

**COUNTY ENGINEER’S REPORT**  
**FRANCHISE – WATER FACILITIES**  
**SEVEN LAKES WATER ASSOCIATION, INC.**

Pursuant to chapter 36.55.010 Revised Code of Washington (RCW), Section 9.20 Snohomish County Charter, and Title 13 of the Snohomish County Code (SCC), the Seven Lakes Water Association, Inc. has applied to Snohomish County (the “County”) for a franchise to construct, maintain, operate, replace, and repair its water distribution facilities in County public rights-of-way, and for no other purpose or use whatsoever. Chapter 36.55 RCW and Snohomish County Charter Section 9.20 authorize the County to grant nonexclusive franchises for use of County public rights-of-way. Snohomish County’s franchise procedure is contained in Chapter 13.80 SCC. The County Engineer has examined the application and submits the following report to council in accordance with SCC 13.80.040.

**FINDINGS**

**1. Applicant**

The Seven Lakes Water Association, Inc. (“the Association”), is a Washington non-profit corporation, UBI Number 600 102 404, which operates a Group A Community Water System, ID 77660-0. The Seven Lakes area is located northwest of Marysville and was originally developed as recreation property and part-time summer residences. Water was supplied by private wells and direct connections to the lakes. As development continued, a clean and dependable source of water was needed in the area and the Seven Lakes Water Association was formed in 1966.

The original water system went into operation in 1968 and served Lakes Shoecraft, Goodwin, Ki, and Crabapple. It expanded in 1968 to include the Lake Martha and Lake Loma areas. In 1993 it expanded again to include the area north and south of Forty Five Road. Snohomish County has previously granted utility franchises to the Seven Lakes Water Association in 1967, 1968, and most recently by Ordinance 93-119 that was approved on November 17, 1993, and recorded under Auditors File Number 9401100645, which expired on November 28, 2018.

**2. Description of County Roads Included in the Proposed Franchise**

The proposed franchise area covers roughly 28 square miles, as shown in Exhibit A. The proposed franchise area is smaller than what was previously granted in 1968 and 1993 so that it is in closer alignment with the Association’s service area boundary that has been established in the Snohomish County Coordinated Water System Plan. The proposed franchise includes all county rights-of-way located in the portions of unincorporated Snohomish County within the townships, ranges, and sections below:

<u>Township</u>	<u>Range</u>	<u>Sections</u>
30N	4E	1, 2, 3, 4
31N	4E	13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36
31N	5E	30, 31

### **3. Description of Facilities**

The Seven Lakes Water Association provides water service to approximately 2,298 properties with a population of 5,557 residents across 20 square miles in unincorporated Snohomish County. The system consists of a distribution grid and transmission mains with storage tanks at Lake Loma and Wildridge. The system is comprised of primarily 6-inch pipe with some 8-inch and portions of smaller and larger size pipe. Asbestos cement (AC) pipe was used for the original construction of the system. The Association has been replacing older mains with larger diameter ductile iron (DI) pipe which is more durable than AC pipe and less prone to failure as it ages.

The Association's water is supplied by four operating groundwater wells. Since the Association's wells are located within the distribution grid, there are no dedicated transmission mains. Mains throughout the system have service connections. The service lines range from 3/4" for the residential user to 2" inches for larger services. The Association serves primarily residential users. Commercial use consists of a few retail outlets and accounts serving domestic users such as resorts, public parks, and trailer courts.

In 2007, the Washington State Department of Health informed the Association that they were at or near the capacity of their existing water rights and a moratorium on new commitments for water availability is still in effect. To provide additional supply, the Association is exploring potential new sources including installation of a new well or connection to another purveyor such as the City of Everett or PUD.

Work proposed in the county right-of-way would consist of the construction, operation, and maintenance of water facilities such as water mains, water services, fire hydrants, and other necessary equipment for the distribution of water. Facility access is needed for reading water meters, fire hydrants usage, routine maintenance, and emergency repairs. All work shall be performed in compliance with all federal, state, and local laws, rules and regulations (including, but not limited to, the County's comprehensive plan, zoning code, and other development regulations) that are applicable to any and all work or other activities performed by the Association pursuant to or under authority of the franchise as more fully described within the proposed franchise agreement and Section 6 of this report.

### **4. Insurance**

The Association has agreed to obtain and maintain insurance for the term of the franchise in accordance with SCC 13.10.100 and Section 18 of the franchise. The Risk Management Division has reviewed and approved the insurance requirements in the proposed franchise. As provided

in franchise Section 33, the franchise will not take effect until the Association provides evidence of insurance acceptable to the Risk Management Division.

## **5. Term of Franchise**

The initial term of the proposed franchise is for a period of ten (10) years (the “Initial Term”), beginning on the Effective Date as defined in Section 33 of the franchise, and automatically renew for an additional term of ten (10) years (the “Extended Term”). The County would have the right to unilaterally open negotiations with the Association at any time after the Initial Term, as more fully described in franchise Section 3.3.

## **6. Provisions of Franchise**

Under the proposed franchise, the Association will:

- Obtain a right-of-way permit pursuant to Title 13 SCC prior to commencing any work within the public rights-of-way, as more fully described in franchise Section 4.
- Comply with the requirements of State law, County Charter, Title 13 SCC, the Engineering Design and Development Standards (EDDS), the county’s Utility Accommodation Policy, and all right-of-way use permit application, review and construction standards, as more fully described in franchise Section 6.
- Promptly, at its own expense, relocate or remove its facilities from county rights-of-way when the County Engineer determines that it is necessary due to: traffic conditions; public safety; dedications, improvements and vacations of rights-of-way; and other reasons more fully described in franchise Section 9.
- Not in any event abandon in place all or a portion of their facilities without the express written consent of the county as more fully described in franchise Section 14.
- Compensate the county for its administrative expenses in preparing and processing the proposed franchise, as more fully described in franchise Section 15.2.
- Indemnify, defend and hold harmless any County Party from any and all claims, demands, liability, suits, and judgments, including costs of defense thereof, for bodily injury to persons, death, or property damage arising out of its use of public rights-of-way under the proposed franchise, as more fully described in franchise Section 16.
- Provide the county with adequate insurance appropriate for a water system franchise, as more fully described in franchise Section 18.
- Provide a financial security device sufficient to ensure performance of its obligations when required by the County Engineer, as more fully described in franchise Section 19.
- Not assign any franchise rights or obligations without prior written consent of the county, as more fully described in franchise Section 22.
- Comply with Title VI Assurances and Non-Discrimination requirements, as more fully described in franchise Section 30.

## **COUNTY ENGINEER’S RECOMMENDATION**

Based on the foregoing findings and pursuant to SCC 13.80.040, the County Engineer recommends the County Council grant a right-of-way franchise to the Seven Lakes Water

Association, Inc. with an initial term of ten (10) years and an automatic renewal for an additional term of ten (10) years, under the terms and conditions of County Charter, County Code and the proposed ordinance granting a franchise.

SNOHOMISH COUNTY PUBLIC WORKS

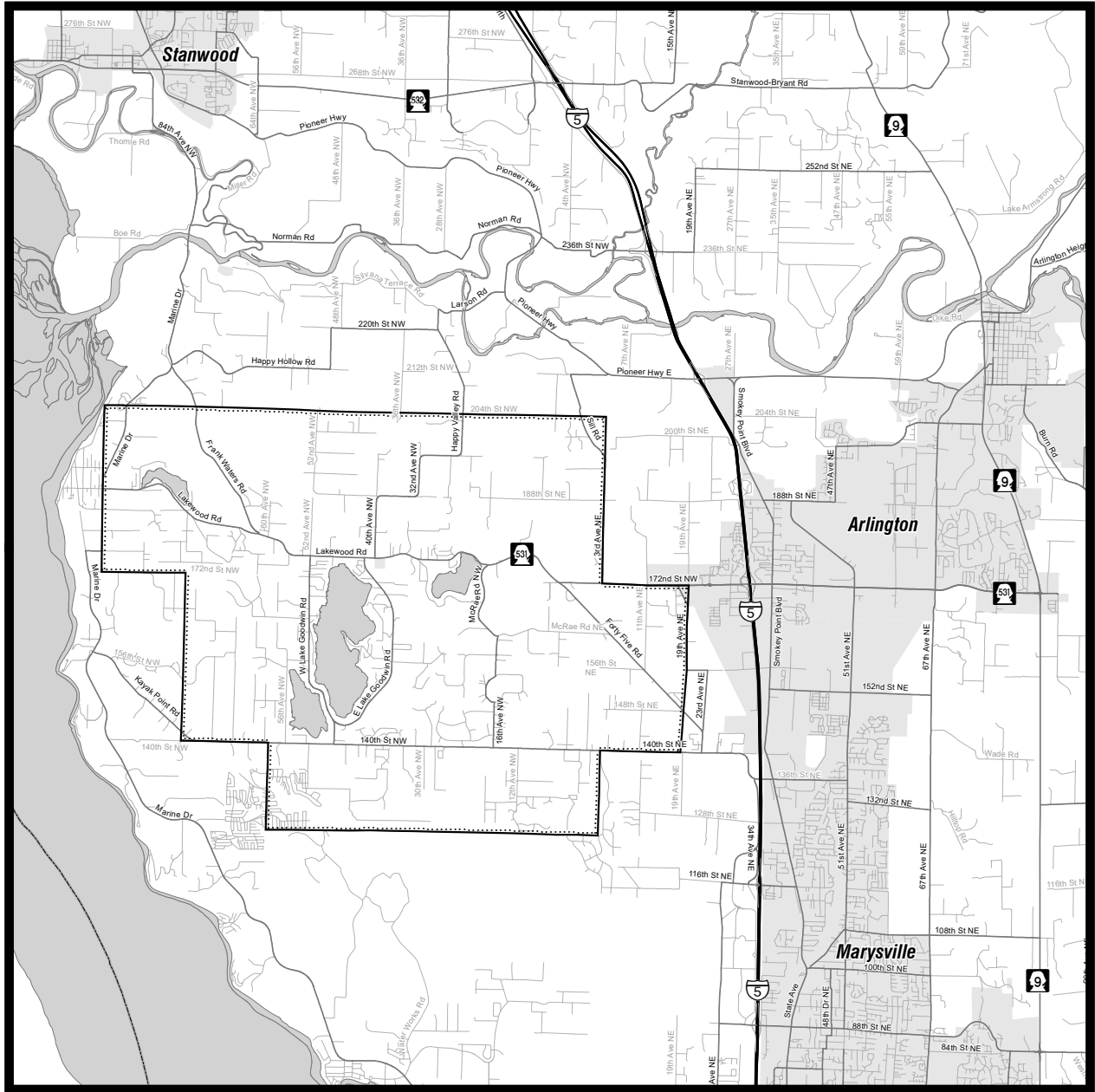
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Douglas W. McCormick, P.E.      Date  
Deputy Director/County Engineer








Prepared by:

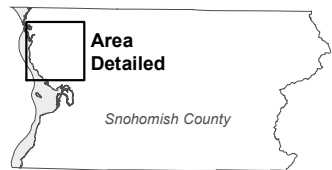
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Mary Madole      Date  
Senior Planner – Special Projects



**Key to Features:**

- |   |                                 |   |             |
|---|---------------------------------|---|-------------|
|  | Utility Service Area            |  | Freeways    |
|  | Arterial Roads                  |  | Local Roads |
|  | Unincorporated Snohomish County |  | Cities      |
|  | Waterbodies                     |   |             |



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**Exhibit A. Seven Lakes Water Association Proposed Franchise Area**

*(The proposed franchise applies exclusively to county rights-of-way located in the portions of unincorporated Snohomish County depicted above.)*