

COUNTY ENGINEER'S REPORT

FRANCHISE – WATER FACILITIES KACKMAN CREEK HOMEOWNERS' ASSOCIATION

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 Kackman Creek Homeowners' Association has applied to Snohomish County (the "County") for a franchise to construct, maintain, operate, replace, and repair its water system 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 requirements for this Engineer's report are described in SCC 13.80.040.

FINDINGS

1. Applicant

The Kackman Creek Homeowners' Association (the "Association") is a Washington non-profit corporation, UBI Number 602 062 156, first formed in 2000, which operates a Class A Community Water System. The Association provides water service to approximately 143 properties near the Bryant area of unincorporated Snohomish County as shown in Exhibit A. This system was previously operated as Thomas Water Service Company and granted a utility franchise by Snohomish County via Ordinance 97-055.

2. Description of Facilities

The Association's water system consists of a well, pump, water main line and service lines to the properties served. The Association proposes to maintain, repair and install facilities within Snohomish County rights-of-way and its service area as needed to provide and continue water service to existing customers. The specific area covered by the proposed franchise is described in Section 4 of this report. Proposed work in the public rights-of-way covered by this franchise predominately consists of maintaining a water works, mains, service pipes and other necessary equipment for the distribution of water for domestic use and other purposes. 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 and Section 6 of this report.

3. Insurance

The Association has agreed to provide proof of insurance in accordance with SCC 13.10.100 and Section 18 of the franchise. The Risk Management Division has reviewed and approved the insurance requirements contained in the Section 18. In accordance with Section 32 of the franchise, the franchise shall not take effect until the Association provides evidence of insurance acceptable to the Risk Management Division.

4. Description of County Rights-of-Way Covered by the Proposed Franchise

The proposed franchise includes all county rights-of-way located in the portions of unincorporated Snohomish County as shown in Exhibit A and within the township, range, and section below:

| <u>Township</u> | <u>Range</u> | <u>Section</u> |
|-----------------|--------------|----------------|
| 32N | 5E | 28 |

5. Term of Franchise

The initial term of the franchise shall be for a period of ten (10) years (the "Initial Term"), beginning on the Effective Date as that term is defined in Section 32 of the franchise, and continuing until the date that is one day prior to the tenth (10th) anniversary of the Effective Date (the "Initial Term Expiration Date"), unless earlier terminated, revoked or modified pursuant to the provisions of the franchise. The franchise automatically renews for an additional term of fifteen (15) years (the "Extended Term," and, together with the Initial Term, the "Term"), subject to the County's right to open negotiations regarding any amendments to the franchise at any time after the Initial Term Expiration Date, as more fully described in Section 3.3 of the franchise.

6. Terms and Conditions of Franchise

Under the franchise, the Kackman Creek Homeowners' Association will:

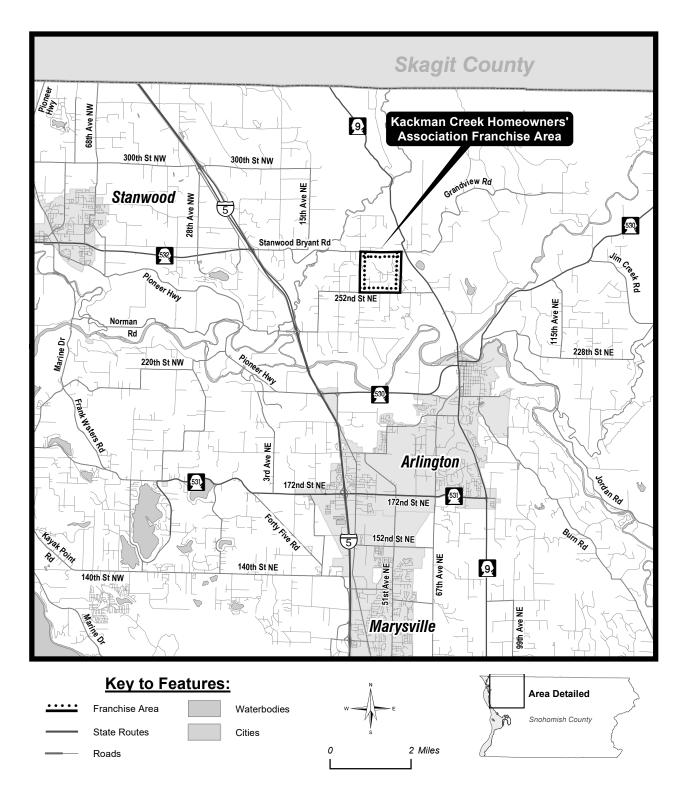
- Comply with the requirements of State law, County Charter, Title 13 SCC, the Engineering Design and Development Standards (EDDS), the county's Utility Accommodation Policy, and all right-of-way use permit application, review and construction standards.
- Promptly, at its sole cost and expense, relocate or remove its facilities from county rights-of-way when the County Engineer determines it to be necessary due to: (i) traffic conditions; (ii) public safety; (iii) dedications of new public rights-of-way and the establishment and/or improvement thereof; (iv) widening and/or improvement of existing public rights-of-way; (v) vacations of public rights-of-way; (vi) freeway construction; (vii) change or establishment of road grade; or (viii) the construction of any public improvement or structure by any governmental agency acting in a governmental capacity.
- 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 the franchise.

- 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 pursuant to the franchise as more fully described in franchise Section 16.
- Provide the County with adequate insurance appropriate for a water system franchise.
- Post a security device sufficient to ensure performance of its obligations when required by the County Engineer.
- 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 provisions as included in Section 29 of the franchise.

COUNTY ENGINEER'S RECOMMENDATION

Based on the above findings, the Department of Public Works recommends the County Council grant a right-of-way franchise to the Kackman Creek Homeowners' Association under the terms and conditions of County Charter, County Code and the ordinance granting a franchise.

| Prepared by on date: | Approved by on date: | |
|------------------------------|----------------------------|--|
| | | |
| Brook Chesterfield, P.E. | Douglas W. McCormick, P.E. | |
| Special Projects Coordinator | County Road Engineer | |



Snohomish County disclaims any warranty of merchantability or warranty of fitness of this map for any particular purpose, either express or implied. Any user of this map assumes all responsibility for use thereof, and further agrees to hold Snohomish County harmless from and against any damage, loss, or liability arising from any use of this map.

Exhibit A. Kackman Creek Homeowners' Association Franchise Area

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