

SECOND AMENDED INTERLOCAL COOPERATIVE AGREEMENT
FOR THE
EAST KING COUNTY REGIONAL WATER ASSOCIATION

Pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, the undersigned parties do hereby agree to the cooperative undertaking and conditions set forth below and in the attached Bylaws of the Regional Water Association.

1. Purpose. All the parties hereto operate water utilities and are required to optimize the use of existing water supply sources and transmission systems, and to seek development and acquisition of new water supply sources and transmission systems to meet the present and projected demand for water. The primary purpose of this Agreement is to facilitate efficient water resource development and utilization through interlocal cooperation.

The parties hereto are interested in pursuing the planning and implementation of elements of Regional Coordinated Water system Plans. The regional plans, completed under the auspices of the Washington State Department of Health, provide guidance to utilities for future regional coordination. The subscribing parties are interested in meeting their responsibility in the area of water resources to benefit the individual constituency of the membership.

The parties also recognize that the potential exists for, and intend to pursue, future involvement in the planning, development, management, ownership, and operation of regional water supply source and transmission facilities in cooperation with other utilities.

2. Formation of Regional Association. The East King county Regional Water Association (RWA) is duly incorporated as a non-profit corporation under the laws of the State of Washington. Articles of Incorporation were filed with the Secretary of State on February 9, 1987. Pursuant to RCW 39.34.030 (3) (b), all RWA funds shall be subject to audit in the manner provided by law for the auditing of public funds.

3. Membership. Membership of the RWA shall be open to all cities, public water districts, and other municipal corporations serving as public water purveyors. The Board may establish a class of "associate membership" in the Association for water purveyors operated as cooperatives or private water companies. Such associate members may attend and be heard at Board meetings. However, such associate members may not (1) vote on expenditure

of Association funds received from public members• dues or from grants, (2) receive a distribution of Association assets upon dissolution, except for contributions from such associate members which have been segregated from other assets of the Association or (3) vote to bind the Association to any contract. Any member may withdraw upon giving such notice, and upon complying with such procedures as may be specified in the Bylaws of the RWA.

4. Governing Body. All the functions and powers of the RWA shall be vested in a Board of Directors (the "Board") comprised of one representative of each member as specified in the Bylaws of the RWA.

5. Authority. Pursuant to the Interlocal Cooperation Act, Chapter 39.34 RCW, the RWA shall be vested with all powers and authority reasonably required to carry out the objectives and purposes of,-the RWA as stated in section 1 above.

These powers shall include but not be limited to the powers to:

- a. Have perpetual succession;
- b. Adopt a corporate name and seal and alter it at pleasure;
- c. Enter into contracts, and employ .and retain professional services;
- d. Create, establish, and maintain such offices and positions as shall be necessary and convenient for the transaction of the business of the RWA;
- e. Elect, appoin , and employ such officers, attorneys, agents, and employees as shall be found by the Board to be necessary and convenient;
- f. Apply for, own, and/or manage water rights and reservations;
- g. Charge dues and assessments as determined by the Board of Directors; provided dues and assessments shall not be utilized for the design, replacement, construction, acquisition, operation, or maintenance of general facilities, and provided further that all financial obligations of the members to the RWA other than dues and assessments will be by separate agreement:
- h. Apply for, receive, disperse, and manage loans, funds, and grants;

- i. Undertake regional water resource planning and implementation;
- j. Foster intergovernmental relations at all levels of government in the interest of better water resource utilization;
- k. Promote, create, and administer programs to further public information including but not limited to conservation and planning;
- l. Maintain data bases on water resources.

6. Budget. On or before December 31 of each year, the RWA budget for the next budget year shall be adopted by the Board. The budget shall contain an estimate of all revenues to be collected during the following budget year, and an itemization of all categories of budgeted expenditures.

7. Use of Dues and Assessments. Revenues generated from annual dues and special assessments shall be used to defray normal administrative operating expenses of the RWA but shall not be used for capital expenditures required to construct or otherwise acquire general facilities, or for maintenance and operation of such facilities. Capital funding for construction or other acquisition of general facilities, and funding for maintenance and operation of such facilities which requires the concurrence of each participating agency shall be accomplished through separate agreement among members.

8. Duration/Termination. This Agreement shall remain in effect until terminated by execution of a written declaration of termination signed by all parties to the Agreement who have not withdrawn as provided in section 3 above as of the effective date of the declaration. Upon termination all liabilities of the RWA shall be satisfied and all assets, if any, shall be distributed equitably among the parties as determined by the Board.

9. Amendments. All amendments to this Agreement must be stated in writing and approval thereof must be evidenced by the signature of two-thirds of the members as of the effective date of the amendment.

10. Limitations.

a. By this Agreement no party has committed itself to participate financially in any future public works project with respect to a future water supply.

b. The Association shall not assume or exercise any regulatory function or lobby to or otherwise seek to obtain such regulatory function.

c. This Agreement shall not constitute a delegation of any of the powers of the individual parties to the Association.

d. The Association shall not enter into agreements or take actions which are inconsistent with the purposes and authorizations set forth in this Agreement.

11. Additional Parties. This Agreement may be amended to add additional cities or water districts as parties hereto upon the majority vote of the Board of Directors. It is intended that cities and water districts shall generally be added as members on fair and equitable terms.

12. Limitation of Liability of Members. Nothing in this Agreement shall alter or waive those provisions of the Association's Articles of Incorporation which establish the limited liability of the members for the debts and obligations of the Association, whether such obligations arise under contract, tort, or statute. Each member shall be obligated to contribute to the Association only those amounts which have been approved by the members, pursuant to the procedures set forth in this Agreement and in the Bylaws of the Association.

13. Effect and Amendment of Prior Agreement. This Agreement shall amend and supersede the current Amended Interlocal Cooperative Agreement for East King County Regional Water Association, when executed by two-thirds of the signators to said Amended Interlocal Cooperative Agreement. This Second Amended Interlocal Cooperative Agreement shall not be effective until so executed.

14. Counterparts. This Agreement may be signed in counterparts and, if so signed, shall be deemed one integrated Agreement.

Approved and signed this 8 day of December, 2022

City of North Bend
Name of Member



By (Signature of authorized individual)

AMENDMENT NO. 1 TO SECOND AMENDED INTERLOCAL
COOPERATIVE AGREEMENT FOR THE EAST KING
COUNTY REGIONAL WATER ASSOCIATION

IN CONSIDERATION of the mutual benefits herein conferred, the undersigned parties to that certain Second Amended Interlocal Cooperative Agreement For The East King County Regional Water Association ("Interlocal Agreement") hereby agree to amend the Interlocal Agreement as set forth below.

RECITALS

A. The East King County Regional Water Association ("RWA") was established by and is governed in accordance with the Interlocal Agreement. The Interlocal Agreement may be amended by a vote of two-thirds of the members.

B. The RWA is a Washington non-profit corporation organized and existing under RCW Ch. 24.03. Articles of Incorporation of the RWA ("Articles of Incorporation") were executed on January 25, 1987, and filed with the Secretary of State of the State of Washington on February 7, 1987.

C. The Board of Directors of the RWA adopted a policy at its regular meeting held September 22, 1994, directing that an amendment to the Interlocal Agreement be prepared to provide that the equity in the RWA's property be allocated among its members based on their contribution towards the RWA's costs. This amendment is to implement such policy.

D. In order to carry out this amendment it is necessary that the Articles of Incorporation be amended.

AGREEMENT

The undersigned parties hereby agree as follows:

1. Termination. The second sentence of Section 8 of the Interlocal Agreement is deleted and replaced with the following:

8. Duration/Termination.

a. Upon termination all liabilities of the RWA shall be paid, or otherwise provided for, in a manner allowed by law; and the net assets of the RWA shall be distributed by category to its members in accordance

with their interests as determined by the following subsection b.

b. Each member of the RWA shall have an equity interest in each of the two categories of the RWA's net assets based upon the following fractions:

(i) Project Assets:

Project Portion of Annual Dues and Special Assessments paid by the member,

divided by

Project Portion of Annual Dues and Special Assessments paid by all members.

(ii) Other Assets:

Non-Project Portion of Annual Dues paid by the member,

divided by

Non-Project Portion of Annual Dues paid by all members.

(iii) Definitions. The capitalized terms set forth above shall have the following definitions:

(1) Project Assets. Project Assets means the portion of the RWA's net assets paid for, in whole or in part, by Special Assessments and the Project Portion of Annual Dues. Such assets include, but are not limited to, the Snoqualmie Aquifer project.

(2) Other Assets. Other Assets means all net assets of the RWA other than Project Assets.

(3) Non-Project Portion of Annual Dues. Non-Project Portion of Annual Dues means the portion of the RWA's annual dues paid by a member other than the Project Portion of Annual Dues.

(4) Project Portion of Annual Dues. Project Portion of Annual Dues means the portion of the RWA's annual dues paid by a member which is allocable to the costs of acquiring, developing, maintaining, preserving and disposing of the RWA's Project Assets. Such allocation shall be

determined by the RWA's staff on an annual basis and shall be subject to the approval of the RWA's Board of Directors. Such determination shall be final and binding upon the RWA and its members except in the event of manifest error.

(5) Special Assessments. Special assessments means the amounts assessed by the RWA and paid by a member for the purpose of acquiring, developing, maintaining, preserving and disposing of the RWA's Project Assets.

2. Transfers of Interests by Members. A new section 15 is hereby added to the Interlocal Agreement as follows:

15. Transfers of Interests by Members.

(a) Nature of Interest. The interest of each member in the net assets of the RWA, which interest consists of a percentage interest in Project Assets and a percentage interest in Other Assets calculated pursuant to Section 8 hereof, is a part of, and cannot be separated from the membership interest of each member in the RWA. All such interests are called collectively "Interests" and the share of each member is called an "Interest."

(b) Restrictions on Transferability. No member of the RWA shall transfer its Interest except as set forth in the following subsections.

(c) Transfers by Operation of Law. Transfers of Interests occurring as a result of mergers, consolidations, annexations followed by assumption of assets, or by operation of law between municipal bodies shall be exempt from the restrictions in this section 15.

(d) Procedures for Transfers Other Than by Operation of Law. Any member ("Offeror") that desires to transfer all or part of its Interest shall abide by the following procedures:

(1) The Offeror shall first offer the Interest to the RWA, in writing. The Offeror and the RWA shall promptly appoint representatives to meet and negotiate, in good faith, concerning the price and terms of the transfer of the Interest to the RWA.

(2) If the Offeror and the RWA cannot agree on the price and terms within ninety (90) days from the date of the first meeting

of the representatives, the Offeror shall offer the Interest to all other then-existing members of the RWA ("Offerees"), in writing. Such offer shall contain the Offerer's desired price and terms of transfer. Each Offeree may agree, in writing, within thirty (30) days from the date of the delivery of the offer, to accept such offer. The share of the Offerer's Interest purchased by an Offeree who accepts the offer ("Accepting Offeree") shall equal the percentage share of each Accepting Offeree's existing Interest calculated without regard to the Offerer's Interest.

(3) If any portion of the Offerer's Interest is not purchased, then the Accepting Offerees shall be promptly advised of such fact in writing. Within thirty (30) days after being so advised, each Accepting Offeree may agree, in writing, to purchase an additional share of such unpurchased portion. Such share shall be allocated among the Accepting Offerees who agree to so purchase based on the Accepting Offerees' respective percentage Interests calculated after the first purchase above but without regard to the Interest of the Offerer and the Interests of the Offerees who did not purchase under subsection (2) above.

(4) Any portion of the Offerer's Interest not transferred to an existing RWA member pursuant to the procedures set forth above may be offered by the Offerer on the same price and terms offered to the members to any non-member municipal class A purveyor (as defined by Washington State Department of Health regulations) who has been assigned a water service area under the East King County Coordinated Water System Plan, as amended. Before such transfer is consummated, the non-member must apply for and be accepted as a member of the RWA. The Board of Directors of the RWA may establish reasonable conditions for such application and transfer.

(5) Any portion of the Offerer's Interest which is not sold pursuant to the above procedures shall remain the property of the Offerer. The Offerer shall first offer

such portion to the RWA and then to the other members pursuant to the above procedures if the Offerer desires to sell it at a later date.

(e) The Interest of a member in the net assets of the RWA who resigns as a member and pays no further Annual Dues or Special Assessments to the RWA shall be reduced, over time, in relation to the Interests of other members through the operation of the formulas set forth in Section 8.

3. Amendment of Articles of Incorporation. Upon execution and delivery of this amendment by two-thirds of the members of the RWA, Articles of Amendment to the Articles of Incorporation substantially in the form attached hereto as Exhibit A shall be signed by the President and Secretary of the RWA and filed with the Secretary of State of the State of Washington.

4. Authority/Counterparts. Each member executing this amendment hereby warrants and represents to the other members and the RWA that the person whose signature appears below on behalf of the member has been duly and properly authorized and directed to sign this amendment on behalf of the member. This amendment may be signed in counterparts.

Approved and signed as of the date appearing next to each signature below.

CITY OF BELLEVUE

By: _____
Authorized Signature

Date

CITY OF DUVALL

By: _____
Authorized Signature

Date

CITY OF ISSAQAH

By: _____
Authorized Signature

Date

CITY OF KIRKLAND

By: _____
Authorized Signature

Date

CITY OF MERCER ISLAND

By: _____
Authorized Signature

Date

CITY OF REDMOND

By: _____
Authorized Signature

Date

CITY OF RENTON

By: _____
Authorized Signature

Date

CITY OF SNOQUALMIE

By: _____
Authorized Signature

Date

SAMMAMISH PLATEAU WATER & SEWER DISTRICT

By: _____
Authorized Signature

Date

NORTHEAST SAMMAMISH SEWER & WATER DISTRICT

By: _____
Authorized Signature

Date

CEDAR RIVER WATER & SEWER DISTRICT

By: _____
Authorized Signature

Date

WOODINVILLE WATER DISTRICT

By: _____
Authorized Signature

Date

KING COUNTY WATER DISTRICT NO. 107

By: _____
Authorized Signature

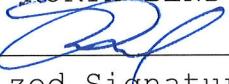
Date

KING COUNTY WATER DISTRICT NO. 119

By: _____
Authorized Signature

Date

CITY OF NORTH BEND

By: 
Authorized Signature

12/8/22
Date