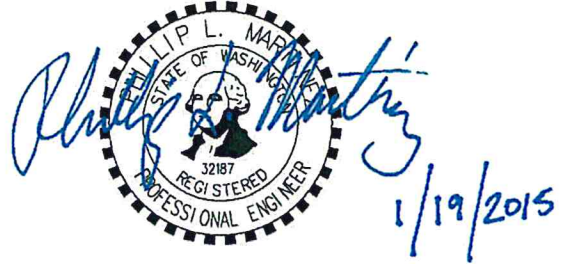
7. King County Countywide Planning Policies, are posted on the King County website,
<http://www.kingcounty.gov/property/permits/codes/growth/GMPC/CPPs.aspx>

7. King County Comprehensive Plan, is posted on the King County website, <http://www.kingcounty.gov/property/permits/codes/growth.aspx>.

8. CWD provided a number of materials, some of which have an exhibit number on the bottom right hand corner. A complete copy of those materials are housed on the King County FTP site.
<ftp://ftp.kingcounty.gov/water/UTRC/>, under "Convington." CWD's comment included an index of those exhibits. The index is attached to the UTRC decision, which is CWD's first attached document.

Review of Technical Data Related to the Water Service Area Dispute in The Villages MPD, Black Diamond

PREPARED FOR: City of Black Diamond
PREPARED BY: CH2M HILL
DATE: January 19, 2015



1. Introduction

The purpose of this document is to describe, evaluate, and compare competing service approaches from the City of Black Diamond and Covington Water District to provide retail water service to a 98-acre portion of The Villages Master Planned Development (MPD) that is the subject of a service area dispute. The evaluation focuses on 6 elements:

1. The extent to which each competing plan complies with design and operational standards application to this portion of the MPD
2. The capital costs imposed on the MPD developer under each plan
3. Costs incurred under each plan by either the City of Black Diamond or Covington Water District;
4. Future customer costs as reflected in their water bills from either purveyor
5. The efficiency of public infrastructure
6. The amount of time it is likely to take each purveyor to provide water service to the 98-acre area in question

The sections that comprise this memorandum and a brief description of each are listed below:

- **Background Description of The Villages MPD.** This section presents discussion of The Villages MPD related to water service to the 98-acre area.
- **Review of Existing Documents.** This section lists the key documents reviewed in support of developing this memorandum.
- **Level of Service Requirements.** This section addresses key level of service requirements for the water system serving The Villages MPD, including the 98-acre area.
- **City of Black Diamond Service Approach.** This section addresses the intended service approach from the City of Black Diamond to the 98-acre area.
- **Covington Water District Service Approach.** This section addresses the intended service approach described by Covington Water District to the 98-acre area.
- **Hydraulic Model Evaluation.** This section addresses the independent check of the hydraulic modeling that was previously completed by others in support of the City of Black Diamond service approach and the Covington Water District service approach.
- **Cost of Service Comparison.** This section presents a cost comparison of service from the City of Black Diamond and from Covington Water District from the perspective of the developer, the two water service providers, and the affected customer.

- **Service Schedule Comparison.** This section presents a comparison of how long it would take for each water service provider to be ready to provide service to the 98-acre area.
- **Evaluation of Service Approaches.** This section summarizes the evaluation of water service from both water service providers based on several key evaluation criteria.
- **Conclusions.** This section presents the conclusions that can be drawn regarding service from the two water service providers to the 98-acre area.

2. Background Description of The Villages MPD

The Villages MPD lies entirely within the City of Black Diamond. Planning, design, permitting, and final approval of the MPD has taken over twenty years. The Villages MPD is a 1,196-acre site which will include 4,800 attached and detached dwelling units, about 775,000-square-feet of commercial space, along with multiple community amenities and public facilities.

Construction of above-grade facilities within the first phase of The Villages MPD is scheduled to begin in 2016. This schedule is an important consideration in the evaluation of the timeliness of water service. Design and construction of key utility improvements have been underway for several years. Millions of dollars have already been spent to improve the City of Black Diamond's water system infrastructure in support of the new development. These improvements include off-site supply, storage, and transmission. These improvements along with planned distribution system improvements will serve to expand the existing City of Black Diamond water system and integrate the existing system efficiently with the expanded portion serving The Villages MPD.

Water service to all of The Villages MPD has always been planned to be from the City of Black Diamond – consistent with provision of other City utility services. The water system planned for The Villages MPD was also designed specifically to accommodate the phased development of The Villages over the next 15- to 20-years. The water system planned for The Villages MPD is not designed to function efficiently with 98 acres removed from the system. Such a piecemeal service approach would adversely impact the City of Black Diamond and result in permanently-reduced service efficiency.

As stated above, a 98-acre portion of The Villages MPD in Black Diamond, Washington (representing approximately 8 percent of the entire MPD) is the subject of a water service area dispute between the City of Black Diamond (Black Diamond) and the Covington Water District (CWD). BD Village Partners, LP, the developer of The Villages MPD, and Black Diamond have been coordinating for several years to provide water service from Black Diamond for the entire master planned community, which lies entirely within the corporate boundaries of Black Diamond. Note that the "98-acre" area is understood to be approximately 94 acres, but is referred to hereinafter as the "98-acre area" simply for clarity to match how this area has previously been referred to.

However, this 98-acre portion of The Villages MPD lies within the CWD service area, as delineated in the 1989 South King County Coordinated Water System Plan. Despite the fact that the 98-acre area was annexed by and now lies within Black Diamond, CWD continues to claim the right to serve water to the disputed area. CWD has outlined an approach to serve the disputed area.

This memorandum summarizes the planned service approach that Black Diamond has developed and carried through the planning, permitting, and detailed design stages; a service approach identified by CWD; and an evaluation of these two approaches based on several technical criteria.

Three figures included in this memorandum show the location of the 98 acres from different perspectives. The location of the 98-acre area within the MPD is shown in Figure 1 within Black Diamond. This same area is shown in Figure 2 within the CWD service area and within The Villages development in Figure 3.

3. Review of Existing Documents

Numerous existing documents related to the provision of water service to The Villages MPD were reviewed in support of this evaluation. Of these documents, several specifically describe the approach that both Black Diamond and CWD plan to implement to provide service to the 98-acre area. These documents and their relevance are summarized in the list below:

- **2007 Covington Water District Water System Plan Update (selected excerpts).** This is the most recent DOH-approved Water System Plan update for CWD. While this document shows the 98-acre area within its service area, it does not address The Villages MPD and how the CWD would serve this 98-acre portion of The Villages MPD.
- **2014 Draft Covington Water District Water System Plan.** This draft document is understood to have been submitted to DOH and other agencies for review. This 2014 Draft addresses service to the 98-acre area as part of replacement of its existing Tank 4 with a taller tank to provide water service at a higher pressure.
- **December 10, 2013 Memorandum by BHC Consultants entitled “2013 ON-CALL HYDRAULIC MODELING SERVICES TO #10: The Villages.”** This document describes how CWD plans to meet fire flow requirements for the 98-acre area and CWD’s minimum service pressure requirements.
- **City of Black Diamond Water System Comprehensive Plan (2009).** This document is Black Diamond’s current DOH-approved water system planning document. It addresses the planning and implementation of service to The Villages MPD, including the 98-acre portion, all of which are within its service area.
- **Water Supply and Facilities Funding Agreement (2003).** This agreement between the City of Black Diamond, The Villages MPD developer’s predecessor, and other third parties describes the water facilities to be improved by the developer and the developer’s funding responsibility.
- **BD Village Partners, LP, Notice and Statement of Appeal for Timely and Reasonable Water Service (April 30, 2013).** This document presents a comparison of water utility system costs and connection charges if the 98 acres is served by CWD or by Black Diamond. The cost estimates provided in this document were developed by BD Village Partners.
- **October 10, 2014 Memorandum by Triad Associates regarding “Notice of Appeal for Timely and Reasonable Water Service Item #11 Cost of Service Comparison.”** This document provides a summary of development cost estimates if the 98 acres was served by one of the water providers versus the other.
- **2011 The Villages Master Planned Development: Development Agreement (selected excerpts).** This Document provides standards for how The Villages MPD, including the 98 acres, will be developed and the phases in which The Villages MPD will be developed.
- **Black Diamond Hearing Examiner Preliminary Plat Conditions of Approval re: The Villages (Dec. 10, 2012).** This document provides the conditions under which development in The Villages MPD Preliminary Plat PP1A can take place, including the requirements for pressure zones and fire flow in the 98 acres.
- **January 8, 2015 Memorandum by Triad Associates regarding “The Villages – Cost of Service Comparison for Disputed Service Area”.** This document confirms the findings in the October 10, 2014 Triad Associates memorandum and provides an estimate of the water supply costs attributed to serving the 98 acres.

4. Level of Service Requirements

There are three sources of regulatory authority applicable to the service of water to the 98-acre area:

1. Each water system purveyor establishes the minimum level of service to be provided to its customers pursuant to their adopted water system plans including engineering and construction standards.
2. The Fire Code adopted by Black Diamond pursuant to its police powers.
3. The land use conditions imposed on The Villages MPD pursuant to the approved MPD Permit, Development Agreement, and subdivision approvals.

Water system levels of service are established to provide consistent, safe, and reliable service within a specific range of pressures with a certain hydraulic capacity to meet fire flow conditions. A portion of the 98-acre area is also subject to an approved preliminary plat decision issued by the Black Diamond Hearing Examiner in December 2012. Condition of Approval #39 of this plat decision requires water connections to both “the 750 and the 850 pressure zones in order to meet fireflow requirements and provide proper pressures to future development areas.” The standards related to water service in the 98-acre area for both Black Diamond and CWD are summarized in Table 1 below. Service pressure and fire flow are the two key level of service criteria that differ between Black Diamond and CWD, as it relates to water service to the 98-acre area. Black Diamond’s and CWD’s compliance with these level of service requirements are addressed in subsequent sections that address the service approaches to the 98-acre area from these two utilities.

TABLE 1
Level of Service Minimum Standards

	Black Diamond ¹	CWD ²
Distribution System Pressures (psi)³		
Minimum during Fire Flow	20	20
Minimum at Peak Day Flow	43	30
Maximum at Peak Day Flow	125	125
Fire Flow (gpm)⁴		
Medium Density Development	2,500	1,500
Business/Light Industry	3,000	3,000
Industry/School	3,500	3,000
Preliminary Plat Condition of Approval Requirement⁵		
Connect to 750/850 Pressure Zones	complies	does not comply

¹ City of Black Diamond Engineering Design and Construction Standards, June 2009

² Covington Water District Standards and Specifications, May 2012

³ Water system level of service requirement.

⁴ Corporate fire flow requirement based on International Fire Code adopted by governing municipality.

⁵ Black Diamond Hearing Examiner Preliminary Plat Condition of Approval #39: “Water connections will be required to both the 750 and the 850 pressure zones in order to meet fireflow requirements and provide proper pressures to future development areas.”

5. Black Diamond Service Approach

Black Diamond is implementing infrastructure to serve the entire Villages MPD. Recent improvements and additions to the Black Diamond water system include a new intertie and purchase agreement with Tacoma via the Regional Water Supply System (RWSS) for primary water supply and upgrades to Black Diamond's existing well field and transmission main to SR 169. Black Diamond and the developer are in the final steps of completing a design of an 850 looped transmission system, and development of a 750 transmission system to serve The Villages. The connection to the RWSS provides a highly reliable source with enough capacity to serve Black Diamond, including future development.

The 98-acre area is planned to be served at a hydraulic gradient of 750 feet elevation, along with adjacent portions of The Villages MPD. The 750 pressure zone will be served by a looped distribution system pipeline network. This looped 750 system will be supplied via several pressure reducing valve (PRV) stations from a higher-pressure transmission pipeline operated at a hydraulic gradient of 850 feet elevation. The 850 pressure zone transmission pipeline extends from Black Diamond's existing 850 pressure zone storage reservoir, which is further to the east. Connection to the 850 pressure zone enables compliance with the Black Diamond Hearing Examiner's preliminary plat condition of approval #39 requirement identified in Section 3 above. An overview of Black Diamond's service approach to The Villages, including service to the 98-acre area is presented in Figure 4. The distribution system pipelines planned within the 98-acre area are presented in Figure 5.

As The Villages MPD progresses over time through its various phases, the 850 transmission pipeline is designed to connect to a second storage reservoir, also at a hydraulic elevation of 850 feet elevation. The second 850 pressure zone storage reservoir is designed to connect to the existing Black Diamond water system at a separate location to form an extended, looped 850 pressure zone. Extension of the looped 850 pressure zone transmission pipeline through The Villages MPD provides supply of this high-pressure feed from two separate connections, providing a high level of redundancy and reliability.

This approach also extends this high-pressure feed system close to the end users for the purpose of improving fire flow delivery capacity. Functionally equivalent water distribution facilities for The Villages MPD may also be considered by Black Diamond at the time of utility application and construction.

Supply of the 98-acre area from Black Diamond via the approach described above requires connecting Black Diamond's 750 pressure zone piping to the distribution system within the 98-acre area and connecting the 850 pressure zone via pressure reducing valve (PRV) to the distribution system within the 98-acre area. Not serving the 98-acre area would not substantively change the overall water service approach to The Villages from Black Diamond's water system. However, one impact of CWD service in the 98-acres would be the distribution system inefficiency resulting from multiple instances of parallel Black Diamond and CWD distribution system pipelines.

The service approach to the 98-acre area includes compliance with the Black Diamond level of service requirements related to service pressure and fire flow presented in Table 1. Given that the Black Diamond level of service requirements are more stringent than those for CWD, the service approach also includes compliance with CWD's level of service requirements. The Black Diamond service approach includes a minimum service pressure of 75 psi within the 98-acre area.

6. Covington Water District Service Approach

CWD serves the area directly to the west of the 98-acre area from its existing 660 pressure zone and an existing distribution system. CWD is normally supplied from the RWSS and its 22nd Well Field. CWD also has other wells with a small capacity that provide supplemental supply, if necessary. The CWD's Tank No. 4 operates at a hydraulic gradient of 660 feet elevation, feeds the existing local distribution system, and is approximately 1,000 feet east of the 98-acre area. The 98-acre area would be connected to the CWD water

system in 3 locations along the west side and would be served from CWD's Tank No. 4. The extended distribution system would be looped in and integrated within the pressure zone served from Tank No. 4. As part of this connection, per the hydraulic modeling completed, CWD would need to replace approximately 500 feet of existing 8-inch diameter pipe with new 12-inch diameter pipe to enable compliance with fire flow requirements.

The existing Tank No. 4 is not high enough to provide the required fire flow to the 98-acre area and it does not provide for either CWD's minimum service pressure requirements or Black Diamond's more stringent minimum service pressure requirements. Refer to the December 10, 2013 BHC memorandum cited above. As a result, CWD plans to replace Tank No. 4 with a taller tank that produces a hydraulic gradient of 700 feet elevation. CWD's draft 2014 Water System Plan also states that the existing tank is in need of eventual replacement because of its deteriorated condition and inadequate seismic design. The new, taller Tank No. 4 is also part of CWD's ongoing and future program to reconfigure pressure zones throughout its system. An overview of CWD's service approach to the 98-acre area is presented in Figure 6.

A potential layout of the distribution system within the 98-acre area based on service from CWD is presented in Figure 7. This figure reflects potential changes to the distribution system within this area from the planned approach from Black Diamond presented in Figure 5.

Note there are several locations (highlighted in yellow) where distribution system pipelines from both CWD and Black Diamond exist within the same street or right of way. This is a costly additional expense that provides no added value to the customer, developer, or either water service provider. There would be approximately 4,250 linear feet of unnecessary, duplicative pipeline in this configuration. This condition will also make it more challenging for both utilities to maintain and repair their respective systems in the future because of the potential for confusion created by having redundant parallel pipelines.

Also note in Figure 7 that there are several green-highlighted pipeline alignments reflecting either dead-end conditions or easement installation conditions. There would be approximately 2,250 linear feet of this undesirable configuration. Dead end lines present water quality challenges related to stagnant water and are not part of the Black Diamond approach to service to the 98-acre area. Installation of pipelines into easements is less desirable than right-of-ways because of the cost of the easement, the challenges associated with negotiated easement rights and conditions, general reduced access to the pipeline, and the challenge of dealing with the underlying property owner.

The 40-foot higher hydraulic gradient enables the CWD to meet fire flow requirements within the 98-acre area as well as CWD's minimum service pressure requirements. However, this taller tank does not enable CWD to meet Black Diamond's minimum service pressure requirements. Note that CWD's service approach does not include compliance with the Black Diamond Hearing Examiner's condition of approval to connect to Black Diamond's 750 and 850 pressure zone.

In summary, the improvements needed by CWD to provide water to the 98-acre area include:

- A new distribution system piping network that conveys water within the 98-acre area.
- Connection of the distribution system within the 98-acre area to the CWD system at three locations per hydraulic analysis completed in support of CWD's service approach. One of these connection locations will require replacement of 500 linear feet of existing 8-inch diameter pipe with new 12-inch diameter pipe.
- A new, taller Tank No. 4 to replace the existing Tank No. 4.

7. Hydraulic Model Evaluation

The Black Diamond service approach and the CWD service approach described above were checked using the respective water system hydraulic models that were used to develop these two approaches. As is

required for developing and evaluating municipal drinking water systems in Washington State, the two modeling scenarios checked were as follows:

- Maximum Day Demand under fire flow conditions. This condition includes all services creating a demand equal to the Maximum Day Demand simultaneous to a fire flow condition.
- Peak Hour Demand under normal operating conditions (no fire flow). This condition includes all services creating a demand equal to the Peak Hour Demand in the absence of a fire flow condition.

7.1 Model Check of Black Diamond Approach

Peak Hour Demand conditions were modeled to represent the 98-acre area as served from the 750 pressure zone, in conformance with the service approach planned from Black Diamond. Under both near-term future and build-out future conditions, the minimum service pressure within the 98-acre area is 75 psi or greater. This far exceeds Black Diamond's minimum service pressure criterion of 43 psi.

Maximum Day Demand plus fire flow conditions were modeled for the 98-acre area. The 2,500-gpm residential fire flow and the 3,500-gpm school fire flow can both be met while maintaining the minimum residual service pressure of 20 psi.

7.2 Model Check of CWD Approach

Peak Hour Demand conditions were modeled under two scenarios: (1) with the existing Tank No. 4 and (2) with the new, taller Tank No. 4. Under Peak Hour Demand conditions with the existing Tank No. 4 in place (HGL = 660 feet elevation), CWD cannot meet the minimum pressure requirement (30 psi); pressure at the highest service elevation drops to 28 psi. When Tank No. 4 is replaced with the proposed new tank at an HGL of 700 feet elevation, CWD can meet its own minimum service pressure criterion of 30 psi but not Black Diamond's minimum service pressure criterion of 43 psi. The minimum service pressure at the highest elevation is 35 psi under Peak Hour Demand conditions with the new tank.

Maximum Day Demand plus fire flow conditions were modeled for both the existing scenario (Tank No. 4 with HGL = 660 feet elevation) and future scenario (Tank No. 4 with HGL = 700 feet elevation). The model shows that CWD can meet the fire flow conditions established by both Black Diamond and CWD. In both cases, the 2,500-gpm residential fire flow and the 3,500-gpm school fire flow can both be met while maintaining the minimum residual service pressure of 20 psi.

7.3 Model Comparison

Table 2 compares the model outputs from both service approaches.

TABLE 2
Comparison of Model Outputs with Service Requirements

	Black Diamond Approach	CWD Approach ¹
Minimum System Pressures at Peak Hour Demand (psi)	75	35
Maximum Day Demand Plus Fire Flow (psi)	>20	>20
Fireflow at Maximum Day Demand (gpm)	Min Confirmed ²	Min Confirmed ²

¹ With new 700 foot elevation tank

² Both CBD and CWD meet the CBD fire flow requirements while providing greater than 20 psi at all services

8. Cost of Service Comparison

The cost of service is considered here from three perspectives:

1. The Villages (Developer)

2. Water Service Providers (Black Diamond and CWD)
3. Customers

8.1 The Villages (Developer) Costs

In 2003, Black Diamond entered into an agreement with the Plum Creek Timber Company, LP, the property owner at the time, to fund certain water system infrastructure projects. The agreement is known as the Water Supply and Facilities Funding Agreement (WSFFA). The water system improvements were needed to improve Black Diamond's supply, storage, transmission, and spring water source in support of The Villages, as well as provide benefit to Black Diamond's existing customers. In August 2006, Plum Creek and other property owners sold their interest in the development to BD Village Partners.

BD Village Partners are paying for water service through several different components, including purchasing part of the water supply from Tacoma via the RWSS (delivered by Black Diamond), water system infrastructure (in Black Diamond), design/construction cost for the distribution system to service The Villages, and potentially service connection charges (if served by CWD).

8.1.1 Tacoma Water Purchase and Water System Infrastructure

Black Diamond entered into a water purchase agreement with the City of Tacoma via the RWSS to supply The Villages as well as other existing and future Black Diamond supply needs. This agreement was made by Black Diamond to satisfy the request for sufficient water supply to The Villages MPD by The Villages MPD developer's predecessor, as provided for in the WSFFA. The portion of the cost attributable to the 98-acre portion of The Villages MPD is approximately \$582,000, as reported in the January 8, 2015 memorandum by Triad Associates entitled "The Villages – Cost of Service Comparison for Disputed Service Area."

Several water system infrastructure projects have been completed, and others are planned for construction per the WSFFA. These projects improved Black Diamond's reservoir, transmission lines, and interties. BD Village Partners has committed to maintaining Black Diamond's spring supply and transmission system.

BD Village Partners' supply expenditures and water system improvement expenditures for improvements beyond the boundaries of The Villages MPD, both completed and committed, are not subject to reimbursement, regardless of whether the 98-acres is to be served by CWD or by Black Diamond.

8.1.2 Distribution System to Serve the 98 Acres

In October 2014, Triad Associates developed a cost estimate to expand water service to the 98-acre area assuming water service from each of the two water purveyors. Table 3 presents a summary of the cost comparison prepared by Triad Associates for BD Village Partners.

TABLE 3
Estimated Cost of Water Distribution System Improvements¹

Item	CWD	Black Diamond
Water utility admin cost	\$5,000	\$0
Inspection cost	\$33,500	\$0
Engineering cost	\$76,000	\$68,000
Construction cost	\$1,717,400	\$1,519,800
Meter installation cost	\$263,500	\$220,300
Service line installation cost	\$891,700	\$404,900
<u>Payment/performance bond cost</u>	<u>\$86,200</u>	<u>\$64,400</u>
Estimated total cost	\$3,073,300	\$2,277,400

¹ Source: Triad Associates (October 2014)

Based on Triad Associates' cost estimates, installation of the distribution lines and meters in the area will cost BD Village Partners approximately \$800,000 more if the area is served by CWD. Triad Associates estimated that if service were provided by CWD, additional linear feet of service line would be required which would increase the engineering, construction and service line costs. CWD's service metering policy requires an additional meter for outside water use, which increases the metering and service line installation costs as well.

8.1.3 System Connection Charges

System connection charges, or facilities charges, are assessed to new connections to a water system to pay for existing and future facilities needed to provide water service. Both Black Diamond and CWD have connection charges as part of their rate and fee schedules. Black Diamond and the Developer reached an agreement where the Developer pays for infrastructure improvements to Black Diamond's water system in lieu of paying connection charges to Black Diamond. The improvements will provide water for The Villages, including the 98-acres, as well as improve infrastructure for existing water customers served by Black Diamond.

For service provided by CWD, in addition to the cost associated with the construction of the distribution system and installation of meters, the developer would also be subject to CWD connection charges. Table 4 shows an estimate of these charges as provided in BD Village Partners Appeal for Timely and Reasonable Water Service (December 23, 2014).

TABLE 4
System Development Charge Estimate¹

Meter Size	Quantity	Type	Unit Price	Amount
5/8" Meter Future Facility Charge	426	Residential	\$6,785	\$2,890,410
5/8" Meter Existing Capital Facilities Charge	426	Residential	\$2,942	\$1,253,292
1 1/2" Future Facility Charge	7	Non-residential	\$68,332	\$478,324
1 1/2" Existing Capital Facilities Charge	7	Non-residential	\$31,767	\$222,369
2" Meter Future Facility Charge	1	Non-residential	\$106,267	\$106,267
2" Meter Existing Capital Facilities Charge	1	Non-residential	\$49,970	\$49,970
<u>Fire Hydrant Lock Charge</u>	<u>56</u>		<u>\$300</u>	<u>\$16,800</u>
Total Service Development Charge				\$5,017,432

¹ Source: Triad Associates (October 2014)

8.1.4 Summary of Developer Water System Costs

Table 5 summarizes BD Villages Partners' cost of providing water service to the 98 acres from either Black Diamond or CWD. The water supply costs have already been expended and are considered sunk costs. The distribution system costs will occur as water service lines are installed. System development charges will only be assessed if service to the 98 acres is provided by CWD. If water service to the 98 acres is served by CWD, it will cost BD Village Partners an estimated \$5.2 million more than if provided by Black Diamond.

TABLE 5
Estimated Water Service Cost to Developer for The Villages

Item	98-acres served by CWD	98-acres served by Black Diamond
Water Supply Cost	\$0	\$582,000
The Villages Distribution System Cost	\$3,070,000	\$2,280,000
CWD System Development Fees	\$5,020,000	\$0
Estimated total cost	\$8,090,000	\$2,862,000

Source: Triad Associates (October 2014); Triad Associates (January 2015).

8.2 Water Service Provider Costs

Both CWD and Black Diamond need to make improvements to their water systems to serve the 98 acres. Also, the majority of the planned improvements outside of the 98-acre site will be needed regardless of whether or not that area is served by the water purveyor.

8.2.1 Black Diamond Improvements

Black Diamond will not incur additional capital costs associated with providing water service to the 98 acres. The infrastructure improvements will be the responsibility of BD Village Partners per the WSFFA.

8.2.2 CWD Improvements

Based on CWD's response to the Board of Commissioners Hearing on November 5, 2014, improvements to the CWD's pressure zone by the replacement of Tank No. 4 will not be allocated to the Developer as it is an identified need of the CWD's system. The improvements will serve the 98 acres as well as existing CWD customers. The cost of the planned improvements have been estimated at \$3.5 million for the new Tank No. 4 (2014 Draft CWD Water System Plan). Note that this new Tank No. 4 is planned to meet CWD's re-zoning requirements as well as for condition and seismic improvement. Therefore, its cost is not directly attributable to service to the 98-acre area.

However, an additional \$300,000 would be necessary to cover the cost to connect CWD at three locations to the 98-acre area. This value is based on approximately 1,500 feet of new 12-inch diameter pipeline at \$200/linear foot. The addition of these new segments of pipeline are only needed if services is extended from CWD to the 98-acre area.

8.3 Customer Costs (Service Rate Comparison)

If the 98 acres in question is served by CWD, residents and businesses in the area would have different monthly meter charges and consumption rates than the rest of the Villages MPD, who will be served by the Black Diamond. Table 6 presents the water rates for CWD and Black Diamond. Black Diamond bills their water customers on a monthly basis while CWD bills their customers on a bi-monthly basis. CWD currently has a 2-meter policy that records indoor water use and outside water use separately. Higher levels of water use in CWD are subject to a summer surcharge for both inside and outside water use from June 1 through September 30. The outdoor water summer usage is charged a higher rate than the inside use. There is no separate meter charge for the outdoor meter.

Estimated monthly water bills were based on current 2014 water rates and assuming water use of 8 ccf per month in the winter and 15 ccf per month in the summer. For this analysis, it was assumed that inside water use was the same in the summer and winter months. CWD has slightly lower monthly bills than Black Diamond in the winter but much higher bills in the summer. The rate comparison does not reflect unknown future changes in water rates.

Service from Black Diamond to the 98-acre area results in a single water bill to Black Diamond customers in this area. Service from CWD to the 98-acre area results in a situation where neighbors on the boundary of this area will have differing bills from two different service providers despite the fact that all of these neighbors would reside within the Black Diamond city limits.

TABLE 6
2014 Water Rates for CWD and Black Diamond

	CWD	Black Diamond
Meter Charge (5/8" meter)	\$40.00 bi-monthly	\$30.98 per month
Consumption Charge	<8ccf \$2.80 per ccf 9-14 ccf \$3.95 per ccf 15-20 ccf \$5.10 per ccf-winter 15-20 ccf \$6.70 per ccf-summer Outside Use Summer Surcharge <34 ccf \$8.50 per ccf-summer	0-6 ccf \$2.40 per ccf 6-12 ccf \$2.76 per ccf 12+ ccf \$3.17 per ccf
Average monthly bill	\$48.15 per month winter \$109.25 per month summer	\$50.90 per month in winter \$71.45 per month in summer

9. Timeliness of Service Comparison

An issue that could impact the schedule for implementation of The Villages MPD is the time necessary to construct water system facilities required to provide water service meeting established level of service requirements. The time needed for CWD and Black Diamond to provide water service to the 98-acre area is different for each of these two service providers. Approximate durations to provide water service to the 98-acre area are presented in Table 7.

TABLE 7
Comparison of Durations to Provide Water Service (months)

Planning, Design, Construction Item	CWD	Black Diamond	Comments
Completion of design and permitting of 850 Pipeline to site	n/a	4	Design is essentially complete and permit review by Black Diamond is anticipated soon.
Construction of 850 Pipeline to site	n/a	6	The new 850 transmission pipeline to the 98-acre area will be 9,000 linear feet in length, installed is relatively flat terrain, out of any roadway, requiring minimal surface restoration.
Annexation by CWD of 98-acre area to within CWD corporate boundary ¹	undetermined	n/a	CWD must annex the 98-acre area, per its own requirements, to incorporate this area into the CWD retail service area.
Negotiation of franchise for CWD pipelines within Black Diamond	undetermined	n/a	If and when CWD makes a franchise request, the decision to grant a franchise is a matter of City policy discretion.
Annexation by CWD of 98-acre area to within CWD corporate boundary ¹	undetermined	n/a	CWD must annex the 98-acre area, per its own requirements, to incorporate this area into the CWD retail service area.
Completion and approval of Water System Plan Update	6 to 12	n/a	The draft 2014 WSP has been submitted to DOH but not to the adjacent purveyor Black Diamond. DOH typically takes 3 months to respond with review comments. Addressing comments can take several months; re-review takes up to 3 months.

TABLE 7
Comparison of Durations to Provide Water Service (months)

Planning, Design, Construction Item	CWD	Black Diamond	Comments
Design and permitting of new, taller tank and connecting pipelines	12	n/a	Assuming no permitting challenges, 12 months would be a minimal duration for planning, design, approval (by DOH), and permitting of a new tank.
Obtaining easement on King County Trail alignment in 98-acre area	undetermined	n/a	An easement along the east side of the 98-acre area would be necessary for CWD pipes. This area is dedicated for a King County Trail.
Construction of new, taller tank and connecting pipelines	12	n/a	Approximate minimum timeframe to complete construction of the tank and pipeline.
TOTAL DURATION ¹	30 to 36+	10	

¹ It is not possible to predict how long annexation by CWD might take, and more critically, if it could occur at all. Annexation of an Urban Growth Area within a city by a water district is contrary to the Growth Management Act (RCW 36.70A.110), adopted Puget Sound Regional Council Vision 2040 Policies (MPP-PS-6), and adopted King County Countywide Planning Policies (PF-3).

As presented in Table 7, it would take CWD a minimum of approximately 2.5 to 3 years to get water service to the 98-acre area if it were to start now to complete the required Washington State Department of Health (DOH) planning and approval in advance of design and construction of the new tank and pipeline improvements. This timeframe does not include the franchise, annexation, and easement processes that CWD would need to complete prior to service within the 98-acre area. These additional procedural requirements could last for many months or even years given the contentious nature of the service issue.

All that is needed to connect the 98-acre area to the Black Diamond water system is extension of the 850 Pipeline. Completion of permitting, design, and construction will take approximately one year to complete.

Construction of above-grade facilities within the 98-acre area of The Villages MPD is planned for June of 2016, approximately 17 months from development of this document. The water system serving both normal operating service and fire flow must be installed and operational prior to undertaking construction. This timeframe can be accommodated by Black Diamond's service approach. However, this timeframe cannot be accommodated by CWD's service approach. Based on the timeframes estimated in Table 7, the CWD service would delay The Villages project for at least a year and likely longer when considering the franchise and annexation actions that CWD would need to complete.

10. Evaluation of Service Approaches

Service to the 98-acre area from Black Diamond or CWD are not equivalent with respect to several relevant criteria. An evaluation of service from Black Diamond and CWD is presented in this section based on several key evaluation criteria. These criteria include the following:

- **Timeliness of Service.** This evaluation criterion relates to the relative timeframe needed to convey water service to the 98-acre area from CWD and Black Diamond.
- **Additional Cost of Service to Developer.** This evaluation criterion relates to the cost to the developer of obtaining water service to the 98-acre area from CWD or from Black Diamond.
- **Distribution System Efficiency.** This evaluation criterion relates to the layout efficiency of distribution system pipelines to effectively provide water system service while minimizing the length of distribution system pipelines to the greatest extent practical.
- **Reliability of Service.** This evaluation criterion qualitatively relates to relative reliability of water service, as provided from CWD or Black Diamond, based on the approaches described above.



- **Administrative and Operations and Maintenance Efficiency.** This evaluation criterion qualitatively relates to impacts to the overall administrative, operations, and maintenance efficiency of CWD and to Black Diamond with respect to service to the 98-acre area by the other utility.
- **Service Pressure.** This evaluation criterion relates to the relative difference in the provision of water service pressure from either CWD or Black Diamond. For the purpose of this evaluation criterion, higher water service pressure is deemed more desirable to customers and represents a higher level of service.
- **Compliance with Level of Service (LOS) Requirements (pressure and fire flow).** This evaluation criterion relates to compliance with the service pressure and fire flow level of service requirements established by both CWD and Black Diamond based on the service approaches to the 98-acre area identified by both of these utilities.
- **Compliance with Preliminary Plat Conditions of Approval (connection to 850/750 system).** This evaluation criterion relates to compliance with the Preliminary Plat Conditions of Approval's requirement that water system serving The Villages MPD be connected both to 750 and 850 pressure zones to enhance the provision of fire flow.

A summary of the two service approaches is presented in Table 8. Evaluation of the service approach from each purveyor is presented based on each criteria using symbols as well as narrative explanation.




TABLE 8
Summary of Evaluation of Service from CWD or Black Diamond

Evaluation Criteria		CWD		Black Diamond
Timeliness of Service	⊘	2.5 to 3 years (minimum; likely much more)	✓	10 months
Additional Cost of Service to Developer	⊘	\$5.2 million	✓	\$0 (baseline)
Distribution System Efficiency	✓	Service from CWD results in multiple stretches of dual CWD and Black Diamond distribution system pipelines, one dead-end line, and extensive easement alignment.	+	Service from Black Diamond results in an efficient, logical distribution system with no parallel distribution lines, no dead ends, and no easements.
Reliability of Service	✓	Supplied from a single tank that is supplied indirectly from the RWSS and from wells. Connection to the 98-acre area at three distinct locations.	✓	Supplied from the RWSS and from City's spring supply.
Administrative and O&M Efficiency	✓	No adverse impact or benefit to CWD's efficiency in either approach.	+	Some advantages to having all utilities within a given right of way (road, water, sewer, and storm) served by the same entity for maximum coordination and cost benefit.
Water Service Pressure	✓	The 700-foot elevation gradient (when the new Tank No. 4 is full) equates to 22 psi less than the 750-foot elevation gradient from Black Diamond.	+	The 750-foot elevation gradient equates to 22 psi more than the 700-foot elevation gradient (when the new Tank No. 4 is full) from CWD.
Compliance with Preliminary Plat Conditions of Approval	⊘	CWD's approach does not connect to a combined system comprised of a 750 pressure zone and an 850 pressure zone for enhanced fire flow provision.	+	Black Diamond connects to a combined 750 pressure zone and an 850 pressure zone for enhanced fire flow provision.

TABLE 8
Summary of Evaluation of Service from CWD or Black Diamond

Evaluation Criteria	CWD	Black Diamond
Compliance with Pressure and Fire Flow Requirements	 CWD's service approach meets the fire flow requirements of both Black Diamond and CWD but only the minimum service pressure requirements of CWD. It does not meet minimum pressure requirements for Black Diamond.	 Black Diamond's service approach meets the fire flow and minimum service pressure requirements of both Black Diamond and CWD.

Rating Legend:

-  Exceeds minimum criteria or provide additional benefit
-  Meets/Satisfactory
-  Does not meet criteria/Unsatisfactory

11. Summary of Conclusions

The impacts from providing service to the 98-acre area from either CWD or Black Diamond are substantially different. The key differences are summarized below:

- CWD can only provide water service to the 98-acre area in a minimum of 30 to 36 months, which, at the earliest, is June 2017, one year after the developer plans construction. This estimate does not include any additional time necessary for negotiation of a franchise agreement, annexation of the 98-acre area to CWD, or easement acquisition. Black Diamond is prepared to provide water within 10 months, well before the developer's plan to construct above grade facilities in June 2016.
- Service from CWD will cost the developer an additional \$5.2 million dollars beyond the cost of service from Black Diamond. This additional cost is the result of CWD's \$5 million worth of service connection charges, an additional \$800,000 in distribution system and service line costs, minus \$580,000 in water purchase costs for service from Black Diamond.
- Service from CWD results in multiple stretches of dual CWD and Black Diamond distribution system pipelines, resulting in substantial additional cost to the developer (4,250 linear feet of additional 12-inch diameter pipeline). Service from Black Diamond does not include this additional pipe and results in an efficient, cost-effective distribution system piping layout.
- Service from CWD results in 2,250 linear feet of distribution system pipelines that are either dead end pipes or pipes installed in easements. Both of these configurations are not desirable and should be avoided whenever possible.
- Service from CWD provides pressures at peak hour demand conditions that do not meet Black Diamond's minimum standards and only meet CWD's minimum standards after installation of a new, taller storage tank and new pipelines.
- Service from CWD does not comply with the Black Diamond Hearing Examiner requirement for connection to the 750 and 850 pressure zones. Service from Black Diamond does comply with this requirement.
- Service from Black Diamond provides substantially higher service pressure, well beyond that provided by CWD, which is an advantage to customers.
- Consistent utility service by Black Diamond throughout the entire Villages MPD, including the 98-acre area is more efficient, maximizes coordination, and eases administrative burdens on the customer and the administering utility.

Figures

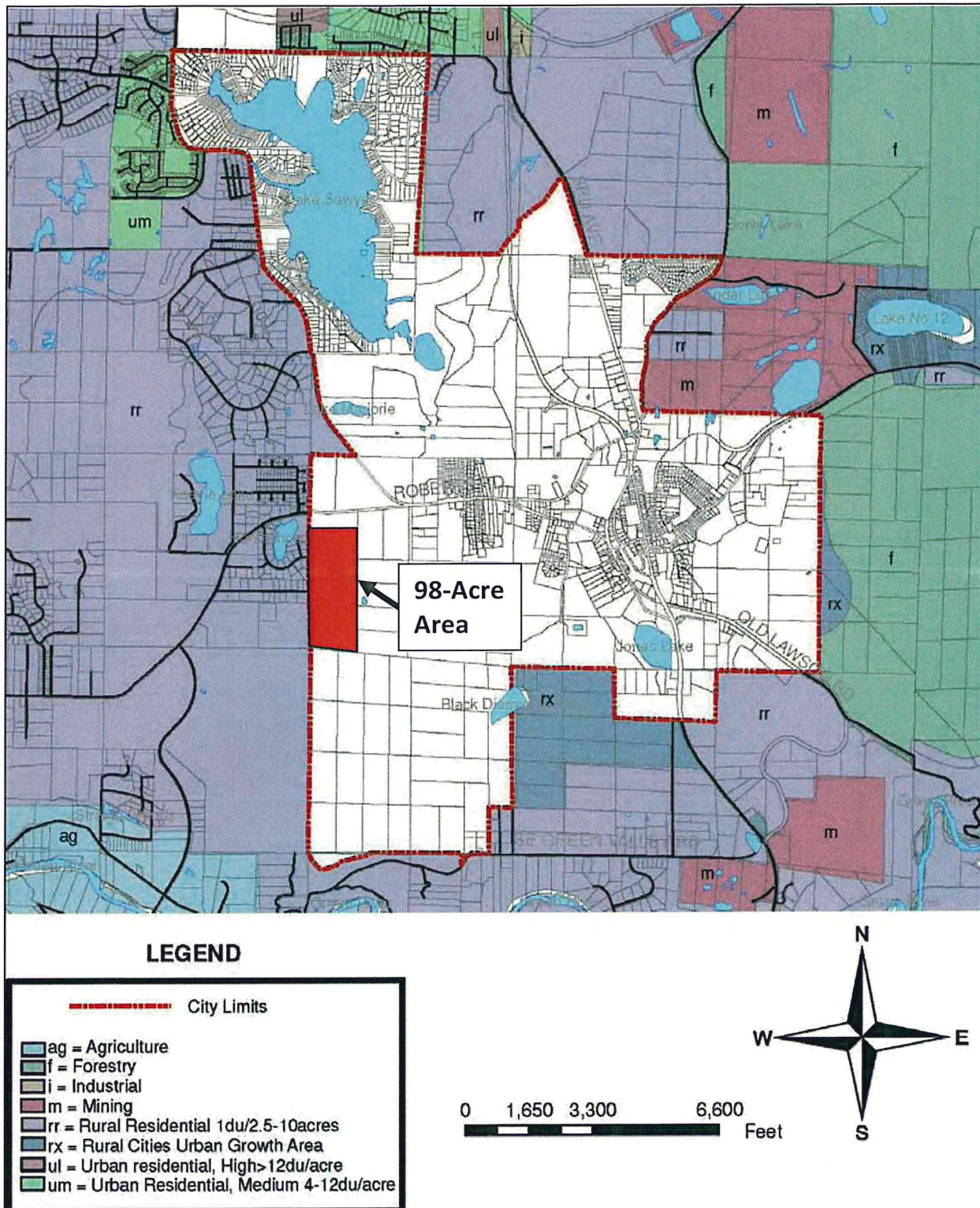


FIGURE 1
Location of 98-acre Area Within the City of Black Diamond
Source: City of Black Diamond Water System Comprehensive Plan, 2009 (Figure 2.9)

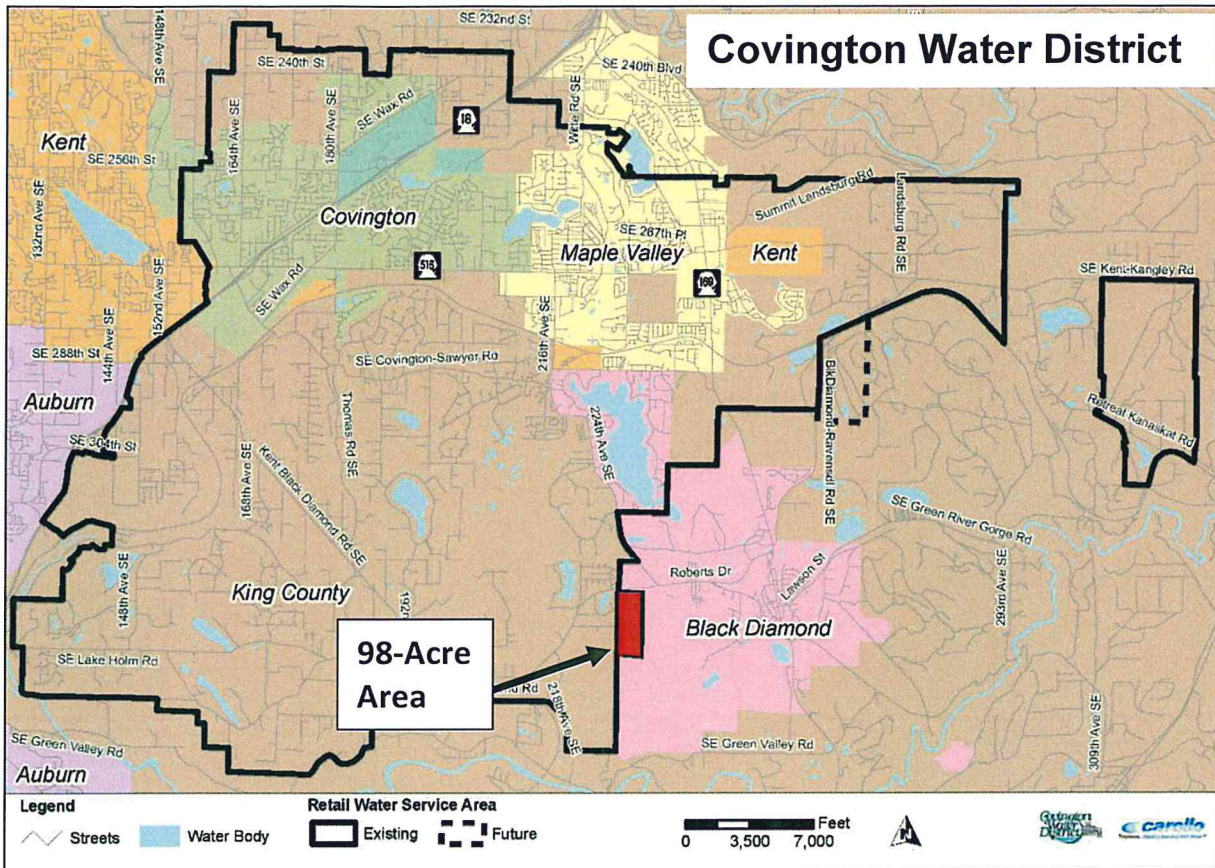


FIGURE 2
Location of 98-acre Area In Relation to Covington Water District
 Source: CWD DRAFT Water System Plan, July 2014

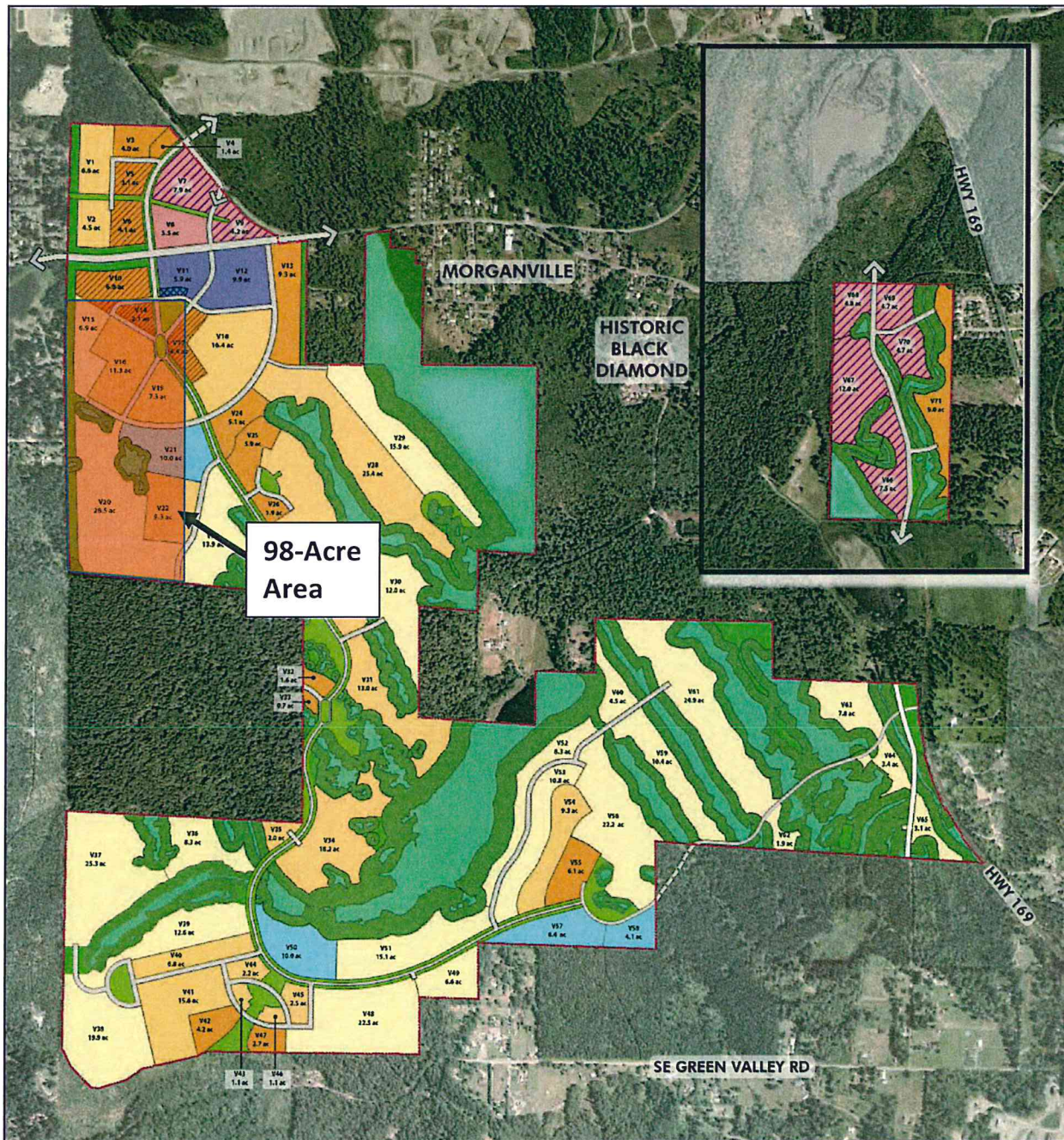


FIGURE 3
The Villages Site Plan
Source: The Villages Master Planned Development, Development Agreement, Nov 2011 (Exhibit U)

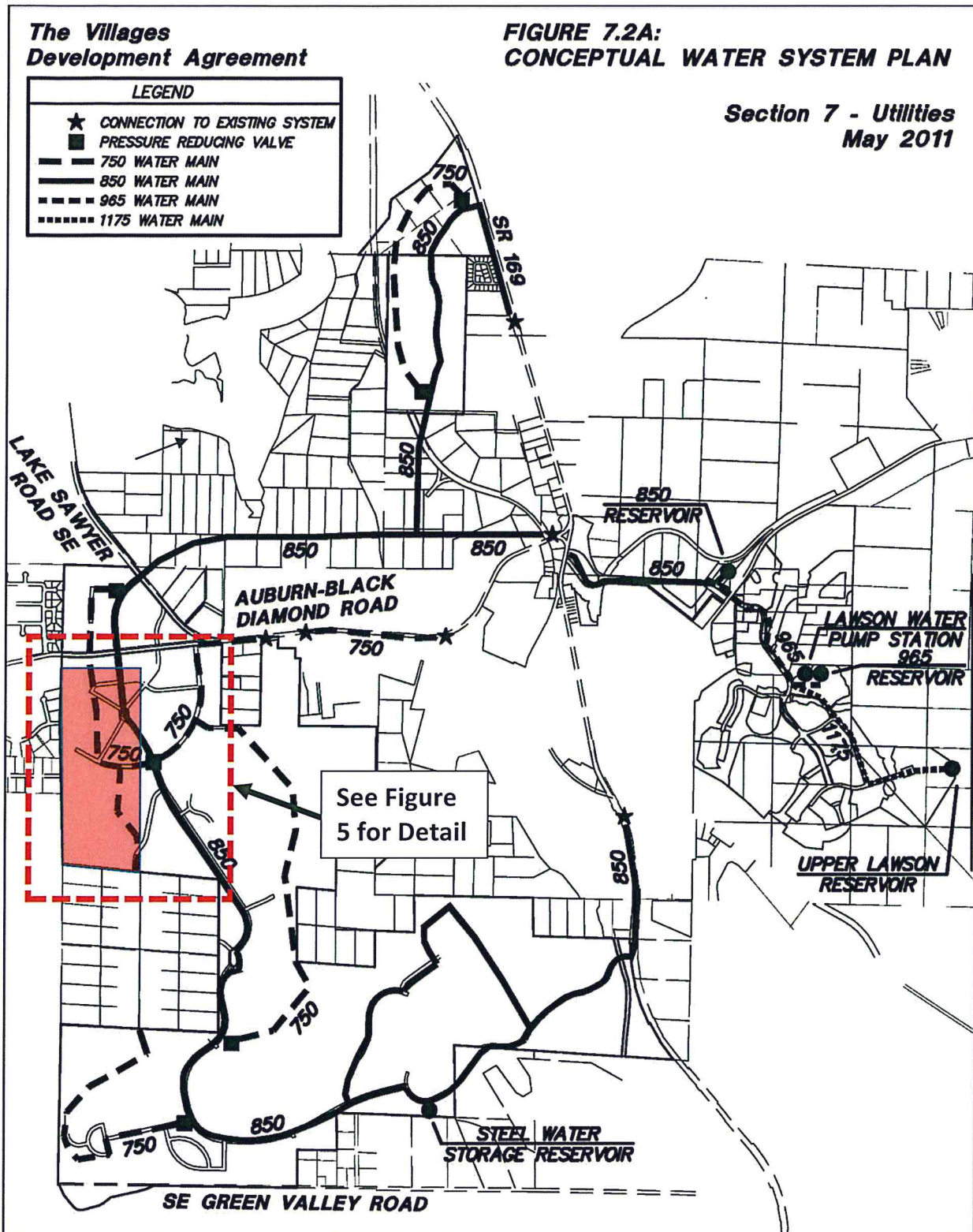


FIGURE 4

Black Diamond Service Approach

Source: The Villages Master Planned Development: Development Agreement, November 2011 (Figure 7.2A)

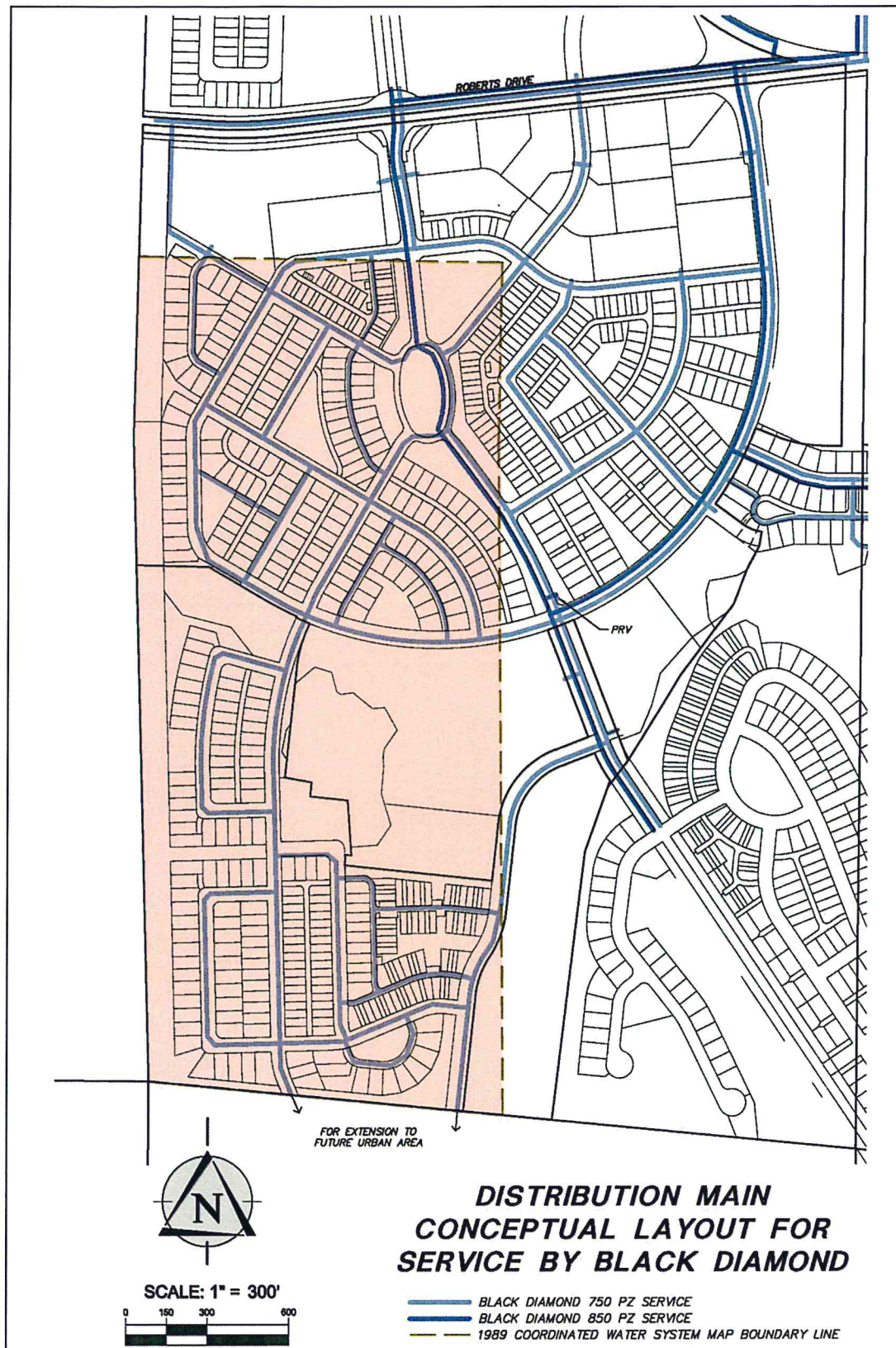


FIGURE 5
Planned Distribution System Layout within 98-acre Area: Black Diamond Approach
Source: Triad Associates, January 2015

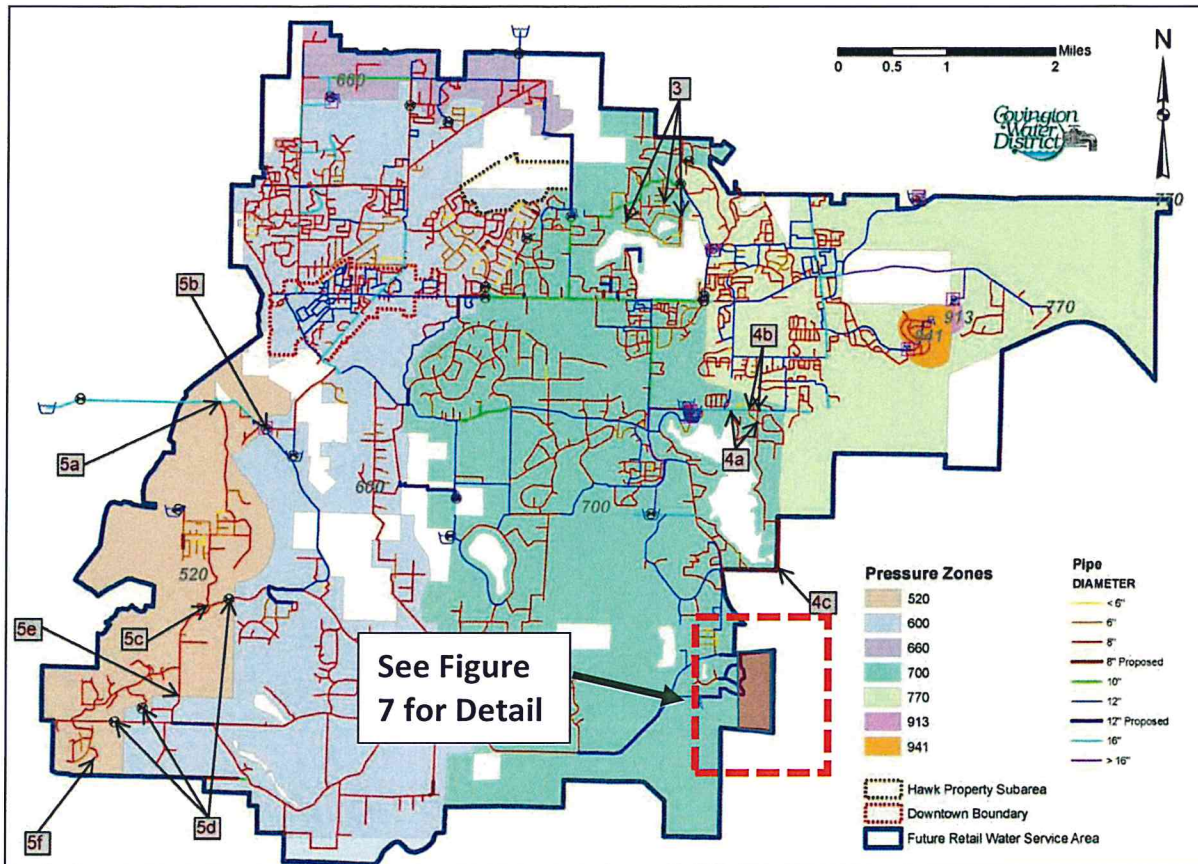


FIGURE 6
Covington Water District Service Approach
Source: CWD DRAFT Water System Plan, July 2014

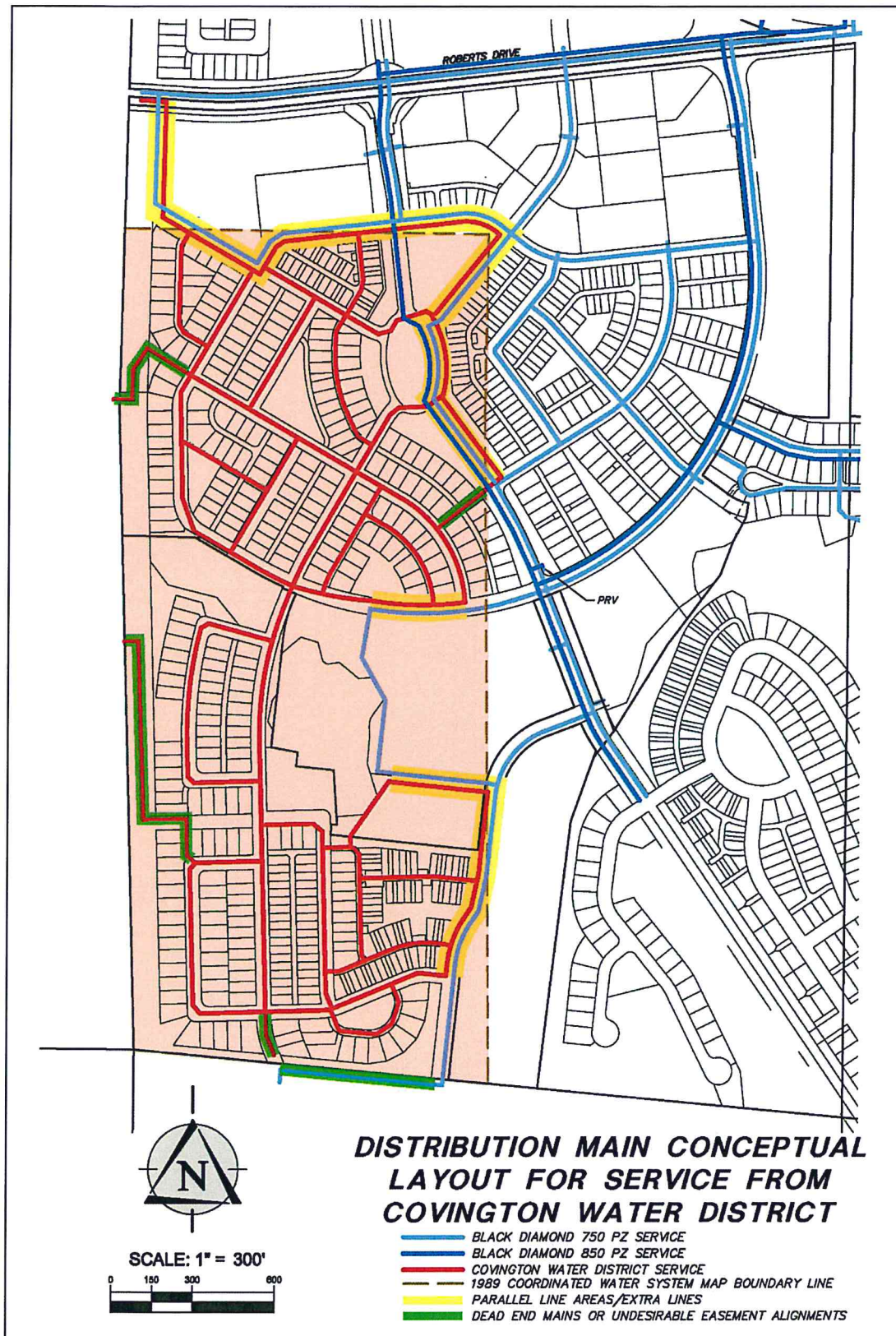


FIGURE 7
Conceptual Distribution System Layout within 98-acre Area: CWD Approach
 Source: Triad Associates, January 2015

RESOLUTION NO. 08-512

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON,
AUTHORIZING THE MAYOR TO SUBMIT THE 2008
WATER SYSTEM COMPREHENSIVE PLAN TO THE
WASHINGTON STATE DEPARTMENT OF HEALTH**

WHEREAS, the City of Black Diamond owns and operates a public water supply system; and

WHEREAS, the City is required by Chapter 70.119A of the Revised Code of Washington and Chapter 246-290 of the Washington Administrative Code to prepare a water system plan and to submit that plan to the Department of Health for approval; and

WHEREAS, the City contracted with PacWest Engineering for the development of an updated water system comprehensive plan and review of that plan by adjoining purveyors; and

WHEREAS, the draft plan reflects the City's planning policies as contained in the 1996 Comprehensive Plan and the draft currently under revision; and

WHEREAS, the Mayor desires the concurrence of the City Council in the policy statements set forth in the plan prior to submitting to the Department of Health for review; and

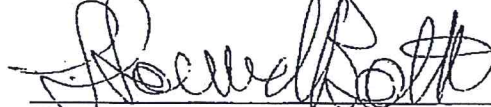
WHEREAS, final adoption of the 2008 City of Black Diamond Water System Comprehensive Plan will be scheduled for a Council meeting succeeding Department of Health approval;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:


Section 1. The City Council of the City of Black Diamond, Washington, does hereby authorize the Mayor to transmit the draft 2008 Water System Comprehensive Plan to the Department of Health.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 5TH DAY OF JUNE, 2008.

CITY OF BLACK DIAMOND:


Howard Botts, Mayor

Attest:


Brenda L. Streepy, City Clerk

ORDINANCE NO. 09-929

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AMENDING SECTION 13.08.010 OF THE BLACK
DIAMOND MUNICIPAL CODE REGARDING THE
COMPREHENSIVE WATER SYSTEM PLAN

WHEREAS, the City of Black Diamond owns and operates a public drinking water system within the State of Washington; and

WHEREAS, in July 2001 the City adopted a Comprehensive Water System Plan; and

WHEREAS, State law require the operators of water system to develop and maintain a current Water System Plan and the existence of such a plan is necessary to ensure that future improvement are planned and scheduled in the manner necessary to protect the public health and safety; and

WHEREAS, the City hired PacWest Engineering, LLC to update the Water Comprehensive planning for the City of Black Diamond in keeping with the Department of Health regulations; and

WHEREAS, PacWest has completed the plan update, addressed and answered comments, coordinated Department Health review, amended the plan to meet the most current land use decisions; and

WHEREAS, the City staff, the Public Works Committee of the Council, the public and the full council has had opportunity to review, provide comment, and/or provide input into the development of the water comprehensive plan; and

WHEREAS, a formal public hearing was held by the council on September 17, 2009; and

WHEREAS, King County has determined that our Water Comprehensive Plan is consistent with county planning policies and expects to approve Black Diamond's Water Comprehensive Plan in the near future; and

WHEREAS, the Department of Health has approved the City of Black Diamond's Water Comprehensive Plan on July 24, 2009;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Section 13.08.010 of the Black Diamond Municipal Code is amended to read as follows:

13.08.010 Adopted.

The City of Black Diamond Water System Comprehensive Plan prepared by PacWest Engineering, LLC dated May 2009 is adopted and incorporated by reference.


Section 2. Effective Date. This Ordinance shall be in full force and effect five (5) days after its passage, approval, posting and publication as provided by law. A summary of this Ordinance may be published in lieu of publishing the Ordinance in its entirety.

Section 3. Severability. Each and every provision of this Ordinance shall be deemed severable. If any provision of this Ordinance should be deemed to be unconstitutional or otherwise contrary to the law by a Court of competent jurisdiction, it shall not affect the validity of the remaining sections so long as the intent of the Ordinance can be fulfilled without the illegal section.

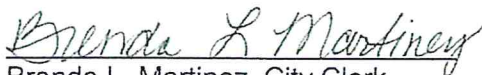
Introduced on the 17th day of December, 2009.

Passed by the City Council on the 17th day of December, 2009.

CITY OF BLACK DIAMOND:


Howard Botts, Mayor

Attest:


Brenda L. Martinez, City Clerk

APPROVED AS TO FORM:

Yvonne Ward, Interim City Attorney

Published: 12-22-09
Posted: 12-18-09
Effective Date: 12-27-09



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

March 22, 2010

Ordinance 16774

Proposed No. 2010-0075.1

Sponsors Dunn and Phillips

1 AN ORDINANCE approving the City of Black Diamond
2 2008 Water System Plan.

3 STATEMENT OF FACTS:

4 1. King County has adopted K.C.C. chapter 13.24, which requires
5 approval of comprehensive plans for water and sewer utilities that
6 distribute or obtain water in unincorporated King County as a prerequisite
7 for operating in unincorporated King County, receiving approval for
8 annexation proposals, being granted right-of-way franchises and being
9 given approval for right-of-way construction permits. K.C.C. 13.24.060
10 prescribes the requirements for approval of such plans, including
11 consistency with state and local planning requirements.

12 2. RCW 70.116.050 requires that water system plans developed by
13 purveyors within the boundaries of a critical water supply service area are
14 to be reviewed by local governments to ensure that the plans are not
15 inconsistent with the land use plans, shoreline master programs and
16 developmental policies of those local governments.

17 3. King County has adopted a comprehensive plan that includes water
18 supply policies in its provisions for facilities and services (policies F-213
19 through F-245) that call for consistency with other adopted plans, support

20 for regional water supply planning, reclaimed water use and water
21 conservation, and protection of water resources.

22 4. The city of Black Diamond ("the city") has submitted its 2008 water
23 system plan ("the plan") to King County for review and approval. K.C.C.
24 chapter 13.24 requires review of water system plans by the utilities
25 technical review committee ("UTRC"), and a recommendation to the King
26 County executive and council on the plan and the requirements under
27 K.C.C. chapter 13.24 and consistency with the King County
28 Comprehensive Plan. The UTRC has reviewed the planning data and city
29 operations and hereby finds:

- 30 a. The plan uses growth projections based on build-out forecast
31 information provided by developers, which are larger numbers than the
32 population targets under the growth management act, but the customized
33 forecast is appropriately used;
- 34 b. The plan uses King County land use classifications for those parts of
35 the city's service area that are located in unincorporated King County. The
36 city does not have a franchise to operate in unincorporated King County;
- 37 c. The capital facility plan is adequate to meet anticipated facility and
38 service needs;
- 39 d. The plan is consistent with applicable state water quality laws,
40 including the evaluation of reclaimed water use, which the city is doing
41 voluntarily; and

42 e. The plan is consistent with other pertinent county adopted plans and
43 policies, with the exception of the existing South King County
44 Coordinated Water System Plan, which will need to be modified as
45 provided for by law.

46 5. The Washington state Department of Health approved the city's plan on
47 July 24, 2009.

48 6. The city completed a state Environmental Policy Act checklist and
49 issued a determination of nonsignificance for the issuance of the plan on
50 March 31, 2009.

51 7. The city's operations and facilities meet multiple existing statutory,
52 administrative, and planning standards. As the city's operations, facilities
53 and planning meet the requirements of the King County Code and are
54 consistent with the King County Comprehensive Plan, the UTRC
55 recommends approval of the plan conditioned on the city's submitting a
56 franchise application under K.C.C. chapter 6.27 within one year of the
57 date of such an approval.

58 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

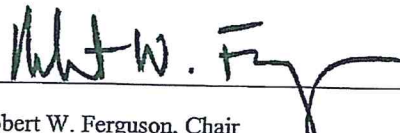
59 SECTION 1. The City of Black Diamond 2008 Water System Plan,
60 Attachment A to this ordinance, is hereby approved as a comprehensive water
61 system plan conditioned on the city's submitting a franchise application to King

- 62 County under K.C.C. chapter 6.27 within one year of the effective date of this
63 ordinance.

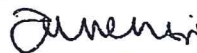
Ordinance 16774 was introduced on 2/8/2010 and passed by the Metropolitan King County Council on 3/22/2010, by the following vote:

Yes: 8 - Ms. Drago, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn
No: 0
Excused: 1 - Mr. Phillips

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Robert W. Ferguson, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 31st day of march, 2010.


Dow Constantine, County Executive

Attachments: A. City of Black Diamond Water System Comprehensive Plan—May 2009

RECEIVED
2010 APR -2 AM 11:09
CLERK
KING COUNTY COUNCIL

2012 King County Countywide Planning Policies

November, 2012

Amended December 3, 2012

The economy is vibrant, vital, and sustainable, and emphasizes diversity in the range of goods and information produced and the services provided. Regional cooperation has focused on economic development activities that have retained and expanded key industries such as aerospace, software, and biotechnology while using the resources of the region to attract new business clusters such as in renewable energy. Businesses continue to locate in our county because of the high quality of life; the preservation of the natural environment; the emphasis on providing a superior education; the predictability brought about by the management of growth and the effectiveness of public-private partnerships supporting these attributes.

Housing opportunities for all incomes and lifestyles exist throughout the county and with the balanced transportation system access to employment is convenient and reliable. Innovation in the development of a diverse range of housing types has been fundamental in accommodating population growth. The diversity of housing types has allowed residents to stay within their community as their housing needs change.

King County communities are extraordinarily diverse culturally and this has been embraced and celebrated by the residents of King County. The needs of residents are attended to by a social service system that emphasizes prevention but stands ready to respond to direct needs as well. There is a sense of social equity within our communities and all share equitably in the distribution of and access to parks, open space, and vibrant neighborhood centers.

The Urban Growth Area is completely located within cities, which are the primary providers of urban services. Where appropriate, sub-regional consortia have been created for certain services, and King County government is recognized as a significant provider of regional services as well as the coordinator of local services to the Rural Area and Resource Lands.

Residents and businesses have recognized that, over time, through clear and reasonable timelines and financing commitments, issues will be addressed. Residents and businesses trust in their local governments because the plans and promises made to manage growth starting in 1992 have been followed. Change is accepted and proceeds in an orderly fashion based on the locally adopted and embraced growth management plans.

Framework

The year 1991 was one of tremendous change for the management of growth in King County and this environment of change gave rise to the distinctive character of the 1992 Countywide Planning Policies. While the Countywide Planning Policies have been amended periodically to address specific issues or revisions required by the Growth Management Act, the first thorough update of the Countywide Planning Policies was completed in 2012 to ensure that the Countywide Planning Policies are consistent with VISION 2040, the Growth Management Act and changes that had occurred in the previous twenty years within King County. In addition for the 2012 update, the Growth Management Planning Council directed that the revised policies

Utilities

Utilities include infrastructure and services that provide water supply, sewage treatment and disposal, solid waste disposal, energy, and telecommunications. Providing these utilities in a cost-effective way is essential to maintaining the health and safety of King County residents and to implementing the Regional Growth Strategy.

Water Supply

Conservation and efficient use of water resources are vital to ensuring the reliability of the region's water supply, the availability of sufficient water supplies for future generations, and the environmental sustainability of the water supply system.

PF-4 Develop plans for long-term water provision to support growth and to address the potential impacts of climate change on regional water resources.

PF-5 Support efforts to ensure that all consumers have access to a safe, reliably maintained, and sustainable drinking water source that meets present and future needs.

PF-6 Coordinate water supply among local jurisdictions, tribal governments, and water purveyors to provide reliable and cost-effective sources of water for all users, including residents, businesses, fire districts, and aquatic species.

PF-7 Plan and locate water systems in the Rural Area that are appropriate for rural uses and densities and do not increase the development potential of the Rural Area.

PF-8 Recognize and support agreements with water purveyors in adjacent cities and counties to promote effective conveyance of water supplies and to secure adequate supplies for emergencies.

PF-9 Implement water conservation and efficiency efforts to protect natural resources, reduce environmental impacts, and support a sustainable long-term water supply to serve the growing population.

PF-10 Encourage water reuse and reclamation, especially for high-volume non-potable water users such as parks, schools, and golf courses.

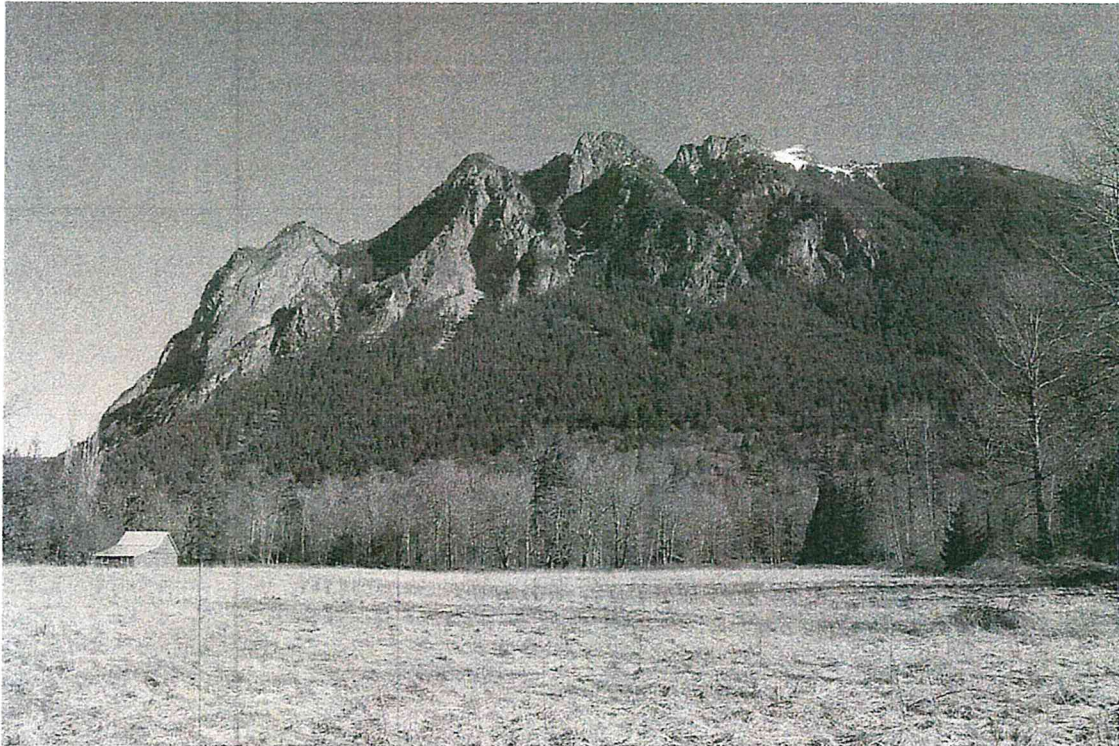




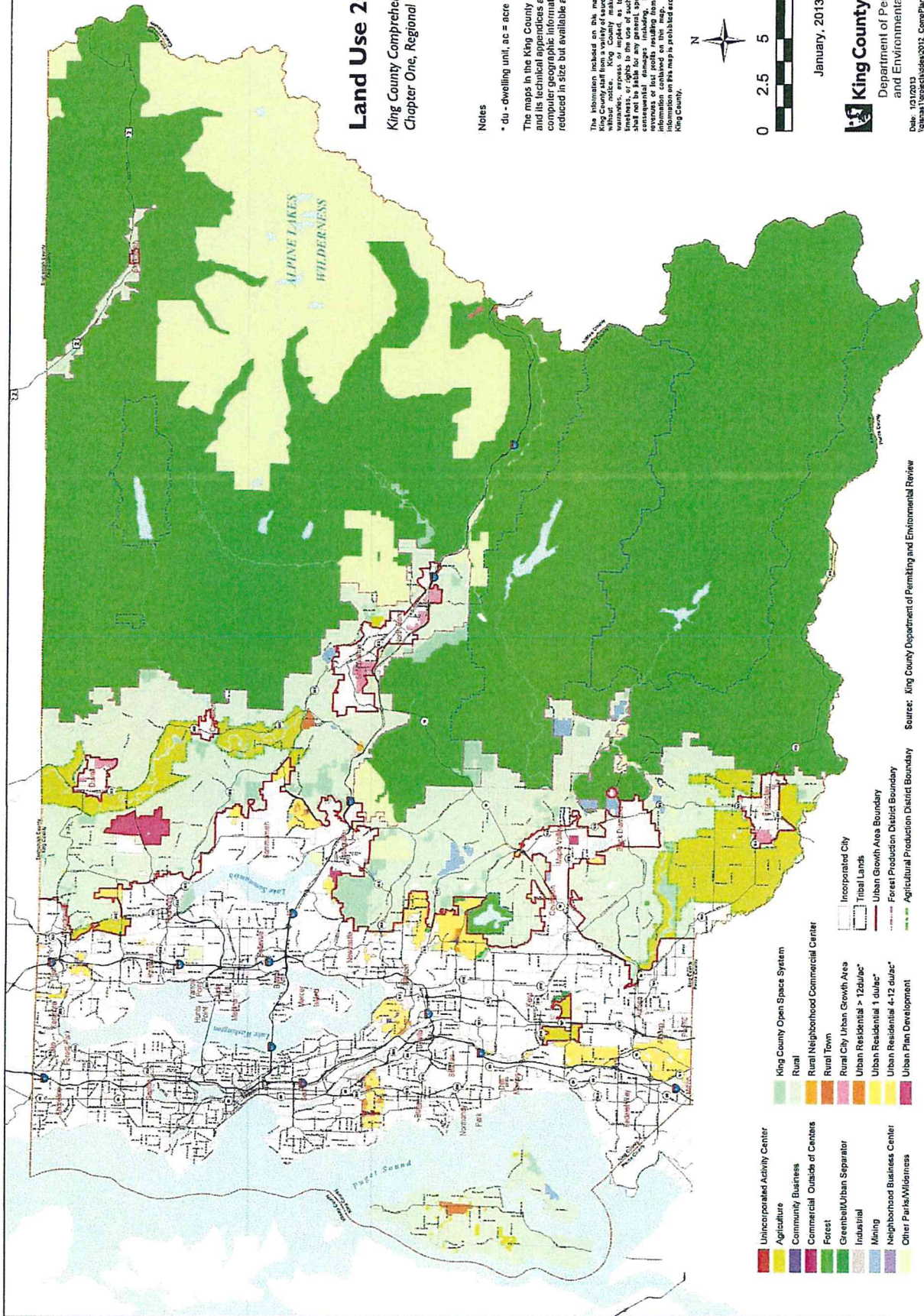
King County

King County Comprehensive Plan 2012 (2013 Update)

Adopted December 3, 2012
Update adopted November 4, 2013



King County Department of Permitting and Environmental Review
35030 SE Douglas St., Suite 210
Snoqualmie, WA 98065-9266



Land Use 2012

King County Comprehensive Plan, 2012

Chapter One, Regional Planning

Notes

* du - dwelling unit, ac = acre

The maps in the King County Comprehensive Plan and its technical appendices are produced with a computer geographic information system. They are reduced in size but available at a larger scale.

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January, 2013

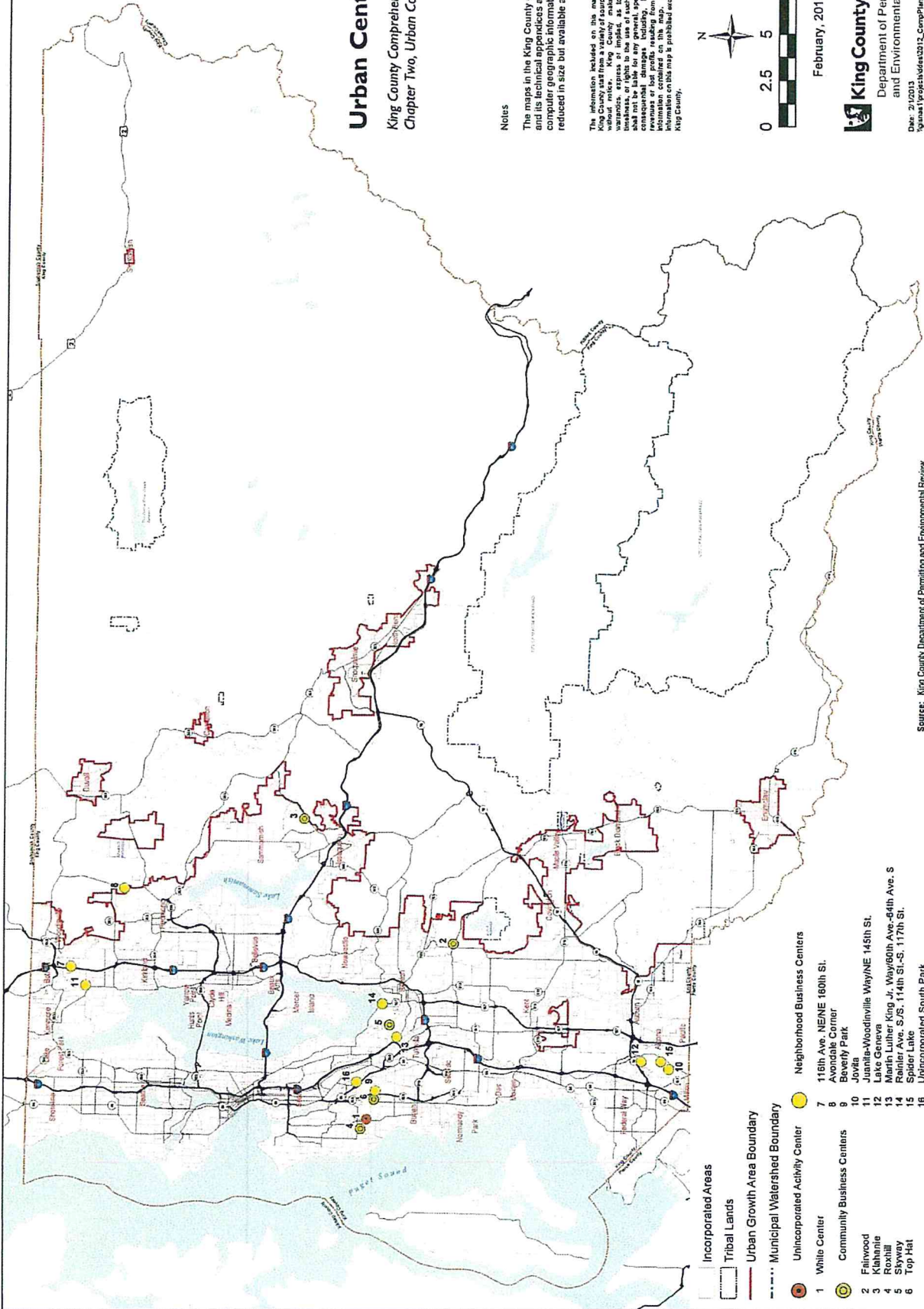


Department of Permitting
and Environmental Review

Date: 10/12/2013
Project: King County Comprehensive Plan, 2012
Map: Land Use 2012

- Unincorporated Activity Center
- Agriculture
- Community Business
- Commercial Outside of Centers
- Forest
- Greenbelt/Urban Separator
- Industrial
- Mining
- Neighborhood Business Center
- Other Parks/Wilderness
- King County Open Space System
- Rural
- Rural Neighborhood Commercial Center
- Rural Town
- Rural City Urban Growth Area
- Urban Residential > 12du/ac
- Urban Residential 1 du/ac
- Urban Residential 4-12 du/ac
- Urban Plan Development
- Incorporated City
- Tribal Lands
- Urban Growth Area Boundary
- Forest Production District Boundary
- Agricultural Production District Boundary

Source: King County Department of Permitting and Environmental Review



Urban Centers 2012

King County Comprehensive Plan, 2012

Chapter Two, Urban Communities

Notes

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February, 2013



Department of Permitting
and Environmental Review

Date: 2/12/2013

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Source: King County Department of Permitting and Environmental Review

- Incorporated Areas
- Tribal Lands
- Urban Growth Area Boundary
- Municipal Watershed Boundary
- Unincorporated Activity Center
- Neighborhood Business Centers
- Community Business Centers
- 1 White Center
- 2 Rainier
- 3 Roxhill
- 4 Smyway
- 5 Top Hat
- 6 White Center
- 7 Rainier
- 8 Roxhill
- 9 Smyway
- 10 Top Hat
- 11 White Center
- 12 Rainier
- 13 Roxhill
- 14 Smyway
- 15 Top Hat
- 16 White Center
- 17 Rainier
- 18 Roxhill

- F-207** King County should make its public facilities or properties available for use as a P-patch or community garden when such use is compatible with the primary public use of the facility.

B. Urban and Rural Services

Although growth will be directed to Urban Areas, it is recognized that Rural Areas have facility and service needs also.

- F-208** Public spending to support growth should be directed to the Urban Growth Area and prioritized and coordinated through Capital Facility Plans to comply with the concurrency requirements of the Growth Management Act.
- F-209** In the Rural Area, services provided by agencies should support a rural level of development and not facilitate urbanization.

C. Identifying Needs for Facilities and Services

Public facilities and services are vital to protect public health, safety and welfare and to protect and enhance community and environmental quality. Inadequate sewage disposal, for example, could directly threaten public health. Inadequate groundwater protection could result in unsafe drinking water and threaten stream flow. Deficiencies in other services, such as police protection or parks, might not raise severe obstacles to any single new development, but over time could cause general threats to public health, safety and welfare and deterioration of community quality.

King County government is responsible for assuring that adequate facilities and services are available or can be made available to support planned growth. This responsibility is carried out by identifying needs for facilities and services based on the planned amount and location of growth. The mechanism for identifying needs is capital improvement programming.

The Growth Management Act requires the county to prepare a capital facility plan that includes an inventory of existing capital facilities owned by public entities, a forecast of the future needs for capital facilities, including the proposed locations and capacities of expanded or new facilities, and a six-year plan that will finance the expanded or new facilities.

The Capital Facility Plan Element for King County is comprised of the following four components:

is currently located, and if the use is abandoned the zoning should be redesignated to a rural zone consistent with that applied to surrounding properties.

- C-1104** King County supports annexation of the lands within the City of Black Diamond's Urban Growth Area subject to the requirements of the Black Diamond Urban Growth Area Agreement as adopted by Ordinance 12534. If the agreement is terminated, the affected lands under King County jurisdiction shall be treated as follows:
- a. Land within the designated Urban Growth Area shall be redesignated to Rural and reclassified to the rural zoning in place prior to the effective date of Ordinance 12534. This zoning shall continue for a period of at least five years from the date of reclassification.
 - b. The areas identified in the agreement as county open space shall be maintained at the rural zoning in place prior to the effective date of Ordinance 12534. This zoning shall continue for a period of at least five years after the date of termination of the agreement.
- CP-1105** King County supports expansion of the network of regional trails and conservation of natural resource lands and environmentally sensitive areas through community efforts such as the Rock Creek Valley Conservation Plan and the Friends of Rock Creek.
- CP-1106** King County supports efforts to protect and enhance open space and ensure long-term habitat health and passive recreation opportunities in the Middle Green River through community efforts such as the Middle Green River Coalition.

City of Black Diamond Comprehensive Plan



June 2009

cluster housing, MPDs and the transfer of development rights, as encouraged by the GMA (RCW 36.70A. 090) – to creatively address local concerns and issues.

1.5. Consistency with County Plans and Policies

1.5.1. King County Countywide Planning Policies

The GMA mandates that counties, in cooperation with cities, adopt the King County Countywide Planning Policies (CPPs). The GMA defines CPPs as written policy statements used for establishing a countywide framework from which county and city comprehensive plans are developed and adopted. That framework is to ensure that city and county comprehensive plans are consistent with each other. At a minimum, the CPPs must address:

- implementation of UGAs,
- promotion of contiguous and orderly development and provision of urban services,
- siting of public capital facilities,
- transportation facilities and strategies,
- affordable housing,
- joint county and city planning within UGAs,
- countywide economic development and employment, and
- analysis of fiscal impact.

For King County, the CPPs established a UGA. Most future growth and development is to occur within the UGA to limit urban sprawl, enhance open space, protect rural areas and more efficiently use human services, transportation and utilities. The intent of these policies is to reduce future infrastructure costs and maintain a high quality of life by encouraging concentrated development in those areas where services already are or are planned to be provided. Cities are expected to absorb the largest share of future growth. Each city has the authority to make decisions regarding its local character and density.

The City finds that this comprehensive plan is consistent with the purpose and intent of the King County CPPs. The City includes the UGA agreed upon in the BDUGAA, and is consistent with the King County CPPs updated in July 2006. The City is also updating its population and employment targets to reflect growth that is anticipated over the next 20 years.

Phasing of development over time will be essential to achieve the plan's vision. Capital facilities are identified for both the short and long term growth anticipated by the plan. The City will use the Capital Facilities and Land Use Elements to manage development.

1.7. Master Planned Developments

An MPD is another key concept that the City is using to implement its vision for the future. A significant portion of the City's land area is within several large parcels and their planned development presents unique opportunities and challenges. In 2005, consistent with direction in the BDUGAA, the City adopted MPD regulations (Black Diamond Municipal Code Chapter 18.98) to provide flexibility in attaining City goals, to protect the environment and preserve open space, to maintain adequate facilities, to achieve a balance of jobs and housing, and to maintaining fiscal health. The specific purposes of the MPD regulations are to:

- Establish a public review process for MPD applications;
- Establish a comprehensive review process for development projects occurring on parcels or combined parcels greater than 80 acres in size;
- Preserve passive open space and wildlife corridors in a coordinated manner while also preserving usable open space lands for the enjoyment of the City's residents;
- Allow alternative, innovative forms of development and encourage imaginative site and building design and development layout with the intent of retaining significant features of the natural environment. Allow flexibility in development standards and permitted uses;
- Identify significant environmental impacts and ensure appropriate mitigation;
- Provide greater certainty about the character and timing of residential and commercial development and population growth in the City;
- Encourage environmentally sustainable development;
- Provide needed services and facilities in an orderly, fiscally responsible manner;
- Promote economic development and job creation in the City;
- Create vibrant mixed-use neighborhoods, with a balance of housing, employment, and recreational opportunities;
- Promote and achieve the City's vision of incorporating and/or adapting the planning and design principles regarding mix of uses, compact form, coordinated open space, opportunities for casual socializing, accessible civic spaces, and

Chapter 2. Urban Growth Area

The Urban Growth Area (UGA) Element of the City of Black Diamond Comprehensive Plan was initially adopted in 2001 as an amendment to the City of Black Diamond's (City's) 1996 plan. It identified the City's UGA, which was determined based on a joint planning process and formal agreement (the Black Diamond Urban Growth Area Agreement [BDUGAA]) between the City, King County and several large property owners. It is intended to guide future land use and annexations in the Urban Growth Area consistent with the Growth Management Act (GMA). Although major portions of the UGA have been annexed as of the 2008 City of Black Diamond Comprehensive Plan Update, the UGA Element will continue to provide guidance and useful historical information until the balance of the UGA is annexed. The UGA Element has been incorporated unchanged into the 2008 Update.

2.1. Introduction

The City and its residents worked with King County to define a UGA for the City since the latter part of the 1970s. For the City, the chief goals of these efforts reflect the plan vision of a healthy economy, improved housing, protection of the treasured natural resources in and around the City, and a better quality of life. The county's objectives were to limit urban sprawl and protect rural resource lands.

The GMA was the final impetus in deciding the Black Diamond UGA. The GMA established a framework for coordinated and comprehensive planning to help local communities manage their growth. It also led to the creation of the Black Diamond-King County Joint Planning Area (JPA). The 1996 comprehensive plan identified the Black Diamond UGA as an issue that was not resolved before the plan was adopted. Hence, Chapter 2 was reserved to address the UGA when it was determined.

2.1.1. Establishing an Urban Growth Area

The City and King County formed a JPA in 1991 to identify a UGA for the City. Several alternative combinations of county lands were evaluated in that process, including the proposal identified in Figure 2-1. This option proposed to annex six subareas to the historic central portion of the City. These subareas are referred to as the: North, John Henry, Lake 12, West, South, Black Diamond Lake, and East. However, due to the large amount of land involved in this proposal, the county did not view it as consistent with the GMA and its objectives of protecting rural land and avoiding the annexation of excessively large areas for future growth.

In its 1995 Joint Planning Ordinance, the King County Council addressed this issue by requiring use of the county's Four to One Program concept as a guide in determining Black Diamond's UGA. This concept is a way to determine a balance between annexed areas and protected open space in the county. It requires that for every acre included in an urban area, four acres are to be dedicated to permanent open space or natural resource land. In this decision, the King County Council also directed the City, county, and the property owners of the land involved to draft an agreement for the King County Council to consider in establishing the Black Diamond UGA. This effort resulted in BDUGAA that the King County Council approved on December 5, 1996 (Ordinance 12534). While awaiting this decision, the City chose to adopt the completed portions of the City of Black Diamond Comprehensive Plan. In doing so, they included one subarea of the JPA, the Black Diamond Lake subarea, within the City.

The BDUGAA covers 792 acres of land. Following annexation, 593 of these acres could be developed and 189 acres would be preserved as open space. The area involved in the agreement is also referred to as the Potential Annexation Area (PAA) to distinguish it from the Lake Sawyer and the Black Diamond Lake areas, also in the City's UGA. A copy of the BDUGAA is located in the City UGA Comprehensive Amendment file.

company town and little subsequent growth, the City has never evolved into a balanced community. As resource-related activities change and mineral extraction diminishes, these activities provide less of an economic/employment base. Also, development as a commercial center has to date been precluded by the commercial development in Maple Valley. In order for the City to remain viable in the future, additional commercial growth and development is necessary in order to create a healthy tax base and sustainable revenues for the City that are needed to fund community services and amenities.

Provide a Healthy Jobs-Housing Mix

The City needs to achieve a healthy job-housing mix, where the population is sufficient to support community shopping, services, and business activities. In turn, an increased population base is better able to contribute to a more self-sufficient economy. Achieving a healthy housing mix is expected to result from the eventual addition of medium to high income housing in the PAA. This will balance with the existing low and moderate income housing available in the City.

Development of higher income housing inside the City has historically been slow, but has increased with the annexation of the Lake Sawyer area. New in-city housing in other areas is expected to provide for a wider range of housing types for more income levels. The UGA provides the opportunity for planning medium and high income housing developments. There the amenities of greenbelts, neighborhood parks and schools can be planned and provided. Residential development targeted to higher income levels is also seen as the support for and the trigger to stimulate the commercial and industrial employment sectors, so that economic self-sufficiency can be achieved.

Growth within the City is expected to provide both employment and shopping opportunities in addition to expanding the residential housing mix. The City recognizes that its economic health will be achieved through the development of commercial, business and industrial uses that will add jobs and broaden its tax base. Increased tax revenue will support new City services for the expanding population.

Make Efficient Development A Priority

Efficient use of resources will result from the appropriate location of development so that public water, sewer, storm drainage, police and fire protection service costs are minimized. Clustering development rather than spreading it over large areas will not only save utility costs, it will also preserve open space, both of which are cornerstone goals of this plan.

As documented in the financial analysis of the 1996 plan, the economic vitality of the City will depend largely on its ability to attract industrial and business park

Lake 12 Annexation Area

The Lake 12 Annexation Area can only be annexed after the following steps are completed:

- The City may extend sewer and water service to the Lake 12 Annexation Area before it is annexed provided that City funds are not required to do so and that this action does not affect the City's ability to provide these services within the existing City limits;
- The lake meets or exceeds state water quality standards (pursuant to Washington Administrative Code [WAC] 173-201A-030 (5)(c)); and
- The City completes a traffic study to determine the City road standards needed to improve the Green River Gorge Road.

Sequence of Annexations

When the conditions of annexation were achieved, annexation of the PAA began, in the following sequence:

- West Annexation Area (completed December 8, 2005)
- East Annexation Area
- South Annexation Area
- Lake 12 Annexation Area

Two or more of these areas may be annexed simultaneously, except that the East Annexation Area could not be annexed unless the West Annexation Area was annexed, the South Annexation Area could not be annexed unless the West Annexation Area and East Annexation Area were annexed, and the Lake 12 Annexation Area could not be annexed unless the West Annexation Area was annexed. Pursuant to these terms, the annexation of the South Annexation Area and Lake 12 Annexation Area may now occur when conditions are favorable.

2.2.4. Consistency with the Plans and Policies

In accordance with the GMA, the UGA must be consistent with other related plans and policies and the City of Black Diamond Comprehensive Plan. The following discussion analyzes the Agreement in light of the relevant plans; the King County Comprehensive Plan and the City of Black Diamond Comprehensive Plan.

UGA Policy U 9: Sewer and water facilities extended to the UGA will not serve adjacent rural or resource lands.

UGA Policy U 10: Identify appropriate programs and technologies to reduce solid waste and conserve supplies and energy resources.

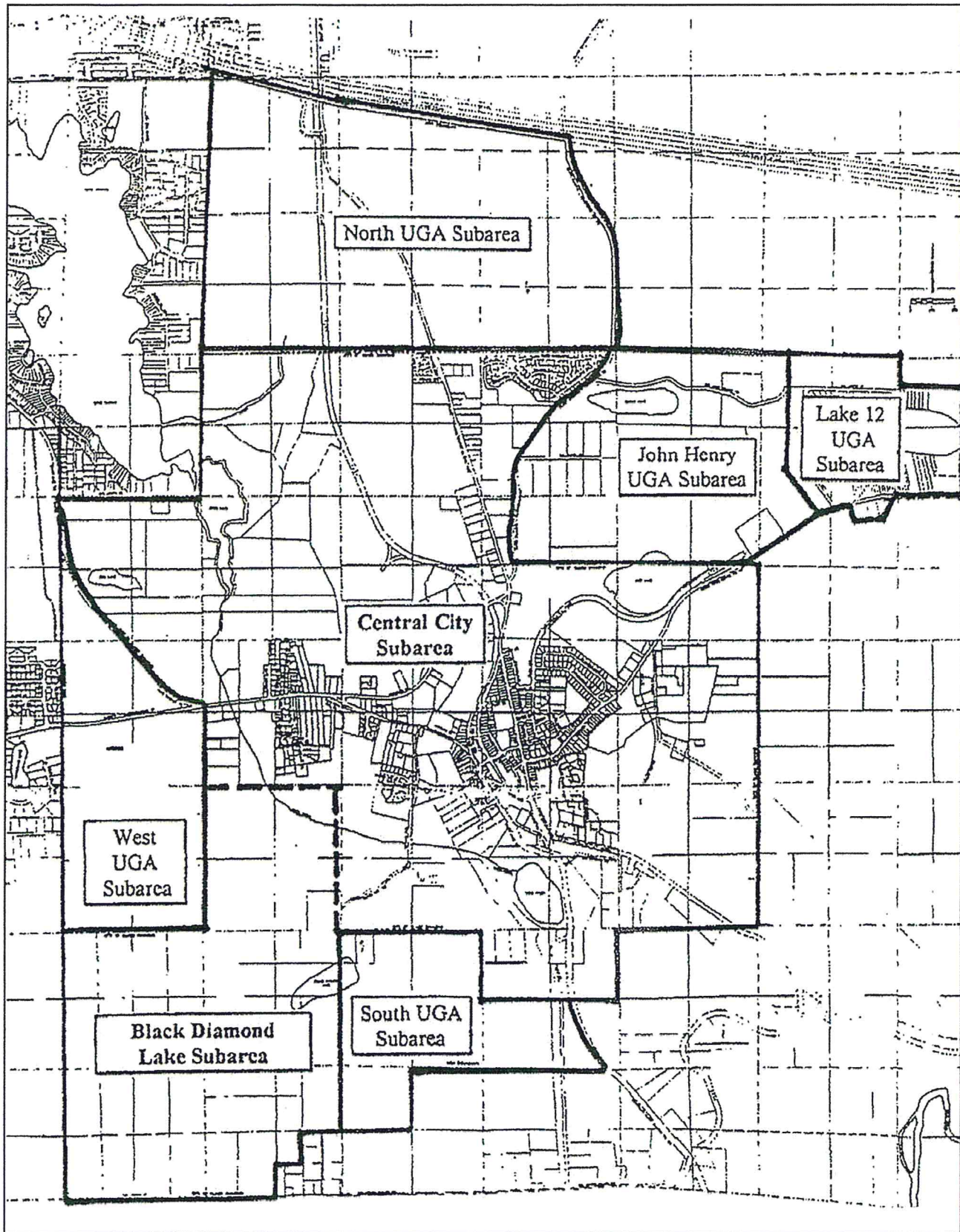


Figure 2-1
Black Diamond / King County 1991 Joint Planning Area

Federal Energy Regulatory Commission – The Federal Energy Regulatory Commission (FERC) is an independent agency led by a five-member commission. FERC establishes rates and charges for the interstate transportation and sale of natural gas, for the transmission and sale of electricity, and the licensing of hydro-electric power projects. In addition, the Commission establishes rates or charges for the interstate transportation of oil by pipeline.

Northwest Power Planning Council – The Northwest Power Planning Council (NWPPC) focuses on the generation of electricity. The NWPPC has directed the region to develop cogeneration as an energy resource and hydro-firming as a power back-up system. Cogeneration is the use of heat, as a by-product of power generation, for industrial processes or for space and water heating. Natural gas is often used as a fuel source for cogeneration. Hydro-firming is the back-up of the region's intermittent excess spring hydro generation with gas-fired combustion turbines to provide backup if hydroelectric power is insufficient.

The State Department of Health - The State Department of Health regulates the operations of all public water utilities in the state.

Washington State Department of Ecology (Ecology) –Ecology regulates the operations of all public sewer systems in the state.

1991 Clean Air Amendments – The passage of the Washington State Clean Air Act in 1991 indicates a state intent to promote the diversification of fuel sources for motor vehicles. This is in response to a need to both reduce atmospheric emissions and to reduce the nation's reliance on gasoline for strategic reasons. This act promotes the use of alternative fuels by requiring 30% of newly purchased state government vehicle fleets to be fueled by alternative fuel by July 1992, increasing 5% each year. It also studies the potential and encourages the development of natural gas vehicle refueling stations.

8.9. Water System

8.9.1. Water System Description and Concept

The Black Diamond Water System is operated and maintained by the City of Black Diamond's Public Works Department. The Lake Sawyer area, which was annexed in 1998, is currently served by the Covington Water District and is not included in the existing Black Diamond Water Service Area.

The City's water system is expected to serve a population of 16,980 by 2025. The City has adequate supply and wholesale water contracts with the City of Tacoma to provide for the future growth as planned in this document.

In response to several large-scale development proposals, Ordinance 700, which placed a moratorium on the development of new lots within the City, was passed by the City to provide time to evaluate and update its development regulations. Thus, there has been a very limited increase in the number of water connections in recent history.

Adjacent Purveyors

Water systems adjacent to the City of Black Diamond Water System include the Covington Water District.

The Covington Water District is the purveyor for the area around Lake Sawyer within the City limits. The Covington Water District has a service area of approximately 53 square miles and provides water to the cities of Covington, Maple Valley, and Black Diamond, as well as unincorporated areas of King County. The district is a member of the Cascade Water Alliance and its primary water supply comes from nine production wells located at two well-field sites. The district has 18 million gallons (MG) of storage in ground-level steel tanks at five sites, and 210 miles of pipeline.

System Overview

The City's primary water source is the Black Diamond Spring Field, located approximately 2 miles southeast of the City. Water from the Black Diamond Spring Field is pumped across the Green River to the 4.3 MG reservoir by an electric pump station located on the north side of the river. An additional source of water for the City is a recent intertie with the City of Tacoma Second Supply Pipeline (SSPL).

The City has two reservoirs and its distribution system currently operates with three pressure zones: an upper pressure zone at a pressure head of approximately 965 feet, a middle pressure zone at a pressure head of approximately 850 feet, and a lower pressure zone at a pressure head of approximately 750 feet. The system operates with high pressures, so there are individual pressure-reducing valves (PRVs) on all service connections throughout the City.

Source of Supply

Black Diamond Spring Field

The City's primary source of water is from a series of natural springs. The springs are located approximately 2 miles southeast of the City on a large City-owned parcel.

There are four major collection areas associated with the Black Diamond Spring Field. Water from two of the four collection areas is currently used for the City's

drinking water system. One of the collection areas has been placed out of service at this time, and the fourth collection area is considered a future of supply for the City.

A hydrogeology report prepared for the City in 1989 estimated that the average total combined discharge from Collection Areas #1, #2, and #3 was approximately 20 cubic feet per second (cfs) (12.9 MGD). The capacity range was estimated from 5 to 40 cfs (3.2 MGD to 25.9 MGD). The discharge flow from collection Area #4 was estimated to be approximately 10 cfs (6.45 MGD) with a range of 4 to 25 cfs (2.6 MGD-16.2 MGD).

Water Rights

The City has two water rights certificates currently on file with Ecology. The source of water for both certificates is the Black Diamond Spring Field. Certificate of Water Right No. 3580 authorizes diversion of 2.93 cfs continuously for production of power to operate a hydro-pump. Certificate of Water Right No. S1-00506C authorizes maximum instantaneous diversion of 8.0 cfs with an annual limit of 551 acre-feet.

City of Tacoma Intertie

Water system interties are physical connections between two adjacent water systems. Interties are normally separated by a closed isolation valve or control valve. Emergency supply interties provide water from one system to another during emergency situations only. An emergency situation may occur when a water system loses its main source of supply or a major transmission main and is unable to provide a sufficient quantity of water to its customers. Normal supply interties provide water from one system to another during non-emergency situations and are typically supplying water at all times.

The City negotiated a Wholesale Water Agreement with the City of Tacoma in 2003 wherein the two agencies agreed that the City of Tacoma would supply wholesale water to the City. Under the terms of the agreement, the City is responsible for significant System Development Charges (SDCs) associated with the connection to the City of Tacoma to be repaid over a 10-year period.

The intertie connection to the City of Tacoma's SSPL project was constructed in 2005. Amendment No. 1 to the agreement was approved in 2007 and included the purchase of an additional 500,000 gallons per day of water.

Storage

0.5 MG Reservoir

The 0.5 MG Reservoir is located on a City parcel that is approximately 1,200 feet easterly up a gravel road from the intersection of HL Botts Drive SE and

SE Mountain View Drive. This reservoir was constructed in 1986 and has a capacity of 500,000 gallons. The 0.5 MG Reservoir is at an approximate elevation of 930 feet, with an overflow elevation of approximately 965 feet.

4.3 MG Reservoir

The 4.3 MG Reservoir is located just west of the intersection of Lawson Road and SE Botts Drive on a City parcel. This reservoir was constructed in 2006 and has a capacity of 4.3 MG. The Lower Reservoir is at an approximate elevation of 770 feet, with an overflow elevation of approximately 850 feet.

Treatment Facilities

The City's water system is currently disinfected via a hypochloride chlorination system at the North Bank Pump Station. Corrosion treatment is provided at the pump station located at the 4.3 MG reservoir site.

Table 8-11. Pipe Inventory (2007)

Pipe Size Diameter	Material	Approximate Length (Linear Feet)
2 inches or less	Galvanized Iron	3,800
	PVC	6,250
3 inches	PVC	200
4 inches	Ductile Iron	400
	Asbestos Cement	3,600
6 inches	Ductile Iron	550
	Asbestos Cement	11,400
	PVC	3,800
8 inches	Ductile Iron	42,000
	Asbestos Cement	15,000
	PVC	2,500
10 inches	Asbestos Cement	500
12 inches	Ductile Iron	13,300
16 inches	Ductile Iron	1,000
20 inches	Ductile Iron	3,700
Total Length	—	108,000

Source: 2007 Black Diamond Water System Comprehensive Plan

8.9.2. Future Needs

A complete hydraulic analysis of the system has been completed as part of updating the Water System Comprehensive Plan. The City currently has the storage capacity and water supply capacity to provide for approximately another 10,500 residential

connections. Projects recommended for the 6-year funding program are shown in Table 8-12. 6-Year Water System Needs

8.10. Sanitary Sewer System

8.10.1. Sanitary Sewer System Concept, Objectives, and Policies

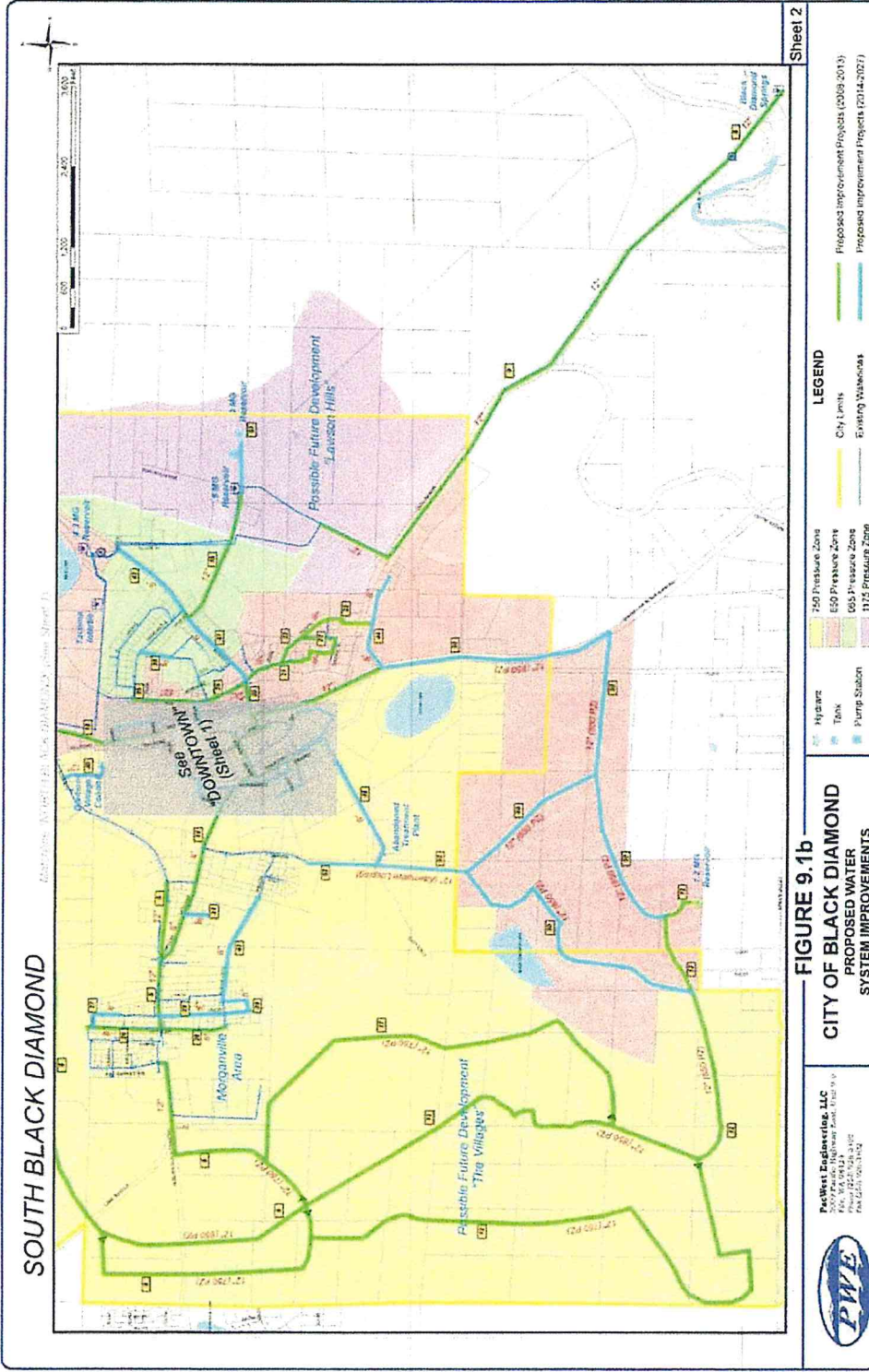
Sanitary Sewer System Concept

The City provides sewer collection services to all portions of the City that are currently developed except around Lake Sawyer, which is within the Soos Creek Water and Sewer District. Only a small portion in the northwest portion of the Soos Creek Sewer district within the City is currently served. The City sewer system delivers all of the City sewage to the City-owned and King County Waste Water Department-maintained sewage pump station near Jones Lake. King County Wastewater Division operates the Jones Lake Pump Station and transmits all of the flow via regional City owned and King County Wastewater maintained transmission facilities to the Soos Creek system. By interlocal agreements with Soos Creek, the City's sewage is wheeled through the Soos Creek system back to King County regional facilities further west. Ultimately the City's sewage is delivered to the Renton Treatment Plant.

The sanitary sewer service collection capacity within the City is adequate to service the existing City and allow for some growth. As the City grows, several new pump stations and sewer trunk lines will be needed to provide sewer service to undeveloped portions of the City as identified in Figure 8-2. King County is in the preliminary engineering phase of a peak flow storage project to reduce the peak flows from the City and extend the capacity of the regional transmission facility to the Soos Creek System. The peak-flow storage project is expected to be completed in 2012. King County is bound by contract and has adopted policies to meet the sewer transmission and treatment demands of the City. The City intends to coordinate with King County for interim and long-term transmission and sewage treatment needs. The City has a contract with Soos Creek Water and Sewer District to transmit City flows to the King County Sewer system. This contract limits the City to 3,600 equivalent residential unit connections until further capacity improvements are funded and agreed to. The City is expecting to turn the wheeling responsibility over to King County in the near future and the capacity improvements through the Soos Creek System will become an obligation of the King County Wastewater Division and Soos Creek.

Table 8-12. 6-Year Water System Needs

Project Number	Project Name	Estimated Cost						Funding Source
		2009	2010	2011	2012	2013	2014	6-Year Total
1	Railroad Ave. W/L Replacement, Phase 1	\$186,000	-	-	-	-	-	\$186,000
2	Merino St. W/L Replacement, Phase 1	\$30,000	-	-	-	-	-	\$30,000
3	Springs Study	\$50,000	-	-	-	-	-	\$50,000
4	Water Meter Upgrades	\$70,000	\$70,000	\$60,000	-	-	-	\$200,000
5	Roberts Dr. W/L Replacement	\$440,000	-	-	-	-	-	\$440,000
6	The Villages, Phase 1	\$3,780,000	-	-	-	-	-	\$3,780,000
7	3rd Ave. W/L Replacement, Phase 1	-	\$250,000	-	-	-	-	\$250,000
8	Springs Transmission Main Replacement, Phase 1 & Collection Upgrades	-	\$1,000,000	-	-	-	-	\$1,000,000
9	Springs Transmission Main Replacement, Phase 2	-	\$1,274,000	-	-	-	-	\$1,274,000
10	Springfield No. 3 Collection Upgrade	-	-	\$100,000	-	-	-	\$100,000
11	3rd Ave. W/L Replacement, Phase 2	-	-	\$200,000	-	-	-	\$200,000
12	The Villages, Phase 2	-	-	\$5,790,000	-	-	-	\$5,790,000
13	2nd Ave W/L Replacement	-	-	-	\$190,000	-	-	\$190,000
14	Morgan St. W/L Replacement	-	-	-	\$416,000	-	-	\$416,000
15	965 Pressure Zone Transmission Replacement	-	-	-	\$300,000	-	-	\$300,000





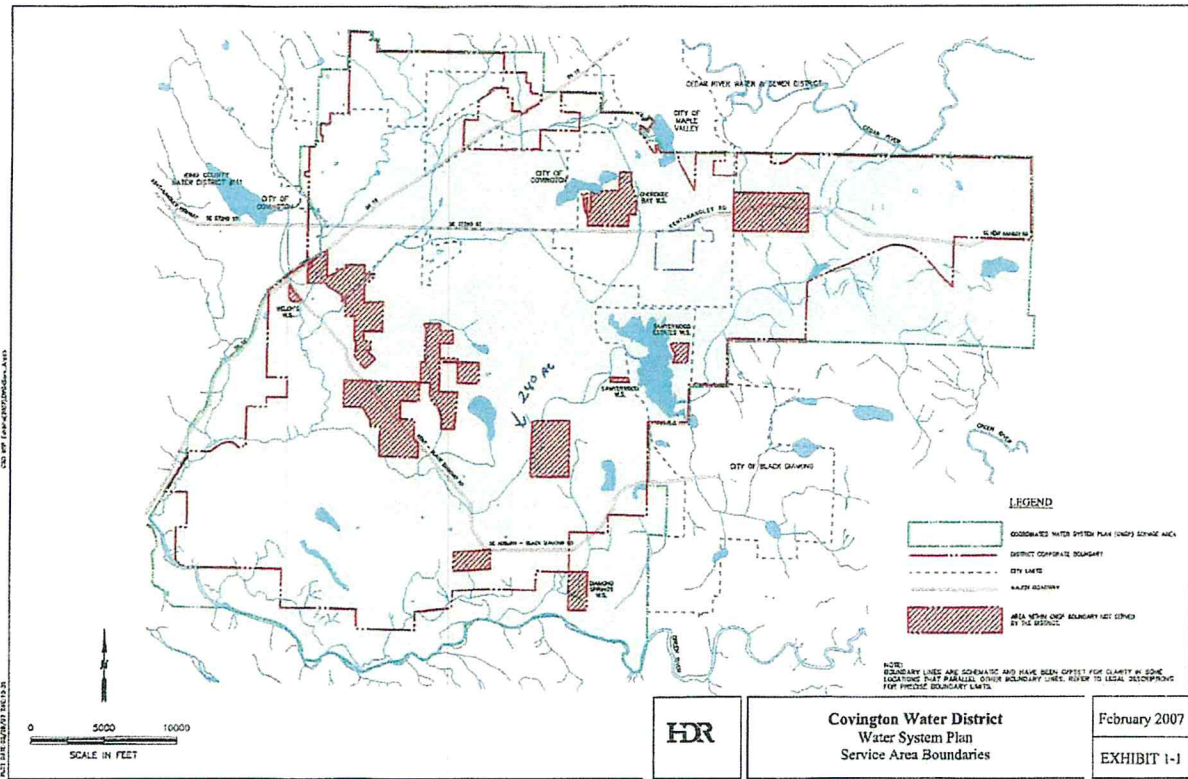
Covington Water District

Water System Plan Update

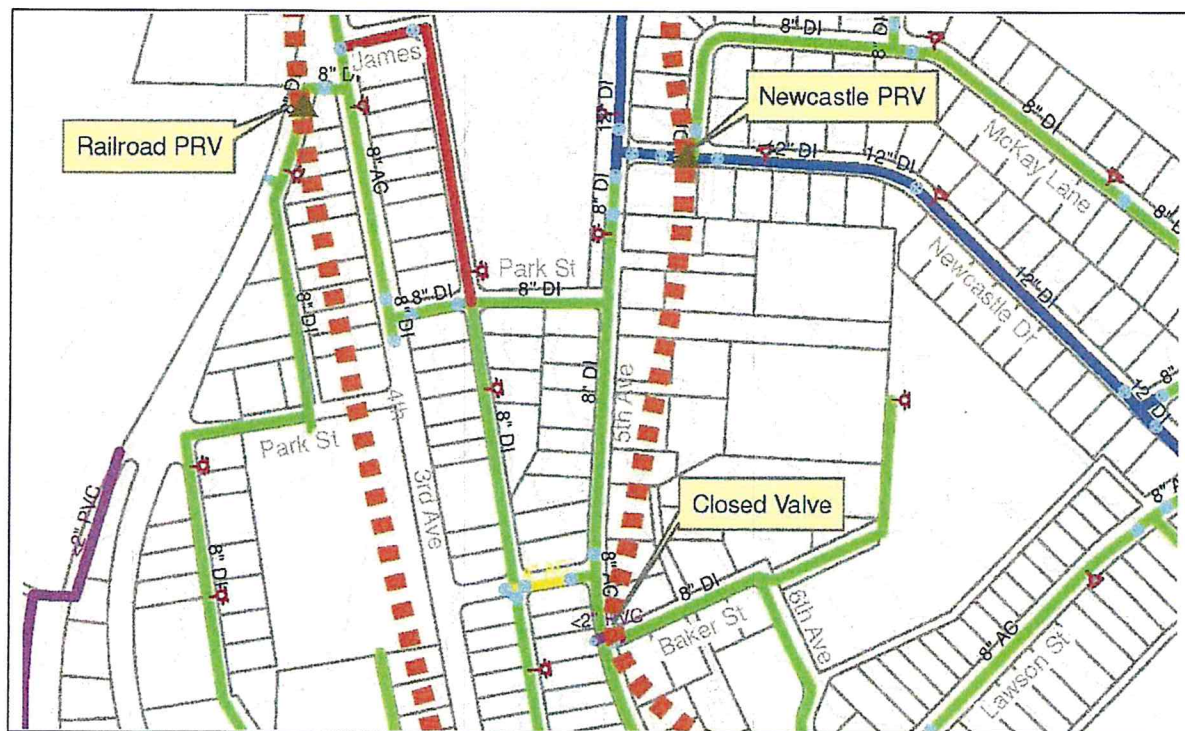
February 2007

HDR





City of Black Diamond



PACWEST ENGINEERING LLC

PacWest Engineering, LLC
5009 Pacific Hwy E, Unit 9-0
Fife, WA 98424
(253) 926-3400

APPENDIX B

**BLACK DIAMOND
URBAN GROWTH AREA AGREEMENT**

among

King County, Washington

and

City of Black Diamond, Washington

and

Palmer Coking Coal Company

and

Plum Creek Timber Company, Limited Partnership

6.4.2 Surface and Ground Water. The City shall adopt either the King County Surface Water Design Manual or Department of Ecology Stormwater Management Manual or standards substantially consistent either of the above.

6.5 Water, Sewers and Roads. The parties anticipate relying on a variety of funding sources and mechanisms to finance the planning, engineering and construction of water, sewer and road infrastructure to serve the East, West, South and Lake 12 Annexation Areas. The parties acknowledge that the City's existing infrastructure may not be able to serve future development without modifications to the existing system. The City's existing utility and transportation systems will likely need to be expanded and/or upgraded to serve the Potential Annexation Area and the properties already in the City adjacent to the Potential Annexation Areas that are owned by Palmer or Plum Creek. New, expanded and/or upgraded infrastructure to serve the Potential Annexation Area will be analyzed in the updates of the City's Comprehensive Plan and Water and Sewer Comprehensive Plans. The planning for this infrastructure will proceed on the schedule shown in Section 8.1. The City, with the assistance of the other parties, will seek federal, state, local government (County, City and utility districts) and public/private funding for the infrastructure planning, engineering and construction necessary to implement this Agreement. The parties anticipate that local improvement districts (LIDs) will be formed for these purposes. The City shall have the right, but not the obligation, to use LIDs as a funding mechanism. Where necessary and appropriate, the City agrees to form, or support the formation of, such LIDs. Plum Creek and Palmer agree to participate in such LIDs, and not to protest the formation of said LIDs, to the extent their properties are benefited, on a fair share basis, as provided in state law. Furthermore, Palmer shall convey to the City the necessary right of way for the east-west road ("Pipeline Road"). In such case Palmer shall be entitled to a credit for the fair market value of the conveyed right of way and any existing improvements utilized for the new roadway against any LID assessments on its property resulting from the construction of the Pipeline Road improvements. The value for the right of way, and the improvements, if any, shall be determined using the appraisal mechanism set forth in Sec. 4.2.2 provided, however, acquisition and valuation shall be as if under the threat of condemnation pursuant to state law. If an LID is not used as the funding mechanism, Palmer shall be entitled to a credit against other City charges to the extent authorized by State law.

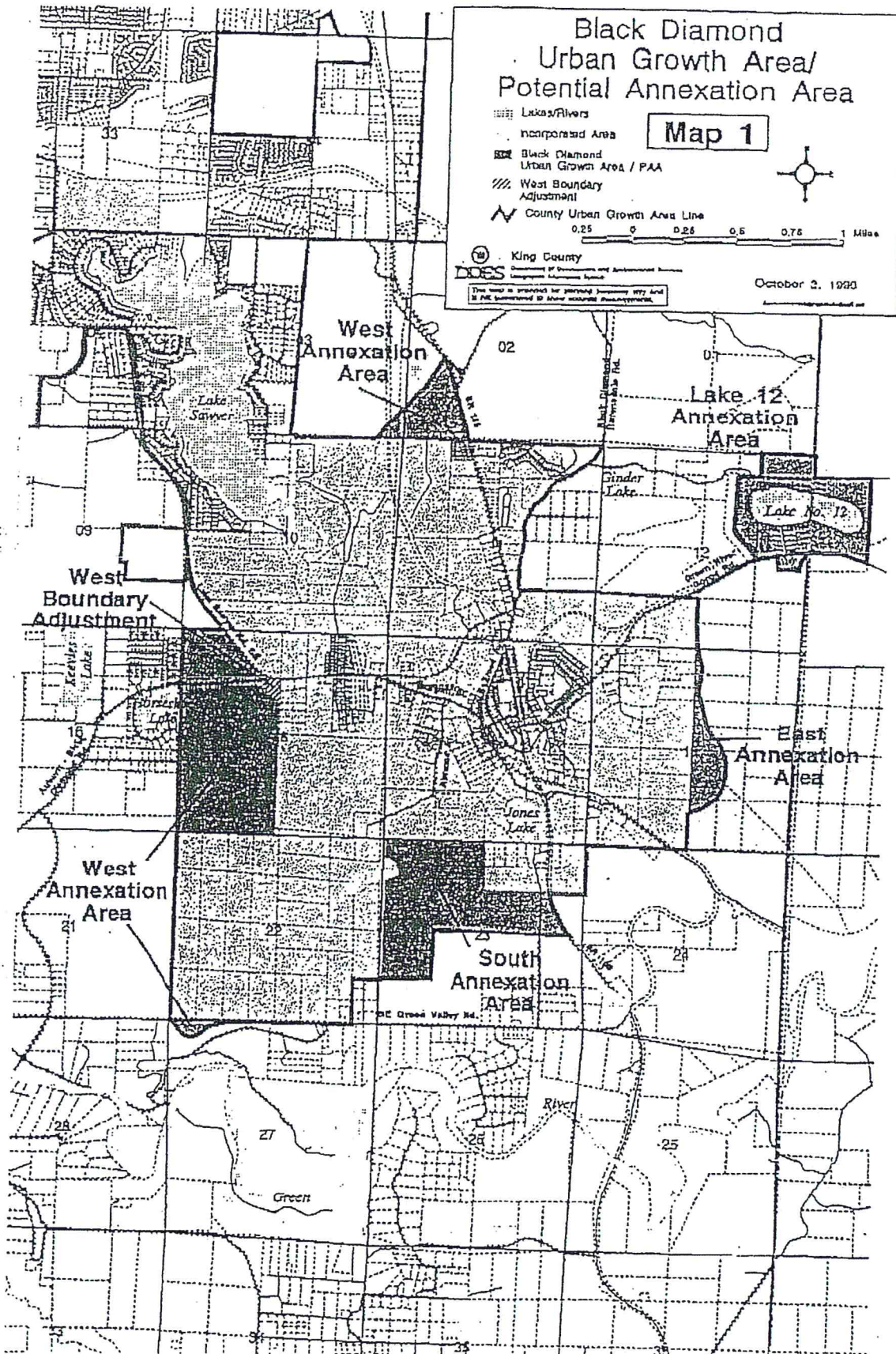
6.6 Open Space within the Urban Development Areas. Since the City, County and Plum Creek agree that the development potential of the unconstrained lands in the West and South Annexation areas should be maximized, it is agreed that the provisions made for open space under this Agreement fulfill all open space requirements for development of the Urban Development Areas in the West and South Annexation Areas. Developers and builders may, solely at their own discretion, provide additional open space for design or market reasons so long as they achieve the minimum densities in the residential areas. This section is not intended to be a limitation upon the City's right to exercise its authority to require the provision of parks, playfields, or other active recreational amenities as part of the development permit process to the extent those requirements are consistent with the City's policies and regulations in place at the time a complete development permit application is submitted. If the UGA Open Space does not include sufficient park and recreation facilities to satisfy development standards, the City may require such park and recreation facilities in the Urban Development Areas.

8. IMPLEMENTATION

8.1 Schedule of Implementation. The parties agree to implement this Agreement pursuant to the following schedule:

Date	Year of Agreement	Requirements
1996		<ul style="list-style-type: none"> • Issue requests for proposals for planning work required in Section. 5.2 (a) • Seek grant funding.
1997	1	<ul style="list-style-type: none"> • Mayor of City and County Executive to designate contract administrators. Contract administrators to develop work plan which identifies tasks, schedules and responsibilities of each party. • Initiate planning work for updates to City Comprehensive Plan, comprehensive water plan and comprehensive sewer plan. • City to begin revising or establishing development regulations. • City to adopt Transfer of Development Rights (TDR) Program for open space. • Complete and publish drafts of comprehensive water plan update and comprehensive sewer plan. • City to adopt Comprehensive Plan update covering Potential Annexation Area. • Parties to develop and implement Joint Marketing Plan.
1998	2	<ul style="list-style-type: none"> • Complete Water and sewer plans. • Adopt comprehensive water and sewer plans and revise City Comprehensive Plan as necessary as a result of adoption of water and sewer plans. • City to adopt development regulations for the Potential Annexation Area.
1999	3	<ul style="list-style-type: none"> • Initiate engineering for West Annexation Area roads, water and sewer (and East or South Annexation Areas if to be annexed simultaneously with West).
2000	4	<ul style="list-style-type: none"> • Complete engineering for West Annexation Area roads, water and sewer infrastructure (and East or South Annexation Areas if to be annexed simultaneously with West). • Request bids for infrastructure construction for roads, water and sewer;
2001	5	<ul style="list-style-type: none"> • Contracts awarded for West Annexation Area roads, water, and sewer construction (and including East or South Annexation Areas if to be annexed simultaneously with West). • Annexation of West Annexation Area occurs.

8.2 Joint Funding and Marketing Plans. The parties agree to fund the 1997 implementation activities in Section 8.1 in accordance with the letter of understanding attached as Appendix J. The parties agree to negotiate an additional joint funding and implementation agreement to support the remaining planning efforts scheduled in Section 8.1. The parties also agree to support development and funding of a marketing plan pursuant to the Black Diamond Urban Growth Area Economic Development Vision, Appendix F to this Agreement.



APPENDIX N

COPY

PLUM CREEK LAND COMPANY
IN CITY WATER SUPPLY AND FACILITIES FUNDING AGREEMENT

1. Date and Parties.

This Agreement, for reference purposes only, is dated the 27th day of June, 2003, and entered into by and between the City of Black Diamond, a political subdivision of the State of Washington, and Plum Creek Land Company, a Delaware corporation, herein referred to as "Property Owner".

2. Definitions.

When used in this document, unless the context indicates otherwise, the following words when capitalized shall be defined as set forth in this paragraph.

2.1. ADEQUATE ASSURANCES shall mean such security as the City determines, in its sole discretion, is adequate to fully secure any obligation that the City has agreed to incur in order to fund any or all of the expenditures required to be paid by the Property Owner, or to fully secure any required deposit for which the Property Owner, pursuant to paragraph 8.1, has chosen to provide security in lieu of making the deposit.

2.2. AGREEMENT, shall mean this Water Supply and Facilities Funding Agreement.

2.3. AGREEMENT DATE shall mean the date set forth in paragraph 1.

2.4. ANNEXED PROPERTY shall refer to the real property owned by the Property Owner that was included in the annexation to the City completed by the adoption of City Ordinance 515 and 517. The Annexed Property is legally described in Exhibit A and pictorially illustrated in Exhibit B.

2.5. BDUGAA shall refer to the document entitled the Black Diamond Urban Growth Area Agreement that is dated December 31, 1996 and was entered into between the City, Plum Creek Timber Company, a limited partnership, King County, and Palmer Coking Coal Company.

2.6. CITY shall mean the City of Black Diamond.

2.7. COSTS or CITY COSTS, shall mean all City expenditures, obligations or debt incurred, including, but not limited to: staff time; legal consultant fees; engineering consultant fees; financial consultant fees; economic consultant fees; publication fees; mailing fees; cost of right-of way, real property and easement acquisition; and fees and costs to other governmental jurisdictions, that are made or incurred by the City in carrying out the intent and purpose of this Agreement, or in defending any legal or administrative challenge to this Agreement or any actions taken in carrying out the intent and purpose of this Agreement, except a challenge otherwise covered by Paragraph 29.


City


Property Owner

Task set forth herein. The Tasks are numbered for reference purposes only. The numbering bears no relationship to the order in which the Tasks will be started or completed.

2.17. TSDC shall mean the Tacoma System Development Charge imposed by Tacoma in order to guarantee the certain quantity of water that the City has determined it needs Tacoma to provide in order to provide the quantity of water requested by the Property Owner in Paragraph 7.1, based on the City's projected average day use, peak day use and four day peak use, all as defined in Tacoma Municipal Code chapter 12.10.

3. General Recitals.

3.1. City has an existing public water system. However, the City currently does not have the infrastructure or water supply to provide service for the Subject Property at full build out.

3.2. City has the opportunity to become a Tacoma wholesale water customer. In order to do so, however, the City must connect to Tacoma's existing pipeline system and also pay Tacoma a system development charge. The City does not have the financial resources to pay the system development charge required for all water necessary to serve the Subject Property, or to build the needed infrastructure improvements.

3.3. City currently has a certain quantity of water available from its water supply source (referred to as the Spring Water Source). However, certain water system improvements are needed to maximize the use of the Spring Source Water, and the City does not have the financial resources to pay for said improvements.

3.4. In order for Property Owner to develop the Subject Property, the TSDC associated with the water needed for the Subject Property must be paid and the improvements referenced in subparagraphs 3.1 and 3.2 must be constructed.

3.5. When fully implemented, some of the improvements to the City water facilities shall not only benefit the Property Owner, but other properties and property owners within the City, and the areas included in the BDUGAA.

3.6. In March, 2003 the City Council established a projected time schedule for adoption of development regulations and other regulations as set forth in Exhibit C. Although some of the target dates on the projected time schedule have not been met, it is the intent of all parties to work cooperatively together to finalize all regulations in 2003. The City's intent to act in good faith to meet the time schedule is further consideration for the Property Owners to commit to fund the improvements set forth herein.

4. Agreement Purpose.

This Agreement is intended to accomplish the following purposes:

4.1. Provide for the payment of the TSDC;



City



Property Owner

4.2. Provide for the funding of the design and construction of needed City water storage facilities;

4.3. Provide for the funding of the design and construction of the infrastructure necessary to connect the Tacoma water supply to the City's system;

4.4. Provide for the funding of the main water transmission line(s) and related appurtenances needed to provide full build out water service and fire flow throughout the Subject Property.

4.5. Provide the Property Owner with guaranteed water availability for its future development of Subject Property;

4.6. Provide a mechanism for the Property Owner to be reimbursed for a portion of its expenditures for the above referenced improvements by requiring contribution from non-contributing benefited properties located within the PAA, the property annexed by the adoption of City Ordinance 515 or 517, and from owners of Other Property; and

4.7. Provide for the payment of the City Costs associated with accomplishing the above purposes; and

5. Projects to be Funded.

5.1. The Property Owner agrees to pay, or reimburse the City in the case of paragraph 5.1.4, for the following upon the terms and conditions set forth in the Agreement:


5.1.1. All costs associated with doing a rate study to determine the appropriate CWSFC and water use rates to be charged to City water customers once the system improvements to be constructed under the Agreement terms are completed.

5.1.2. The design and construction of all system improvements contemplated under the Agreement terms. This shall include the costs of acquiring additional right-of-way, construction easements and property acquisition if necessary.

5.1.3. City Costs.

5.1.4. Upon execution of this Agreement, reimburse the City the amount of \$52,000 for amounts paid or costs incurred by the City prior to executing this agreement that would have been deemed City Costs if incurred during the Agreement term. Adequate Assurances may not be used for this obligation.

5.1.5. TSDC associated with the quantity of water needed to develop the Subject Property.


City


Property Owner