

Approved: 10/26/2022

Effective: 11/10/2022

SNOHOMISH COUNTY COUNCIL  
Snohomish County, Washington

ORDINANCE NO. 22-060

AUTHORIZING THE SNOHOMISH COUNTY EXECUTIVE TO SIGN ON BEHALF OF  
SNOHOMISH COUNTY AN INTERLOCAL AGREEMENT  
BETWEEN SNOHOMISH COUNTY AND SNOHOMISH HEALTH DISTRICT

WHEREAS, the Snohomish Health District was incorporated in 1959 as an independent special purpose district for public health in Snohomish County; and

WHEREAS, since its formation, Snohomish County and Snohomish Health District have worked together in a collaborative manner to address public health issues and concerns; and

WHEREAS, in 2009, Snohomish County and Snohomish Health District, working in collaboration with other partners, responded to hundreds of H1N1 cases and ultimately vaccinated over 26,000 people; and

WHEREAS, during the State Route 530 landslide event in 2014, Snohomish County and Snohomish Health District staff worked to provide support to the medical examiner's office, assess environmental health concerns such as water contamination, and ensure responder safety, hygiene, and decontamination; and

WHEREAS, in 2017, Snohomish Health District participated in a collaborative effort with representatives of the County Executive's Office, County Council, and Sheriff's Office to address the opioid epidemic; and

WHEREAS, on January 20, 2020, the Snohomish County Department of Emergency Management (DEM) and Snohomish Health District quickly activated unified incident command upon notification of the first confirmed COVID-19 case in the United States; and

WHEREAS, through unified command, Snohomish County DEM and Snohomish Health District established protocols for isolation and quarantine, coordinated advanced planning for personal protective equipment distribution, medical-surge operations, and community-care coordination; and

WHEREAS, Snohomish County Vaccine Task Force, working in close and continuous collaboration with Snohomish Health District, planned, executed, and maintained no less than seven mass vaccination sites and coordinated dozens of mobile vaccination clinics focused on residents adversely impacted by COVID-19 due to racial, ethnic, transportation, economic, mobility, and technology disparities. This effort ultimately resulted in more than 1,000,000 doses being administered; and

1  
2 WHEREAS, by working together as one, the County and public health  
3 professionals have increased opportunities to:

- 4 (a) Secure resources to address the effects of climate change, water quality, and  
5 the built environment on public health-related outcomes in Snohomish County  
6 and the surrounding region,
- 7 (b) Commit to modernizing all applicable regulatory codes and policies governing  
8 environmental health practices,
- 9 (c) Restore needed clinical and non-clinical services, improving access to care  
10 for the residents of Snohomish County,
- 11 (d) Obtain resources for local public health and have unity of purpose to improve  
12 health related outcomes in the community; and

13  
14 WHEREAS, the Snohomish County Executive memorandum dated May 24,  
15 2022, commits to moving the Health District in whole, retaining its independence, and  
16 strengthening the health of all Snohomish County residents; and

17  
18 WHEREAS, pursuant to RCW 70.46.090, Snohomish County may withdraw from  
19 membership in Snohomish Health District and immediately establish a health  
20 department to provide health service standards promulgated by the state board of  
21 health for administration of public health programs in Snohomish County; and

22  
23 WHEREAS, pursuant to RCW 70.05.130, Snohomish County is responsible for  
24 expenses required for local public health services; and

25  
26 WHEREAS, pursuant to Snohomish Health District Board of Health Resolution  
27 22-16, dated May 31, 2022, the Board of Health voted unanimously to support  
28 Snohomish County's withdrawal from Snohomish Health District and committed to  
29 partnering over the remainder of the year to transition all public health services, assets,  
30 employment contracts, and related matters to Snohomish County government; and

31  
32 WHEREAS, pursuant to Motion 22-248, the County Council voted to authorize  
33 issuance of a notice of intent to withdraw from the District with a withdrawal date of  
34 December 31, 2022 with the intent to form a unified County health department and has  
35 timely provided such notice to the District as required by RCW 70.46.090;

36  
37 WHEREAS, the County now intends to withdraw from the Snohomish Health  
38 District on December 31, 2022, and immediately thereupon establish a county health  
39 department;

40  
41 WHEREAS, the Transfer of public health authority and operations shall occur on  
42 December 31, 2022 ("Transfer Date") and, upon that date, the County's newly  
43 established health department will provide health services which shall meet the  
44 standards for health services promulgated by the state board of health as required by  
45 RCW 70.46.090;

1  
2 WHEREAS, the County and the District have negotiated the terms and conditions  
3 by which they will cooperatively work toward the transfer of public health authority from  
4 the District to the County and provide for the transfer of operations to the County,  
5 including but not limited to the employment of District employees within the County  
6 health department, the conveyance of District assets to the County, the assignment of  
7 all contracts and agreements, the assignment of all permits or other regulatory  
8 permissions, and the transfer or other disposition of District liabilities and obligations;  
9

10 NOW, THEREFORE, BE IT ORDAINED:

11  
12 Section 1. The County Council hereby adopts the foregoing recitals as findings  
13 of fact and conclusions as if set forth in full herein.  
14

15 Section 2. The Snohomish County Council hereby approves and authorizes the  
16 Snohomish County Executive, or designee, to sign the "Interlocal Agreement between  
17 Snohomish County and Snohomish Health District," substantially in the form attached  
18 hereto as Exhibit A. The Snohomish County Council authorizes the Snohomish County  
19 Executive, or designee, to sign all documents necessary to effectuate the Interlocal  
20 Agreement and the transfer of public health authority and operations from the District to  
21 the County, including any such amendments as negotiated between the parties  
22 pursuant to Section 2.0 of the Interlocal Agreement, and further ratifies any documents  
23 previously executed by the Snohomish County Executive, or designee, in furtherance of  
24 effectuating the Interlocal Agreement.  
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26  
27 PASSED this 26<sup>th</sup> day of October, 2022.  
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29

30 SNOHOMISH COUNTY COUNCIL  
31 Snohomish County, Washington  
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34 \_\_\_\_\_  
35 Council Chair

36 ATTEST:

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39 \_\_\_\_\_  
40 Asst. Clerk of the Council  
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**INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND SNOHOMISH HEALTH DISTRICT**

THIS INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND SNOHOMISH HEALTH DISTRICT (“Agreement”) is entered into by and between Snohomish County (“County”) and the Snohomish Health District (“District”), together the “Parties.”

WHEREAS, the District was formed in 1959 as an independent special purpose district responsible for public health in Snohomish County and provides a wide range of public health programs and services to residents and businesses of the county; and

WHEREAS, the County is a member of the District and also directly provides a range of public health programs and services to residents of the county; and

WHEREAS, the District and the County have successfully collaborated on many public health issues and recognize the many benefits to further integrating the District and County public health operations into a new County health department; and

WHEREAS, the Parties agree that transferring the District’s authority and operations to the County (“Transfer”) will provide a more unified, financially stable, efficient, and effective public health system for the residents and businesses of Snohomish County; and

WHEREAS, under RCW 70.46.090, a county may withdraw from membership in a health district by giving at least six months’ notice of intent to withdraw from such health district and thereafter immediately establish a county public health department to serve said county; and

WHEREAS, pursuant to District Board of Health (“Board”) Resolution 22-16, dated May 31, 2022, the District voted unanimously to support Snohomish County’s withdrawal from the District and committed to partnering over the remainder of the year to transition all public health operations to the County; and

WHEREAS, pursuant to Motion 22-248, the County Council voted to authorize issuance of a notice of intent to withdraw from the District with a withdrawal date of December 31, 2022, with the intent to form a unified County health department and has timely provided such notice to the District as required by RCW 70.46.090; and

WHEREAS, the Parties enter this Agreement to facilitate the transfer of public health authority from the District to the County and provide for transfer of operations to the County, including but not limited to the employment of District employees within the County health department, the conveyance of District assets to the County, the assignment of all contracts and agreements, the assignment of all permits or other

regulatory permissions, and the transfer or other disposition of District liabilities and obligations; and

WHEREAS, in consideration for the conveyance of the District assets and transfer of legal authority to the County, the County shall fully and solely assume the obligation to provide public health services to Snohomish County; and

WHEREAS, the Transfer of public health authority and operations shall occur on December 31, 2022 ("Transfer Date"), and, upon that date, the County's newly established health department will provide health services which shall meet the standards for health services promulgated by the State Board of Health as required by RCW 70.46.090; and

WHEREAS, following the Transfer Date, the District will wind up its business and intends to thereafter dissolve in accordance with chapter 53.48 RCW or such other laws or process as allow for dissolution of the District; and

WHEREAS, this Agreement will support the orderly transition of public health authority, assets, and operations to the County for the benefit of the public; and

WHEREAS, in accordance with this Agreement, the Parties will collaborate on planning for and implementing the Transfer and will enter such other additional agreements as needed to further detail and accomplish the Transfer; and

WHEREAS, this Agreement is authorized by the Interlocal Cooperation Act, chapter 39.34 RCW.

NOW, THEREFORE, in consideration of the promises and agreements contained in this Agreement and subject to the terms and conditions set forth herein, it is mutually understood and agreed by the County and District as follows:

## **1.0 TRANSFER OF PUBLIC HEALTH OPERATIONS AND AUTHORITY**

### **1.1 Creation of County Department of Public Health.**

Prior to December 31, 2022, the County Council shall adopt an ordinance creating a County Health Department and County Board of Health to be effective January 1, 2023. The County Health Department shall have all duties and obligations as provided in state law. In addition, the County shall adopt a budget for the year 2023 which shall make provision for funding a County Health Department and County Board of Health beginning January 1, 2023.

### **1.2 Transfer of Code Authority and Repeal of District Code.**

The Parties acknowledge and agree that as of 11:59 p.m. on December 31, 2022, the County will withdraw from the District and must immediately thereafter establish a health department or provide health services which shall meet the standards for health services promulgated by the State Board of Health as required by RCW 70.46.090. The Parties further acknowledge and agree that the County Board of Health will not come

into existence until midnight January 1, 2023, and therefore will be unable to adopt a County Board of Health Code as of that date. In order to avoid a lapse in services and enforcement upon Transfer, the District hereby assigns all authority and enforcement of its Snohomish Health District Code to the County and shall take any other actions it deems appropriate to affect such assignment. The assignment of the Snohomish Health District Code to the County shall remain in effect until the County Board of Health adopts a County Board of Health code, at which point the District shall repeal its Snohomish Health District Code in its entirety.

### **1.3 Assumption of Authority and Operations.**

At 12:00 a.m. January 1, 2023, the County shall assume all District operations, with the exception of wind-up activities and other necessary District business legally required to remain with the District until dissolution, and all public health authority for Snohomish County shall vest in the County, acting by and through its County Health Department, and its County Board of Health, pursuant to chapter 70.05 RCW. The Snohomish Health District as a corporate entity shall remain in existence until such time as properly dissolved pursuant to state law and as described in Section 11.0 below. Until such time as it is dissolved, the District's wind-up/dissolution process and any continuing business affairs shall be governed by the District Board with the existing composition of Board positions.

### **1.4 Resolution of Outstanding Issues after December 31, 2022.**

The Parties agree to cooperate and make best efforts to conclude the transition of the District's authority and operations on or before December 31, 2022. To the extent the Parties are unable to resolve all outstanding issues by that date, the Parties agree as follows: (a) To the extent necessary to wind up the District's affairs, the District hereby authorizes and the County hereby assumes responsibility to, at the County's cost and expense, temporarily manage and implement any contracts, grants, or restricted funds that have not yet received approval for assignment and manage all other remaining matters (which the County shall pay all costs of directly on the District's behalf); (b) The County agrees to fund any grant-funded positions not yet approved for assignment from the District's general fund balance, as transferred to the County pursuant to Section 6.2 below, or from the County's general fund balance; and (c) If title in the Rucker Building, as identified in Section 7.2 below, has not yet transferred to the County, the County agrees to lease from the District, and the District agrees to lease to the County, the Rucker Building until such time as title can be transferred to the County.

Following the Transfer Date, the Parties agree that the County will provide the following services to the District and District Board of Health in support of the District winding up its affairs:

(a) Administrative Support. The County will provide meeting scheduling, meeting advertising, preparation of Board agendas and minutes, meeting locations, and preparation and distribution of correspondence.

(b) Financial Services. The County will provide financial services, including accounts receivable processing, accounts payable processing, budget preparation, reporting (federal, state, and other grant), audit support, and preparation of financial statements.

(c) Information Services and Records. The Parties agree that for purposes of providing ongoing information, service, and records support to the District and District Board of Health, the Parties will continue to work cooperatively under the terms of the *Supplemental Work Order (SWO-17-2) between Snohomish County through its Department of Information Technology and Snohomish Health District for IT Support Services* dated March 25, 2021.

Following the Transfer Date, the District shall be responsible for obtaining and maintaining a bond, if any is required and at the County's expense, for the County's Controller in order to perform the services provided hereunder. The District agrees to designate one of its District Board of Health members as the District's Auditing Officer. Further, the District's Auditing Officer will be responsible for pre-auditing all claims for payment to include:

(a) Review of supporting documentation to ensure a claim is valid.

(b) Signing a certification of claims that includes the following statement as required by the Washington State Auditor's Office: "I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due, and unpaid obligation against the District, and that I am authorized to authenticate and certify to said claim."

(c) Signing a certification for District Board of Health member expense reimbursement claims that includes the following statement as required by the Washington State Auditor's Office: "I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due, and unpaid obligation against the District, and that I am authorized to certify to said claim."

## **2.0 CONSOLIDATION PLANNING**

To provide for an orderly Transfer, the Parties shall continue to collaborate on a Transfer planning process ("Planning Process") overseen by the established Integration Policy Group, with such adjustments to the planning process and structure as deemed appropriate by the Parties from time to time. The Planning Process will identify issues, actions, subsequent agreements, and implementation steps necessary for a successful Transfer.

## **3.0 PERMITS AND REGULATORY ACTIONS**

The County shall assume all permits, approvals and licenses, or obtain all permits, approvals and licenses to operate as a County health department, to undertake all functions of the District and to the extent required, and as further discussed below, become the party in interest in all proceedings and regulatory actions to which the District is a party. All rights and obligations under such permits, approvals, and license and regulatory actions are hereby assigned to the County as of the Transfer Date.

#### **4.0 ENVIRONMENTAL HEALTH PERMITS AND ENFORCEMENT**

##### **4.1 Permitting.**

The District operates an Environmental Health division that, among other things, issues permits for food businesses and workers; drinking water and wells; public pools and hot tubs; septic and wastewater systems; solid waste and hazardous waste disposal; childcare providers; and youth and group camps (the “Environmental Health Permits”). As of the Transfer Date, the County will assume permitting authority for all Environmental Health Permits. The County shall continue processing all Environmental Health Permit applications previously submitted to the District. Such processing and review shall be consistent with all applicable laws, regulations, rules, policies, and agreements, including, but not limited to, state law and Snohomish Health District Code. All District Environmental Health Permits and approvals that were issued or approved by the District prior to the Transfer Date shall be given full effect by the County after the Transfer Date. Any administrative appeals of such decisions that are filed after the Transfer Date shall be filed with the County and handled by the County pursuant to Snohomish Health District Code or any later adopted County Board of Health Code and also pursuant to chapter 2.02 SCC. Any administrative appeals pending as of the Transfer Date may be transferred to the County’s hearing examiner, in the County’s sole discretion. Any conditions imposed by the District relating to the issuance or approval of any Environmental Health Permits shall be enforced by the County after the Transfer Date to the same extent the County enforces its own permit conditions. The Parties agree that any complete Environmental Health Permit application that is submitted to the District prior to the Transfer Date and that has vested under Washington statutory or common law or Snohomish Health District Code shall remain subject to the laws and regulations of the District that were in effect at the time the Environmental Health Permit application was deemed complete by the District. The County shall respect and give effect to all decisions made by the District regarding those permit review phases for pending Environmental Health Permit applications that are completed by the District prior to the Transfer Date.

##### **4.2 Enforcement.**

The District enforces Snohomish Health District Code and conditions of Environmental Health Permits. As of the Transfer Date, the County will assume enforcement authority for Environmental Health Permit conditions, Snohomish Health District Code, and any later adopted Snohomish County Board of Health Code. As of the date of this

Agreement, the District is party to multiple actions seeking enforcement of Snohomish Health District Code and/or conditions of Environmental Health Permits, as more specifically identified in Exhibit A (the "Enforcement Actions"). All pending Enforcement Actions will be transferred to the County on the Transfer Date. The Parties, through their legal counsel, will work collaboratively to transition representation of all pending Enforcement Actions from the District to the County. Any further action in those cases will be the responsibility of the County at the County's discretion.

#### **4.3 Pending Hearing Examiner Matter.**

The Parties anticipate that as of the Transfer Date, there will be one enforcement matter then pending before the District's contract hearing examiner. The County agrees that said pending matter will continue to proceed under the District's code and with the District's contract hearing examiner. The District shall assign to the County, and the County shall assume, any such contract for hearing examiner services as provided in Section 6.1 below. Any and all hearing examiner matters filed after the Transfer Date will be heard by the County's hearing examiner and shall proceed under chapter 2.02 SCC.

#### **4.4 Pending Action Before PCHB.**

The District is currently a named party in an appeal before the Washington State Pollution Control Hearings Board, matter no. P22-048. The Parties, through their legal counsel, will work collaboratively to transition representation in this matter from the District to the County along with any other administrative actions that may be filed against the District between the date of this Agreement and the Transfer Date. Any further action in this matter or other administrative actions filed hereafter will be the responsibility of the County at the County's discretion.

### **5.0 EMPLOYEES**

Upon the Transfer Date, all District employees including the District Health Officer (but not including other contract employees) shall become employees of the County within the County organizational structure and the County will recognize existing collective bargaining relationships as required by Chapter 41.56 RCW. Upon the Transfer date, the County shall also become responsible for processing and defending any pending grievances and unfair labor practice charges on behalf of the District and shall be responsible for timely conducting any impact bargaining with District and County labor unions to the extent required.

During the period between the Effective Date of this Agreement and the Transfer Date, the District shall not engage in any collective bargaining with its employee unions regarding terms and conditions of employment that would modify existing terms or conditions and extend beyond the Transfer Date or hire any new employees with an employment start date later than December 19, 2022, except contract employees. During this interim period between the Effective Date of this Agreement and the Transfer date, the County may engage in collective bargaining regarding such terms

and conditions for employees to take effect on or after the Transfer Date and shall be responsible for any impact bargaining after the Transfer Date.

## **6.0 CONTRACTS AND GRANT AGREEMENTS**

### **6.1 Contracts.**

The District is party to multiple contracts and agreements for materials and services, including interlocal and intergovernmental services agreements, as will be more specifically identified by the Parties during the Planning Process (the “District Contracts”), and excluding all employment contracts, collective bargaining agreements, and any contract for insurance naming the District an insured. Prior to November 30, 2022, the District shall seek to identify any District Contracts that are not assignable to the County and that will not otherwise terminate prior to December 31, 2022, and will notify the County of the same, including the extent to which the District anticipates the County Health Department may have a need for those contracted materials or services beginning January 1, 2023. As to all remaining District Contracts, excluding all employment contracts and collective bargaining agreements, but including any other later identified contracts, effective upon the Transfer Date, the District hereby assigns and transfers all of its rights, titles, obligations, and interest in the District Contracts to the County. This assignment of the District Contracts shall be binding on and inure to the benefit of the District, the County, and their respective successors in interest and assigns. The Parties will work collaboratively to obtain any required approval for such assignments. Upon the Transfer Date, all assigned District Contracts shall continue in full force and effect and the County shall be solely responsible for all District obligations contained therein, including termination of any such District Contracts as the County determines in its sole discretion.

New contracts entered by the District after the effective date of this Agreement, will include language assigning the District’s rights and obligations to the County beginning January 1, 2023, provided, however, that the District shall not initiate any competitive process or otherwise solicit for materials or services if the resulting contract would be awarded and/or executed after December 31, 2022. To the extent the District anticipates the need for materials and services beginning January 1, 2023, for use by the new County Health Department, in lieu of the District contracting for such materials and services, the District may notify the County of such need, and the County shall work to obtain such materials and services consistent with the requirements of chapter 3.04 SCC.

### **6.2 Grant, Loan, and Funding Agreements.**

The District is party to multiple grant, loan and funding agreements (the “District Grant Agreements”). Prior to December 31, 2022, the District shall seek to identify which District Grant Agreements and related funds are assignable to the County, including any other later identified grant agreements, and, where appropriate, will submit to the grantor a grant adjustment notice or other document request to assign all of the

District's rights, obligations, and interest in the District Grant Agreement to the County beginning January 1, 2023. The Parties will work collaboratively to obtain any required grantor approval for such assignment and gain approval for the transfer to and use of grant and/or loan funds by the County. Upon the Transfer Date, all District Grant Agreements shall continue in full force and effect and the County shall be solely responsible for all District obligations contained therein.

### **6.3 Third Party Real Property Leases, Licenses, and Rights-of-Entry.**

The District is party to multiple third party leases, licenses, rights-of-entry, or other real property agreements, as will be more specifically identified by the Parties during the Planning Process (the "Third Party Leases, Licenses, and Rights-of-Entry"). To the extent allowed by law and effective upon the Transfer Date, the District hereby assigns all of its right, title, and interest in the Third Party Leases, Licenses, and Rights-of-Entry to the County and the County further succeeds to the interests of the District under the Third Party Leases, Licenses, and Rights-of-Entry. This assignment shall be binding on and inure to the benefit of the District, the County, and their respective successors in interest and assigns. The Parties shall reasonably cooperate to assign such Third Party Leases, Licenses, and Rights-of-Entry consistent with the terms of this Agreement, provided, however, the County shall be responsible for obtaining any needed third-party approvals for such assignments.

During the period of time between the Effective Date of this Agreement and the Transfer Date, the District shall not enter into any leases, sub-leases, licenses, or real property agreements without the prior approval of the County. The County shall give written notice to the District of its approval or disapproval of any such proposed agreement within thirty (30) days of receiving same from the District. Should the County fail to respond to a request for approval of a proposed agreement within the specified time period, the County's approval of such agreement shall be deemed denied.

## **7.0 TRANSFER OF ALL ASSETS**

### **7.1 Personal Property.**

Except where any necessary third-party assignment/transfer approval has not yet been received, title and ownership of all personal property assets of the District including all funds, cash, investments, receivables, work in progress, personal property, vehicles, furnishings, fixtures, equipment, electronics, software (including licenses), records, intellectual property and other personal property of any nature, tangible or intangible (collectively referred to as "Personal Property Assets"), shall pass to and vest in the County upon the Transfer Date.

Not including funds, cash, and investments, upon the Transfer Date, the District shall deliver to the County a Bill of Sale for the Personal Property Assets, in the form attached hereto as Exhibit B. The Parties shall work collaboratively in the Planning Process to create an inventory of the Personal Property Assets and identify any title or other transfer documents or third-party approvals necessary for ownership of all Assets

to be conveyed to the County. The Parties acknowledge and agree that it may not be possible to inventory all Personal Property Assets, and the omission of an asset from the inventory shall not preclude transfer of title. The District will cooperate with the County to take all steps necessary to transfer title in all vehicles through the Washington State Department of Licensing. The Parties will work collaboratively to obtain any needed third-party approvals for such transfers.

As to funds, cash, and cash equivalents, upon the Transfer Date the District hereby authorizes the Treasurer to transfer all funds held by the Treasurer on behalf of the District to the County Health Department except to the extent any such funds are restricted and require third party approval for transfer or are subject to pending withdrawal pursuant to a District check, warrant or transfer on an account payable, payroll liability, or other liability. The Parties hereby authorize the Treasurer to open a new depository account for the health department prior to December 31, 2022. As to any remaining funds, cash, or cash equivalents not held by the Treasurer, on the Transfer Date the District shall issue a statement of petty cash and cash stores on hand to the County and shall thereafter deposit any such funds into the District depository accounts for electronic transfer to the County. The County shall maintain the same fund classifications as to all such funds, cash and cash equivalents deposited with the County.

The Parties mutually agree that the County shall have authority to issue warrants and electronic payments against the District's 2022 appropriations to pay for 2022 costs payable by the District in the calendar year 2023, including but not limited to payroll (the actual work will be done by the County Health Department under the supervision of the County Finance Department). Further, the County Health Department in conjunction with the County's Finance Department will work together to prepare any and all remaining 2022 reporting and related audit liaison work for the District as well as any other necessary year-end work to aid the District to conclude any and all of its 2022 fiscal reporting responsibilities and any such other responsibilities that arise for 2023 and beyond (including, but not limited to, the State of Washington, the Internal Revenue Service, grantors, etc.).

As to investments, the District hereby authorizes, as of the Transfer Date, the Snohomish County Treasurer to transfer all investments held by the Treasurer on behalf of the District to the County Health Department, including but not limited to, investments in the Snohomish County Investment Pool and the Local Government Investment Pool. To the extent any particular note, bond or other investment requires District signature for transfer, the District will cooperate with the County to obtain that signature.

## **7.2 Real Property.**

Upon the Transfer Date, and subject to the contingency set forth in this section, the District shall deliver to the County a deed for the real property, including all improvements, commonly known as the Rucker Building, located at 3020 Rucker

Avenue, Everett, Washington 98201, subject to all matters of record. The Parties will determine the form of deed using the Planning Process described in Section 2.0 above. The transfer of the Rucker Building to the County is contingent upon the County either (a) Entering a reimbursement agreement with the local jurisdictions which funded the Rucker Building's acquisition as established in the District's Charter, in particular as set out in Article VIII, Section 2, or (b) Obtaining from each local jurisdiction that funded the Rucker Building's acquisition written agreement relinquishing the local jurisdiction's right, title, and interest in the Rucker Building, including but not limited to any proceeds from the sale thereof or other reimbursement rights as provided by memorandum of understanding, interlocal agreement or the District's Charter. The County shall seek to enter either a reimbursement or relinquishment agreement with all such parties no later than December 15, 2022. The District agrees to cooperate in the County's efforts to enter any such agreement, including seeking District Board of Health approval under Article VIII, Section 2 of the District Charter as appropriate.

### **7.3 Disclaimer of Warranty.**

The County acknowledges and agrees that the District has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, contracts, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of as to, concerning, or with respect to any of the Personal Property Assets and Rucker Building. The County acknowledges and agrees that, having been given the opportunity to inspect the Personal Property Assets and Rucker Building that it is relying solely on its own investigation of the same and not on any information provided or to be provided by the District. The County further acknowledges and agrees that the Personal Property Assets and Rucker Building are provided solely in "AS-IS, WHERE IS" condition and with all faults, without any obligation on the part of the District to make any changes, improvements, or to incur any expenses whatsoever for the modification, maintenance or repair of the Personal Property Assets and Rucker Building.

## **8.0 LIABILITIES, OBLIGATIONS AND LITIGATION**

### **8.1 Liabilities and Potential Litigation.**

Except as otherwise provided herein, as of the Transfer Date, any and all liabilities of the District, including but not limited to claims, demands, suits, agency orders, and judgments shall become the sole liabilities and obligations of the County and the County agrees to defend, indemnify, and hold harmless the District, its officers and employees, from the same to the extent such liabilities are not covered by the District's insurer as described below. During the Planning Process, the Parties will seek to identify potential claims and litigation from any District acts or omissions, including but not limited to claims and actions arising from nonfeasance, misfeasance, malfeasance, negligence, interference with contractual relations, breach of contract or lack of due process, but excluding public records claims and litigation, occurring prior to the Transfer Date

("Potential Litigation"). To the extent Potential Claims are covered by the District's insurer, the County does not assume liability for Potential Litigation and shall administer such claims as it deems appropriate, including but not limited to, tendering defense of such claims to the District's insurer. The County shall remain liable for any portion of such claims which are not covered by the District insurer and for any deductibles or other associated and uncovered costs. The District shall take all reasonable action necessary to ensure that the County enjoys all rights, privileges, interest, defenses, and indemnity protections of all insurance providers for the District, including past and current providers, that existed prior to the Transfer Date.

## **8.2 Active Litigation.**

Excluding public records litigation addressed more fully in Section 9.4 below, the District is not currently aware that it is a named defendant or otherwise subject to claim in litigation or other action. To the extent any litigation matters may be filed against the District between the date of this Agreement and the Transfer Date, the Parties will work collaboratively with the District's insurer to manage the litigation, including any and all appeals. The District shall maintain all policies of insurance obtained by the District or naming the District as an insured through its date of dissolution.

## **9.0 RECORDS**

### **9.1 Transfer of Records and Data.**

The Personal Property Assets conveyed pursuant to this Agreement include all District records and data in whatever form it is held by the District. In managing and retaining such records and data, the County shall comply with all applicable laws and regulations including patient privacy laws, including but not limited to the HIPAA privacy and security rules. The County shall defend, save, and indemnify the District for any and all claims related to the privacy and security laws and rules. The Planning Process will include inventorying electronic and physical records, data, and related systems and a process for conveying such to the County while preserving the privacy of health care information. The District and the County agree to maintain the data currently saved in OneSolution and Paycom in perpetuity for purposes of allowing the County to maintain public records and determine future DRS/PERS reporting for retirees.

### **9.2 Public Records Processing.**

The County shall assume sole responsibility and liability for District public records requests tendered and processing completed up to the Transfer Date. The District has pending public records requests. The Parties acknowledge and agree that additional public records requests may be submitted to the District after the effective date of this Agreement but before the Transfer Date, in which case the Parties shall coordinate to identify such requests during the Planning Process. Both the County and the District use GovQA for public records processing. The Parties will work together to transition all then-pending District records requests to the County's GovQA platform upon the

Transfer Date. Prior to the Transfer Date, the District shall not set installment dates or deadlines, other than responses required under RCW 42.56.520(1), between January 1, 2023, and January 8, 2023. Upon the Transfer Date, the County shall be solely responsible for handling all pending public records requests previously submitted to the District in compliance with applicable laws. For public records requests submitted on or after January 1, 2023, and seeking records created by the District prior to January 1, 2023, the County shall be primarily responsible for responding to the request.

### **9.3 Potential Public Records Litigation.**

Potential claims or litigation against the District around public records may exist and the Parties shall seek to identify all such potential public records claims or litigation during the Planning Process. The County shall defend, save, and indemnify the District as to all such potential public records claims or litigation that remain unfiled as of the Transfer Date.

### **9.4 Active Public Records Litigation.**

The District is a named defendant in public records litigation in Thurston County Superior Court cause no. 19-2-06100-34, currently on appeal to the Washington Supreme Court. The Parties, through their legal counsel, will work collaboratively to transition representation in this matter from the District to the County along with any other public records litigation matters that may be filed against the District between the date of this Agreement and the Transfer Date. Any further action in this matter or other public records litigation matters filed hereafter will be the responsibility of the County at the County's discretion.

## **10.0 ADMINISTRATION AND IMPLEMENTATION AGREEMENTS**

Each Party to this Agreement shall designate an individual (an "Administrator"), who may be designated by title or position, to oversee and administer such Party's participation in this Agreement. The Parties' Initial Administrators shall be the following individuals:

County's Initial Administrator:

Lacey Harper  
Executive Director  
3000 Rockefeller Ave  
Everett, WA 98201  
425-388-3699  
lacey.harper@co.snohomish.wa.us

District's Initial Administrator:

Shawn Frederick  
Administrative Officer  
3020 Rucker Ave  
Everett, WA 98201  
425-339-8687  
sfr frederick@snohd.org

Either Party may change its Administrator at any time by delivering written notice of such Party's new Administrator to the other Party.

The Parties recognize that this Agreement sets the high-level structure and basic legal relationship of the Parties but does not necessarily provide all the contractual detail

necessary to fully implement the Transfer. The Parties shall utilize additional agreements between them to facilitate the Transfer (“Implementation Agreements”) as necessary. Except for those Implementation Agreements which change the substantive policy position of the Parties or involve commitments of more than \$50,000, the Administrators are authorized to execute Implementation Agreements which are reasonable and prudent for the purpose of completing and implementing the Transfer and may do so without prior approval by the County Council or District Board.

#### **11.0 DISTRICT DISSOLUTION**

Following the Transfer Date and full implementation of this Agreement, the District will wind up its business and will seek to dissolve in accordance with chapter 53.48 RCW or such other laws or process as allow for dissolution of the District. The District shall thereafter cease to exist as a separate legal entity. The District Board of Health shall remain active following the Transfer Date only to the extent necessary to wrap up the affairs of the District including disposition of its assets and provision for its liabilities, including maintenance of insurance through the date of dissolution, and oversee the District dissolution process. All costs of wrapping up the affairs of the District and its dissolution shall be borne and paid directly by the County.

#### **12.0 TERMINATION**

This Agreement shall terminate upon the dissolution of the District as discussed in Section 11.0 above. This Agreement may also be terminated upon the mutual agreement of the Parties. The provisions of this Agreement that, by their nature, are intended to survive the termination or expiration of this Agreement shall so survive.

#### **13.0 COMPLIANCE WITH LAWS**

The Parties hereto agree to comply with all federal, state, and local laws regarding all matters covered by or related to this Agreement. The County shall carry out its public health authority and operations in compliance with all applicable laws.

#### **14.0 VENUE**

The venue for any action related to this Agreement shall be in the Superior Court in and for Snohomish County, Washington at Everett, Washington, or if applicable, in Federal District Court, Western District of Washington.

#### **15.0 NO THIRD PARTY BENEFICIARIES**

There are no third-party beneficiaries to this Agreement. No person or entity other than a party to this Agreement shall have any rights hereunder or any authority to enforce its provisions, and any such rights or enforcement must be consistent with and subject to the terms of this Agreement. In addition to the foregoing, nothing in this Agreement is intended to create a special relationship or other basis for third party liability.

## **16.0 NO SEPARATE ENTITY**

The Parties agree that no separate legal or administrative entities are necessary to carry out this Agreement.

## **17.0 NOTICE**

Notices provided under the terms of this Agreement shall be directed to the following:

For the County:

Lacey Harper  
Executive Director  
3000 Rockefeller Ave  
Everett, WA 98201  
425-388-3699  
lacey.harper@co.snohomish.wa.us

For the District:

Shawn Frederick  
Administrative Officer  
3020 Rucker Ave  
Everett, WA 98201  
425-339-8687  
sfrederick@snohd.org

## **18.0 AMENDMENT AND WAIVER**

Any amendment to this Agreement shall be in writing signed by the Parties. No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the party against whom enforcement is sought.

## **19.0 SEVERABILITY**

The invalidity or any clause, sentence, paragraph, subdivision, section, or portion of this agreement shall not affect the validity of the remainder of this Agreement.

## **20.0 RATIFICATION**

All prior acts taken by either Party consistent with this Agreement are hereby ratified and confirmed.

## **21.0 EXECUTION, COUNTERPARTS AND FILING AGREEMENT**

This Agreement may be executed in counterparts, each of which shall be an original, but those counterparts will constitute one and the same instrument. This Agreement shall be filed and/or posted as required by RCW 39.34.

IN WITNESS WHEREOF, this Agreement has been executed by the County and District on the dates set forth below:

**DISTRICT:**

Snohomish Health District,  
a special purpose district of the State of  
Washington

By *Julietta Altamirano Crosby*  
Julietta Altamirano Crosby (Oct 14, 2022 15:21 PDT)  
Name: Julietta Altamirano Crosby  
Title: Chair of the Board of Health of the Snohomish Health District  
Date: Oct 14, 2022

**COUNTY:**

Snohomish County,  
a political subdivision of the State of  
Washington

By   
Name: Dave Somers  
Title: County Executive  
Date: 10/31/2022

**COUNCIL USE ONLY**

Approved 10/26/2022  
ECA# 2022-1075  
MOT/ORD Ordinance 22-060

## **EXHIBIT A**

### **Enforcement Actions**

Snohomish Health District v. Emerald Park Condominiums, Snohomish County Superior Court cause no. 21-2-01972-31

Snohomish Health District v. Sean Rogge, et. al., Snohomish County Superior Court cause no. 21-2-01973-31

Snohomish Health District v. Dena Carter, et. al., Snohomish County Superior Court cause no. 21-2-04651-31

Snohomish Health District v. John Postema, et. al., Snohomish County Superior Court cause no. 22-2-00418-31

Snohomish Health District v. Johnathan R. Holt, et. al., Snohomish County Superior Court cause no. 22-2-01464-31

Snohomish Health District v. Adam M. Aikens, Snohomish County Superior Court cause no. 22-2-01465-31

## EXHIBIT B

### Form Bill of Sale for Personal Property Assets

THIS BILL OF SALE is made this 31<sup>st</sup> day of December 2022, by and between the Snohomish Health District, a special purpose district of the State of Washington (the "District") and Snohomish County, a political subdivision of the State of Washington (the "County").

A. The District and the County have entered into that certain Interlocal Agreement dated October 31, 2022 (the "Agreement"), pursuant to which the District has agreed to convey to the County and the County has agreed to accept all personal property and real property assets of the District, including that certain real property commonly known as the Rucker Building, as more particularly described in the Agreement (the "Rucker Building").

B. The Rucker Building is improved with certain commercial structures and fixtures associated with District operations and contains District-owned personal property including receivables, work in progress, improvements, furnishings, fixtures, equipment, electronics, software (including licenses), intellectual property, records, and other personal property, tangible or intangible.

C. In addition to the personal property items located within the Rucker Building, the District owns certain vehicles used in its operations, as identified and described in Schedule 1 (the "District Vehicles") attached hereto and made a part hereof, as well as funds, receivables, and other work in progress.

D. In accordance with the terms of the Agreement, the Parties are entering into this Bill of Sale for the transfer and conveyance of all District personal property to the County.

NOW, THEREFORE, the District for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration paid in hand, hereby sells, assigns, conveys, delivers, and transfers to the County all of the District's right, title, and interest in and to all improvements, furnishings, fixtures, equipment, electronics, intellectual property, records, vehicles, funds, receivables, other work in progress and other items of personal property.

The District warrants to the County that it has good title to the Personal Property Assets described herein; that the District has the right and authority to sell, assign, convey, deliver, and transfer to the County; and that any interest of the District in the Personal Property Assets is free and clear of liens, security interests, encumbrances, and adverse claims.

The District will cooperate with the County to take all steps necessary to transfer title in all vehicles through the Washington State Department of Licensing.

This Bill of Sale is intended to pass title to the Personal Property Assets from the District to the County irrespective of whether any of said Personal Property Assets is correctly characterized as a fixture as a matter of law.

IN WITNESS WHEREOF, the District and the County have executed this Bill of Sale as of the day and year first above written.

**DISTRICT:**

Snohomish Health District,  
a special purpose district of the State of  
Washington

By *Julietta Altamirano Crosby*  
Julietta Altamirano Crosby (Oct 14, 1972-10-21-2021)  
Name: Julietta Altamirano Crosby  
Title: Chair of the Board of Health of the Snohomish Health District

**COUNTY:**

Snohomish County,  
a political subdivision of the State of  
Washington

By   
Name: Dave Somers  
Title: County Executive

*[The remainder of this page is intentionally left blank.]*

**Schedule 1  
District Vehicles**

ASSET NUMBER	YEAR-MAKE-MODEL	VIN	LICENSE
NH100	2007 Ford Taurus	1FAFP53U07A158396	81312C
NH101	2007 Ford Taurus	1FAFP53U27A158397	81313C
NH103	2007 Ford Taurus	1FAFP53U67A158399	81381C
NH105	2007 Chevrolet Malibu	1G1ZS57N27F281721	84248C
NH107	2007 Chevrolet Malibu	1G1ZS57N77F286056	84250C
NH110	2007 Ford F150	1FTRX12WX7FB24987	84256C
NH111	2007 Ford F150	1FTRX12W17FB24988	84257C
NH112	2007 Ford F150	1FTRX12W37FB24989	84258C
NH113	2008 Ford Taurus	1FMDK02W98GA00543	85467C
NH114	2008 Honda Civic	JHMFA362X85011185	86983C
NH115	2008 Honda Civic	JHMFA362X85011166	86982C
NH116	2008 Honda Civic	JHMFA362X85012703	86981C
NH117	2016 Ford Fusion	3FA6P0G72GR260277	B3468C
NH118	2016 Ford Fusion	3FA6P0G79GR206894	B3469C
NH119	2017 Ford Fusion	3FA6P0G72HR229872	B5301C
NH120	2017 Ford Fusion	3FA6P0G75HR207784	B5300C
NH121	2017 Ford Fusion	3FA6P0G79HR265610	B6906C
NH122	2017 Ford Fusion	3FA6P0G70HR265611	B6905C
NH123	2017 Ford Fusion	3FA6P0G77HR267260	B6592C
NH124	2017 Ford Fusion	3FA6P0G77HR279084	B6953C
NH64	1999 Chevrolet C1500	1GCEC14V2XE138483	40419C
NH66	2000 Chevrolet Cavalier	1G1JC5241Y7338382	54402C
NH70	2000 Chevrolet Sierra	1GCEC14VXYE301625	54411C
NH71	2000 Ford Taurus	1FAFP582XYG173610	54412C
NH72	2001 Chevrolet C1500	1GCEC14V41Z230999	59015C
NH75	2001 Chevrolet Cavalier	1G1JC524617326444	59115C
NH76	2001 Chevrolet Cavalier	1G1JC524517327813	59115C
NH78	2001 Chevrolet Cavalier	1G1JC524X17328438	59116C
NH79	2001 Chevrolet C1500	1GCEC14VX1Z291581	59181C
NH81	2001 Chevrolet C1500	1GCEC14V51Z290726	59183C
NH83	2001 Chevrolet Cavalier	1G1JC524517390314	59189C
NH84	2001 Chevrolet Cavalier	1G1JC524617391004	59188C
NH86	2002 Dodge Stratus	1B3EL36R82N274395	64416C
NH92	2004 Ford Focus	1FAFP36374W114871	70808C
NH93	2004 Ford Expedition	1FMFU16L44LB65877	71676C
NH96	2005 Ford Taurus	1FAHP53275A148730	72592C
NH98	2007 Chevrolet C1500	1GEC14V97Z130017	81307C
NH99	2007 Chevrolet C1500	1GEC14V77Z126631	81308C
NH126	2022 Chevrolet Traverse	1GNEVLKW8NJ176507	D4399C
NH125	2022 Chevrolet Traverse	1GNEVLKW7NJ188678	N/A
NH129	2022 Chevrolet Traverse	1GNEVLKW1NJ189308	N/A
NH128	2022 Chevrolet Traverse	1GNEVLKW3NJ138747	N/A
NH127	2022 Chevrolet Traverse	1GNEVLKW1NJ188773	N/A