

**TOWN OF WOODWAY
COUNCIL MEETING AGENDA**

**MONDAY, OCTOBER 2, 2023
6:00 P.M.**

Woodway Town Hall | 23920 113th Place W. | Woodway, WA

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| 6:00 P.M. | | Call to Order, Flag Salute, & Roll Call |
| 6:00 P.M. | | Public Comments* |
| 6:05 P.M. | I | Public Hearing: Interlocal Agreement with Snohomish County, the City of Shoreline, and Olympic View Water and Sewer District, Relating to Annexation by the Town of Point Wells Pursuant to RCW 35A.14.296 |
| 6:45 P.M. | II | Resolution 2023-453: Approving and Authorizing the Mayor to Sign an Interlocal Agreement with Snohomish County, the City of Shoreline, and Olympic View Water and Sewer District, Relating to Annexation by the Town of Point Wells Pursuant to RCW 35A.14.296 |
| 7:00 P.M. | III | Resolution 2023-454: Formally Expressing Its Intent, Pursuant to RCW 35A.14.296, to Annex Territory Located Adjacent to the Current Town Limits and Within Its Municipal Urban Growth Boundary, and Directing that a Notice of Intent Be Filed with the Washington State Boundary Review Board for Snohomish County |
| 7:05 P.M. | IV | Approval of Payments – <i>October 2, 2023 Claims; September 2023 Payroll</i> |
| 7:10 P.M. | V | Council Reports |
| 7:15 P.M. | VI | Mayor’s Report |
| 7:20 P.M. | VII | Town Administrator’s Report |
| 7:25 p.m. | VIII | Public Hearing: 2023 Revenue Sources |
| 7:35 P.M. | IX | Public Hearing: Preliminary 2023 Budget |

Council agendas are subject to change before or during the council meetings upon motion. All times are approximate.

**Anyone with a disability requiring special accommodations or anyone wishing to make a public comment for this meeting via video or audio connection should contact the Town Clerk's Office at Town Hall or call (206)542-4443 before 1:00 p.m. the Thursday preceding the Council Meeting. For TDD relay service, call (206)587-5500, or outside the Seattle area #1-800-833-6388.*

**TOWN OF WOODWAY
COUNCIL MEETING AGENDA
CONTINUED**

- | | | |
|-----------|---|---|
| 8:05 P.M. | X | Ratify and Confirm Execution of Interlocal Agreement Between Snohomish County and Its Cities and Towns Regarding Solid Waste Management |
| 8:10 P.M. | | Public Comments* |
| 8:15 P.M. | | General Council Discussion – Choice of Subjects |
| 8:20 P.M. | | Adjournment |

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TOWN OF WOODWAY

RESOLUTION 2023-453

A RESOLUTION OF THE TOWN COUNCIL FOR THE TOWN OF WOODWAY, WASHINGTON, APPROVING AND AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY, THE TOWN OF WOODWAY, THE CITY OF SHORELINE, AND OLYMPIC VIEW WATER AND SEWER DISTRICT, RELATING TO ANNEXATION BY THE TOWN OF POINT WELLS PURSUANT TO RCW 35A.14.296.

WHEREAS, the Town of Woodway (the “Town”) and Snohomish County (the “County”) recognize that the Growth Management Act (GMA), chapter 36.70A RCW, encourages cities with urban services to annex unincorporated urban areas within a county; and

WHEREAS, the Town and the County have entered into a master interlocal agreement titled Interlocal Agreement Between the Town of Woodway and Snohomish County Concerning Annexation and Urban Development Within the Woodway Municipal Urban Growth Area, effective September 26, 2016 (“Master Annexation ILA”), and the Addendum to the Interlocal Agreement Between the Town of Woodway and Snohomish County Concerning Annexation and Urban Development Within the Woodway Municipal Urban Growth Area, effective September 7, 2018 (“Addendum”), that together address certain actions related to annexation; and

WHEREAS, in October 2019, after years of litigation between the Town and the City of Shoreline (“Shoreline”), the Town and Shoreline entered into the Shoreline-Woodway Settlement and Interlocal Agreement (together with subsequent amendments, “SILA”), which contain various agreements through which the Town and Shoreline will work together to develop compatible land use policies, zoning regulations, mitigation measures arising from development of Point Wells, and to develop future agreements as necessary; and

WHEREAS, RCW 35A.14.296 authorizes the annexation of unincorporated territory through adoption of an interlocal agreement between a county and a code city; and

WHEREAS, the Town initiated the annexation process for the area known as “Point Wells” by commencing negotiations for an interlocal agreement with the County; and

WHEREAS, Shoreline provided written notice of its interest in being a party to the interlocal agreement under RCW 35A.14.296(2); and

WHEREAS, the Olympic View Water and Sewer District (the “District”) provided written notice of its interest in being a party to the interlocal agreement under RCW 35A.14.296(2); and

WHEREAS, the Town, the County, Shoreline, and the District have negotiated the terms of an interlocal agreement titled Interlocal Agreement Between the Town of Woodway, Snohomish County, the City of Shoreline, and the Olympic View Water and Sewer District Concerning an Annexation and the Orderly Transition of Services Pursuant to RCW 35A.14.296 (the “Agreement”), a copy of which is attached to this resolution as Exhibit A, to implement an annexation identified in the Agreement, and to coordinate planning and the transition of services within the proposed annexation area; and

WHEREAS, the Agreement recognizes the continued applicability and effect of the Master Annexation ILA and Addendum thereto, as amended by the Agreement; and

WHEREAS, the Agreement recognizes the continued applicability, force and effect of the SILA, and amendments thereto, as amended by the Agreement; and

WHEREAS, the Agreement describes the boundaries and effective date of the Annexation, as required by RCW 35A.14.296; and

WHEREAS, the Agreement is authorized by and is consistent with the requirements of the Interlocal Cooperation Act, chapter 39.34 RCW; and

WHEREAS, the Agreement is consistent with the GMA comprehensive plans of both the Town and County; and

WHEREAS, the Town’s Council held a public hearing on October 2, 2023, to consider approving the Agreement, and after hearing and considering public comment, information provided by the Town Mayor and Town Administrator, and after discussion among its members, the Town Council has determined the proposed annexation and the Agreement are in the public interest and benefit the Town and its residents; and

WHEREAS, Shoreline’s City Council held a public hearing on September 25, 2023, and thereafter authorized Shoreline’s City Manager to sign the Agreement on behalf of the city; and

WHEREAS, the District’s Board is holding a public hearing on October 2, 2023, to consider approving the Agreement and authorizing the District’s Board President to sign the Agreement on behalf of the District; and

WHEREAS, the Snohomish County Council will hold a public hearing on October 4, 2023, to consider approving the Agreement and authorizing the Snohomish County Executive to sign the Agreement on behalf of the County.

NOW, THEREFORE, the Town Council of the Town of Woodway does hereby resolve as follows:

Section 1. The Town Council hereby adopts the foregoing recitals as findings of fact and conclusions as if set forth in full herein.

Section 2. The Town Council has duly considered comments provided at the public hearing on the Agreement and hereby approves and authorizes the Town's Mayor to sign the Agreement as set forth in Exhibit A.

PASSED this 2nd day of October 2023 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY

Michael S. Quinn, Mayor

ATTEST:

Heidi K. S. Napolitano, Clerk-Treasurer

APPROVED AS TO FORM:

Greg Rubstello, Town Attorney

**TOWN OF WOODWAY
RESOLUTION 2023-453 | EXHIBIT A**

**INTERLOCAL AGREEMENT BETWEEN
THE TOWN OF WOODWAY, SNOHOMISH COUNTY, THE CITY OF SHORELINE,
AND OLYMPIC VIEW WATER AND SEWER DISTRICT CONCERNING
AN ANNEXATION AND THE ORDERLY TRANSITION OF SERVICES PURSUANT TO RCW 35A.14.296**

1. PARTIES

This Interlocal Agreement (“Agreement” or “ILA”) is made by and between the Town of Woodway (“Town”), a Washington municipal corporation, Snohomish County (“County”), a political subdivision of the State of Washington, the City of Shoreline (“Shoreline”), a Washington municipal corporation, and Olympic View Water and Sewer District (“Olympic View”), a Washington special purpose district, pursuant to Chapter 35A.14 RCW (Annexation by Code Cities), Chapter 36.70A RCW (Growth Management Act), Chapter 36.115 RCW (Governmental Services Act), Chapter 43.21C RCW (State Environmental Policy Act), Chapter 36.70B RCW (Local Project Review and Development Agreements), Chapter 58.17 RCW (Subdivisions), Chapter 82.02 RCW (Excise Taxes), and Chapter 39.34 RCW (Interlocal Cooperation Act).

The Town, the County, Shoreline, and Olympic View are each a “Party” and collectively the “Parties” To this Agreement. The Parties agree as follows.

2. PURPOSE

This Agreement sets forth the terms and conditions of the Parties to cooperate and approve the Town’s annexation (“Annexation”) of the Town’s Municipal Urban Growth Area, designated under RCW 36.70A.110, which area is referred to herein as the “Annexation Area,” pursuant to RCW 35A.14.296. The Annexation Area is depicted in Exhibit A and legally described in Exhibit B to this Agreement. Both Exhibits are incorporated herein by this reference.

3. AGREEMENTS REGARDING ANNEXATION

3.1 Town’s intent to Annex; Effective date of Annexation.

3.1.1 Following the effective date of this Agreement, the Town intends to annex the Annexation Area by adoption of an ordinance pursuant to RCW 35A.14.296.

3.1.2 The Town’s annexation shall become effective the later of five (5) days after passage and publication of the Town’s adoption of an annexation ordinance pursuant to RCW 35A.14.296, fifteen days (15) after the action is deemed approved under RCW 36.93.100, or January 1, 2024.

3.2 Master Annexation ILA and Addendum.

The County and the Town acknowledge and agree that the *Interlocal Agreement Between the Town of Woodway and Snohomish County Concerning Annexation and Urban Development Within the Woodway Municipal Urban Growth Area*, effective September 26, 2016 (“Master Annexation ILA”), and the *Addendum to the Interlocal Agreement Between the Town of Woodway and Snohomish County Concerning Annexation and Urban Development Within the Woodway Municipal Urban Growth Area*, effective September 7, 2018 (“Addendum”), shall continue to have full force and effect, except where specifically amended in this Agreement.

3.3 Town-Shoreline Settlement and Interlocal Agreement.

In October 2019, the Town and Shoreline entered a *Settlement and Interlocal Agreement* (“Town-Shoreline ILA”). The Town-Shoreline ILA sets forth the terms of agreement between the Town and Shoreline for the purpose of addressing annexation, services, infrastructure, mitigation, impacts, and related issues with respect to land use, development, or redevelopment within the Annexation Area. The Town and Shoreline acknowledge and agree that this Agreement shall not negate the Town-Shoreline ILA, and obligations therein shall continue to have full force and effect, except where specifically amended in this Agreement.

3.4 Olympic View Service Area

The Parties acknowledge that Olympic View is the provider of water and sewer service to the Annexation Area. The Parties agree that the Annexation will have no effect on Olympic View’s existing rights to provide such services to the Annexation Area, as provided by State law and interlocal agreements between Olympic View and the Town.

3.5 Interjurisdictional Coordination.

The Parties recognize that planning and land use decisions can have extra jurisdictional impacts and that intergovernmental cooperation is an effective way to deal with impacts that transcend local jurisdictional boundaries. Independently, under the authority of the Washington State Constitution and State laws, the County, the Town, and Shoreline have taken numerous actions to identify mitigation of environmental, transportation, and other impacts arising from land use proposals within their boundaries. But they also must consider the impact of their decisions on adjacent jurisdictions. To address such extra-jurisdictional impacts, the County has identified interlocal agreements as a way to provide for reciprocal mitigation of impacts occurring outside of its boundaries.

Accordingly, when processing project permit applications (as defined in RCW 36.70B.020) within the Annexation Area prior to the effective date of the Annexation, the County shall recognize this Agreement and the following adopted mitigation policies of the Town and Shoreline, as now existing or hereafter amended, as the basis for the County’s review and imposition of mitigation requests by the Town and by Shoreline for the extra-jurisdictional impacts of such projects pursuant to state and local law:

Woodway Municipal Code (WMC): Chapter 16.04 Environmental Policy and Chapter 16.16 Transportation Concurrency; Town of Woodway Comprehensive Plan; Town of Woodway Design and Engineering Standards; and other Town ordinances, regulations, or policies that impose mitigation measures for the impact of land use projects.

Shoreline Municipal Code (SMC): SMC 20.30 Subchapter 8 Environmental Procedures, SMC 20.60.140 Adequate Streets/Concurrency; SMC 20.70 Engineering and Utilities Development Standards; City of Shoreline Comprehensive Plan; City of Shoreline Engineering Design Manual; and other Shoreline ordinances, regulations, or policies that imposes mitigation measures for the impact of land use projects.

This provision does not limit the ability of either the Town or Shoreline to request additional mitigation pursuant to Chapter 43.21C RCW, Chapter 197-11 WAC, or its own SEPA regulations where a party has determined and identified specific environmental impacts of a land use proposal that are not addressed by the mitigation policies listed above.

3.6 Public Hearings on Annexation.

In compliance with RCW 35A.14.296(3) and (4), properly noticed public hearings on this Agreement were held on the following dates:

Snohomish County: October 4, 2023

Town of Woodway: October 2, 2023

City of Shoreline: September 25, 2023

Olympic View Water and Sewer District: October 2, 2023

The public was afforded the opportunity to be heard at all public hearings, and the Parties considered all public comments relating to the Town's annexation prior to approval of this Agreement by their legislative bodies.

3.7 Consistency of Annexation with the agreements and RCW.

3.7.1 Snohomish County. The County finds that the Annexation is consistent with this Agreement, the Master Annexation ILA, the Addendum, and the goals and objectives established in RCW 36.93.170 and 36.93.180. The County further finds that the health, safety, and general welfare of Snohomish County residents are not adversely affected by the Annexation pursuant to this Agreement.

3.7.2 Town. The Town finds that the Annexation is consistent with this Agreement, the Master Annexation ILA, the Addendum, the Town-Shoreline ILA, the goals and objectives established in RCW 36.93.170 and 36.93.180. The Town further finds that the health, safety, and general welfare of Town residents are not adversely affected by the Annexation pursuant to this Agreement.

3.7.3 Shoreline. Shoreline finds that the Annexation is consistent with this Agreement, the Town-Shoreline ILA, and the goals and objectives established in RCW 36.93.170 and 36.93.180. Shoreline further finds that the health, safety, and general welfare of Shoreline's residents are not adversely affected by the Annexation pursuant to this Agreement.

3.7.4 Olympic View. Olympic View finds that the Annexation is consistent with this Agreement, the goals and objectives established in RCW 36.93.170 and 36.93.180, and the Olympic View Comprehensive Sewer and Water Plans. Olympic View further finds that the health, safety, and general welfare of its ratepayers are not adversely affected by the Annexation pursuant to this Agreement.

3.7.5 This Agreement shall be included in the Town's Notice of Intent to annex the Annexation Area to be filed with the Snohomish County Boundary Review Board. The Parties agree that this Agreement evidences the support of each Party for the Annexation and that no Party to this Agreement will oppose or make objection to the Town's Notice of Intent to annex the Annexation Area or the Annexation. The Parties also agree that they will, upon the Town's request, provide to the Boundary Review Board oral or written testimony in support of the Annexation, in the event of review proceedings by the Boundary Review Board.

4. AMENDMENT TO THE MASTER ANNEXATION ILA

4.1 Amendment to Section 4.1 of the Master Annexation ILA.

The Town and the County agree to delete Section 4.1 of the Master Annexation ILA in its entirety and replace it with the following:

4.1 Urban density requirements. The Town, pursuant to RCW 35A.14.330, adopted Urban Village zoning regulations ("Zoning Regulations") as reflected in Woodway Municipal Code Chapter 14.40, which will become effective and apply to the Annexation Area upon the date of Annexation. The Zoning Regulations are consistent with the Washington State Growth Management Act, the Puget Sound Regional Council Growth Strategy *Vision 2050*, the Snohomish County Countywide Planning Policies, Snohomish County Code Chapter 30.23.020, and were subject to review under the State Environmental Policy Act, chapter 43.21C RCW.

4.2 Amendment to Section 4.2 of the Master Annexation ILA.

The Town and the County agree to delete Section 4.2 of the Master Annexation ILA in its entirety and replace it with the following:

4.2 Compliance with RCW 35A.14.296. For a period of five (5) years after the Annexation, the Town shall maintain a zoning designation that provides for residential development on any parcel zoned for residential development within the Annexation Area, and the Town shall not reduce the minimum gross residential density of such parcel(s) below the density allowed for by the zoning designation for that parcel prior to the Annexation.

4.3 New Section 4.6 Added to the Master Annexation ILA.

The Town and the County agree to add a new section 4.6 to the Master Annexation ILA as follows:

4.6 Flood hazard regulations. After annexation, the Town's Comprehensive Plan and development regulations that apply within the floodplain, as defined in Chapter 30.65 Snohomish County Code (SCC), will provide equal or greater restrictions on development as those provided by the County flood hazard regulations in Chapter 30.65 SCC, as required by Snohomish County General Policy Plan, LU Policy 1.A.12 (GPP LU 1.A.12). The Town is currently reviewing policy and regulatory changes that, upon adoption, shall provide a level of flood hazard protection within the Town comparable to that provided by the County in Chapter 30.65 SCC.

4.4 Amendment to Section 9.2 of the Master Annexation ILA.

The Town and the County agree to delete Section 9.2 of the Master Annexation ILA in its entirety and replace it with the following:

9.2 Taxes, fees, rates, charges, and other monetary adjustments. The Town recognizes that service charges are collected by the County for unincorporated areas within the County's Surface Water Management Utility District. Surface water management service charges are collected at the beginning of each calendar year through real property tax statements. Upon the effective date of the Annexation, the County may continue to collect and, pursuant to Title 25 SCC and to the extent permitted by law, to apply the service charges collected during the calendar year in which the Annexation occurs to the provision of surface water services designated in that year's budget. These services, which do not include servicing of drainage systems in road right-of-way, will be provided through the calendar year in which the Annexation becomes effective and will be of the same general level and quality as those provided to other property owners subject to service charges in the County. If the Town intends for the County to continue providing surface water services beyond the calendar year after the Annexation, a separate interlocal agreement must be negotiated.

5. **AMENDMENT TO THE TOWN-SHORELINE ILA**

The Town-Shoreline ILA includes several provisions related to mitigation of impacts arising from planning, development, or redevelopment within the Annexation Area (referred to as "Point Wells" in the Town-Shoreline ILA). The Town and Shoreline desire to amend the Town-Shoreline ILA to further clarify and establish agreed upon processes by which mitigation for impacts are requested and considered.

5.1 Amendment to Section I(B) of the Town-Shoreline ILA.

The Town and Shoreline agree to delete Section I(B) of the Town-Shoreline ILA in its entirety and replace it with the following:

B. Comprehensive Plan and Development Regulations Amendments.

1. Prior to the effective date of an annexation of Point Wells, each City will consider necessary amendments to its comprehensive plan and development regulations applicable to Point Wells in the manner set forth in Section I(A).
2. After the effective date of an annexation of Point Wells, when processing an amendment to its comprehensive plan or development regulations applicable to Point Wells, including a change in zoning to allow industrial uses at Point Wells, the annexing City shall:
 - a. Provide the non-annexing City at least thirty (30) calendar days written notice (unless otherwise agreed to or waived in writing) of all Planning Commission and/or Council meetings and hearings for any amendments that may impact the non-annexing City's transportation infrastructure and public facilities, such as parks and recreation facilities.
 - b. Provide the non-annexing City an opportunity to review, comment and identify the impacts of any such amendment, within the thirty (30) day notice period.
 - c. Consider the impacts identified by the non-annexing City under this Section.

5.2 Amendment to Section I(C) of the Town-Shoreline ILA.

The Town and Shoreline agree to delete Section I(C) of the Town-Shoreline ILA in its entirety and replace it with the following:

C. Project Permit Applications; Industrial Uses

1. Project Permit Applications. After the effective date of an annexation of Point Wells, when processing project permit applications (as defined in RCW 36.70B.020) within Point Wells that may impact the non-annexing City's transportation infrastructure and public facilities, such as parks and recreation facilities, the annexing City shall:
 - a. Provide the non-annexing City at least thirty (30) calendar days written notice (unless otherwise agreed to or waived in writing by the non-annexing City, or such lesser period as may be required by law) prior to approval of such applications.
 - b. Invite the non-annexing City to attend meetings between City staff and the applicant relating to such applications, including preapplication meetings.
 - c. Provide the non-annexing City an opportunity to review, comment and identify the impacts of and mitigation for such project, within the thirty (30) day notice period.

- d. Require, as a condition of project approval, the mitigation identified by the non-annexing City under this Section, provided such mitigation is reasonable, capable of being accomplished, consistent with applicable law allowing the annexing City to impose the requested mitigation, and, in any legal dispute or claim related to such mitigation, the non-annexing City shall protect, hold harmless, indemnify and defend the non-requesting City to the fullest extent permitted by law against the legal dispute or claim at its sole cost and expense, including attorney fees.
2. Industrial Uses. After the effective date of an annexation of Point Wells, the annexing City will consider any project permit application to modify or expand a permitted industrial use at Point Wells in the manner set forth in Section I(C)(1). When processing a request for a determination as to whether industrial uses or other asserted pre-existing uses at Point Wells are legal, non-conforming uses, or when processing a project permit application that requires such a determination, the annexing City shall:
 - a. Provide the non-annexing City at least thirty (30) calendar days written notice (unless otherwise agreed to or waived in writing by the non-annexing City, or such lesser period as may be required by law) prior to issuing the determination or approving the application and shall provide a copy of the decision or, if no written decision, provide notice to the non-annexing City of the decision.
 - b. Invite the non-annexing City to attend meetings between City staff and the requestor relating to the request or application.
 - c. Provide the non-annexing City an opportunity to review, comment, and identify the impacts of the continuation of such use on the non-annexing City's transportation infrastructure, and to request mitigation for such impacts, within the thirty (30) day notice period.
 - d. Provide the non-annexing City with standing to administratively appeal any such decision as an aggrieved party.

5.3 Amendment to Section I(D) of the Town-Shoreline ILA.

The Town and Shoreline agree to delete Section I(D) of the Town-Shoreline ILA in its entirety and replace it with the following:

D. Reciprocal Mitigation Agreements. In addition to the mitigation procedure identified above, the Cities agree to work collaboratively to identify and consider the appropriate mechanisms to address the impacts of development and redevelopment within the Cities. Strategies to be evaluated and considered include, but are not limited to, SEPA, reciprocal mitigation agreements, a Transportation Benefit District pursuant to Chapter 36.73 RCW, a Transportation Impact Fee pursuant to Chapter 82.02 RCW or RCW 39.92.040, a Local Improvement District pursuant to Chapter 35.43 RCW, a Metropolitan Park District pursuant to

Chapter 35.61 RCW, a Park and Recreation District pursuant to Chapter 36.69 RCW, and a Park Impact Fee pursuant to Chapter 82.02 RCW, or any other existing or future statutorily created programs that the two Cities determine would provide a mechanism to address impacts to the other City.

5.4 Amendment to Section I(E) of the Town-Shoreline ILA.

The Town and Shoreline agree to delete Section I(E) of the Town-Shoreline ILA in its entirety and replace it with the following:

E. **Consultation on Expansion or Modification of a Vested Permit Application.** Prior to the effective date of an annexation of Point Wells, a project permit application within Point Wells will be submitted to Snohomish County. Provided said permit is determined to meet the requirements for vesting, such application shall vest to Snohomish County development regulations, as provided by law. For any project permit approved by Snohomish County prior to annexation, if the annexing City receives an application for modification of that permit, the annexing City shall process such modification consistent with Section I(C)(1).

6. **TRANSFER OF COUNTY FACILITIES AND PROPERTIES**

In addition to property that transfers on annexation as a matter of law (*e.g.*, public rights of way), the County shall transfer/convey to the Town ownership, maintenance, and operational responsibility for all County-owned facilities and properties within the Annexation Area upon the effective date of the Annexation.

7. **THIRD PARTY BENEFICIARIES**

There are no third-party beneficiaries to this Agreement, and this Agreement shall not be interpreted to create any third-party beneficiary rights.

8. **DISPUTE RESOLUTION**

Except as herein provided, no civil action with respect to any dispute, claim or controversy (collectively "dispute") arising out of or relating to this Agreement, or the Annexation may be commenced until the dispute has been submitted to a mediator selected by the Parties involved with the dispute. The Parties agree that they will participate in the mediation in good faith, and that they will share equally in its costs. Each Party shall be responsible for the costs of its own legal representation. Each Party may seek equitable relief prior to the mediation process, but only to preserve the status quo pending the completion of the mediation process.

9. **HONORING EXISTING AGREEMENTS, STANDARDS AND STUDIES**

In the event a conflict exists between this Agreement and any agreement between the Parties in existence prior to the effective date of this Agreement, the terms of this Agreement shall govern the conflict.

10. RELATIONSHIP TO EXISTING LAWS AND STATUTES

This Agreement in no way modifies or supersedes existing state laws and statutes. In meeting the commitments encompassed in this Agreement, all Parties will comply with all applicable state or local laws. The County, the Town, and Shoreline retain authority for land use and development decisions within their respective authority. By executing this Agreement, the County, the Town, Shoreline, and Olympic View do not otherwise abrogate authority or police powers vested in them by law.

11. EFFECTIVE DATE, DURATION AND TERMINATION

11.1 Effective Date. This Agreement shall become effective following the approval of the Agreement by the official action of the governing bodies of the Parties and the signing of the Agreement by an authorized representative of each Party.

11.2 Duration. This Agreement shall be in full force and effect through December 31, 2030. If the Parties desire to continue the terms of the Agreement after the Agreement is set to expire, the Parties may either negotiate a new agreement or extend this Agreement through the amendment process.

11.3 Termination. Any Party may terminate this Agreement upon one-hundred eighty (180) days advance written notice to the other party. Notwithstanding termination of this Agreement, the Parties are responsible for fulfilling any outstanding obligations under this Agreement incurred prior to the effective date of the termination, and to fulfill obligations under other agreements relating to this Agreement and the Annexation Area.

12. INDEMNIFICATION AND LIABILITY

12.1 Indemnification. Each Party shall protect, save harmless, indemnify and defend, at its own expense, the other Parties, its elected and appointed officials, officers, employees and agents, from any loss or claim for damages of any nature whatsoever arising out of the indemnifying Party's performance of this Agreement, including claims by the indemnifying Party's employees or third parties, except for those damages caused solely by the negligence or willful misconduct of another Party, its elected and appointed officials, officers, employees, or agents.

12.2 Extent of liability. In the event of liability for damages of any nature whatsoever arising out of the performance of this Agreement by Parties, including claims by a Party's own officers, officials, employees, agents, volunteers, or third parties, caused by or resulting from the concurrent negligence of each Party, their officers, officials, employees and volunteers, each Party's liability hereunder shall be only to the extent of that Party's negligence.

12.3 Hold harmless. No liability shall be attached to the Parties by reason of entering into this Agreement except as expressly provided herein. Each Party shall hold the other Parties harmless and defend the other Parties at its expense any legal challenges to a Party's requested mitigation and/or failure by a Party to comply with Chapter 82.02 RCW.

13. SEVERABILITY

If any provision of this Agreement or its application to any person or circumstance is held invalid, the remainder of the provisions and the application of the provisions to other persons or circumstances shall not be affected.

14. EXERCISE OF RIGHTS OR REMEDIES

Failure of any Party to exercise any rights or remedies under this Agreement shall not be a waiver of any obligation by any other Party and shall not prevent any other Party from pursuing that right at any future time.

15. RECORDS

The Parties shall maintain adequate records to document obligations performed under this Agreement. The Parties shall have the right to review each other's records regarding the subject matter of this Agreement, except for privileged documents, upon reasonable written notice.

The Parties each are a public agency subject to certain disclosure laws, including, but not limited to Washington's Public Records Act, chapter 42.56 RCW. This Agreement and all public records associated with this Agreement shall be retained and be available from the Town and the County for inspection and copying where required by the Public Records Act, Chapter 42.56 RCW.

16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties concerning the Annexation, except as set forth in Agreement Sections 3, 4, and 5.

17. GOVERNING LAW AND STIPULATION OF VENUE

This Agreement shall be governed by the laws of the State of Washington. Any action hereunder must be brought in the Superior Court of Washington for Snohomish County.

18. FILING

A copy of this Agreement shall be filed with the Clerk of each of the Parties or the staff member who is responsible for recording documents. This Agreement shall be recorded with the Snohomish County Auditor's Office and King County Recorder's Office or as otherwise allowed or required under state law.

19. ADMINISTRATORS AND CONTACTS FOR AGREEMENT

The Administrators and contact persons for this Agreement are:

Eric A. Faison
Town Administrator
Town of Woodway
23920 113th Place West
Woodway, WA 98020
(206) 542-4443

Eileen Canola
Snohomish County
Department of Planning and Development Services
3000 Rockefeller Ave.
Everett, WA 98201
(425) 262-2253

Bristol Ellington
City Manager
City of Shoreline
17500 Midvale Ave N
Shoreline, WA 98133
(206) 801-2213

Bob Danson
General Manager
Olympic View Water & Sewer District
8128 228th St. SW
Edmonds, WA 98020
(425) 774-7769

20. Counterpart Originals.

This Agreement may be executed in any number of counterpart originals, each of which shall be deemed to constitute an original agreement, and all of which shall constitute one agreement. The execution of one counterpart by a Party shall have the same force and effect as if that Party had signed all other counterparts.

21. Authority to Execute.

Each person executing this Agreement on behalf of a Party represents and warrants that they are fully authorized to execute and deliver this Agreement on behalf of the Party for which they are signing. The Parties hereby warrant to each other that each has full power and authority to enter into this Contract and to undertake the actions contemplated herein and that this Contract is enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have signed this Agreement, effective on the later date indicated below.

TOWN OF WOODWAY

SNOHOMISH COUNTY

By:

By:

Michael S. Quinn
Mayor

Dave Somers
County Executive

Date:_____

Date:_____

INTERLOCAL AGREEMENT BETWEEN THE TOWN OF WOODWAY, SNOHOMISH COUNTY, CITY OF SHORELINE, AND OLYMPIC VIEW WATER AND SEWER DISTRICT CONCERNING AN ANNEXATION AND THE ORDERLY TRANSITION OF SERVICES
PURSUANT TO RCW 35A.14.296

ATTEST:

Town Clerk-Treasurer

Approved as to form only:

Attorney for the Town of Woodway

CITY OF SHORELINE
By:

Bristol Ellington
City Manager

Date: _____

ATTEST:

City Clerk

Approved as to form only:

Attorney for City of Shoreline
District

ATTEST:

Clerk of the County Council

Approved as to form only:

Deputy Prosecuting Attorney for
Snohomish County

OLYMPIC VIEW WATER AND SEWER DISTRICT
By:

Lora Petso
Board President

Date: _____

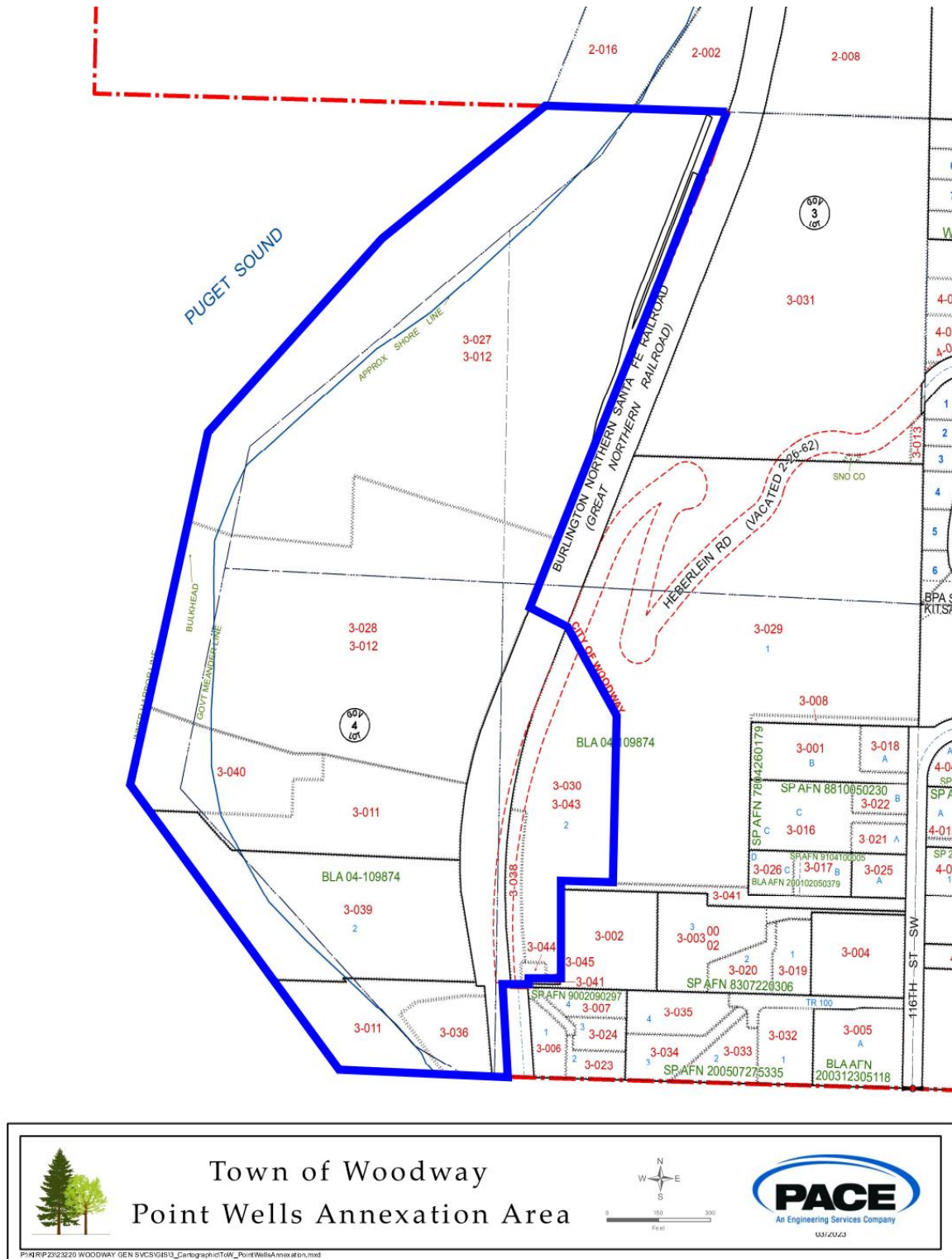
ATTEST:

Board Secretary

Approved as to form only:

Attorney for Olympic View Water & Sewer

EXHIBIT A – Town of Woodway Annexation Area Map



INTERLOCAL AGREEMENT BETWEEN THE TOWN OF WOODWAY, SNOHOMISH COUNTY, CITY OF SHORELINE, AND OLYMPIC VIEW WATER AND SEWER DISTRICT CONCERNING AN ANNEXATION AND THE ORDERLY TRANSITION OF SERVICES PURSUANT TO RCW 35A.14.296

EXHIBIT B – Town of Woodway Annexation Area Legal Description

POINT WELLS ANNEXATION AREA

PARCEL DESCRIPTION

ALL THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 27 NORTH, RANGE 3 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, INCLUDING THE TIDELANDS ABUTTING, MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 35, SAID POINT ALSO BEING THE SOUTH QUARTER CORNER OF SECTION 35; THENCE WESTERLY, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, TO THE EASTERLY RIGHT-OF-WAY OF THE BURLINGTON NORTHERN RAILWAY COMPANY, FORMERLY KNOWN AS THE GREAT NORTHERN RAILWAY COMPANY, SAID POINT ALSO BEING ON THE WESTERLY BOUNDARY LINE OF THAT TOWN OF WOODWAY ANNEXATION, DATED APRIL 21, 1997, UNDER ORDINANCE NO. 97-325, SAID POINT ALSO BEING **THE POINT OF BEGINNING**; THENCE NORTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE AND EXISTING TOWN BOUNDARY LINE, A DISTANCE OF 249.39 FEET, MORE OR LESS, TO THE NORTH LINE OF THE E.L. REBER TRACT AS DESCRIBED UNDER SNOHOMISH COUNTY COURT CAUSE NO. 40540, DATED OCTOBER 18, 1943; SAID POINT ALSO BEING 247.50 FEET NORTH OF, WHEN MEASURED AT RIGHT ANGLES TO, THE SOUTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 35; THENCE EASTERLY, PARALLEL WITH AND 247.50 FEET NORTH OF, WHEN MEASURED AT RIGHT ANGLES TO SAID SOUTH LINE AND COINCIDENT WITH THE SOUTHERLY BOUNDARY OF THE VACATED PORTION OF HEBERLEIN ROAD, AS SHOWN IN A VACATION OF COUNTY ROAD RIGHT-OF-WAY, DATED FEBRUARY 26, 1962, TO THE NORTHWEST CORNER OF THAT BRIGGS SHORT PLAT AS FILED FOR RECORD IN SNOHOMISH COUNTY, WASHINGTON, IN BOOK NO. 42 AT PAGE 20, UNDER AUDITOR'S FILE NO. 9402015006; SAID POINT ALSO BEING ON THE EAST MARGIN OF RICHMOND BEACH DRIVE NW AND THE EXISTING TOWN BOUNDARY LINE; THENCE NORTHERLY, ALONG THE NORTHERLY EXTENSION OF THE AFORESAID EAST MARGIN OF RICHMOND BEACH DRIVE NW COUNTY ROAD AND TOWN BOUNDARY LINE, 20 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF THE SOUTH 267.50 FEET, WHEN MEASURED AT RIGHT ANGLES TO, THE SOUTH LINE OF THE AFOREMENTIONED SOUTHWEST QUARTER OF SECTION 35; THENCE CONTINUING ALONG THE TOWN BOUNDARY LINE, EASTERLY, PARALLEL WITH AND 267.50 FEET NORTH OF, WHEN MEASURED AT RIGHT ANGLES TO SAID SOUTH LINE, 100.67 FEET; THENCE CONTINUING ALONG THE TOWN BOUNDARY LINE, NORTHERLY, 269.23 FEET; THENCE EASTERLY, 157 FEET TO THE WESTERLY LINE OF THAT TOWN OF WOODWAY – POINT WELLS UPPER BLUFF ANNEXATION, DATED JULY 5, 2016, UNDER ORDINANCE NO. 16-572, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL 1 OF SNOHOMISH COUNTY BOUNDARY LINE ADJUSTMENT NO. 04-109874, RECORDED UNDER AUDITOR'S FILE NO. 200405180215; THENCE NORTH 01°11'56" EAST, ALONG THE WEST LINE OF SAID PARCEL 1 AND TOWN BOUNDARY LINE, 455.24 FEET; THENCE NORTH 31°23'34" WEST, ALONG SAID WEST LINE OF PARCEL 1 AND TOWN BOUNDARY LINE, 291.15 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF THE SEATTLE AND MONTANA RAILWAY COMPANY, NOW KNOWN AS THE BURLINGTON

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THE DESCRIPTION HEREIN IS INTENDED TO INCLUDE ALL PARCELS, ROADS AND GOVERNMENT LOTS WITHIN THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 27 NORTH, RANGE 3 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON INCLUDING THOSE TIDELANDS ABUTTING. THE SIDELINES SHALL BE EXTENDED AND/OR SHORTENED TO BE COINCIDENT WITH THE EXISTING TOWN BOUNDARY LINE.

SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.



TOWN OF WOODWAY

RESOLUTION 2023-454

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WOODWAY, WASHINGTON, FORMALLY EXPRESSING ITS INTENT, PURSUANT TO RCW 35A.14.296, TO ANNEX TERRITORY LOCATED ADJACENT TO THE CURRENT TOWN LIMITS AND WITHIN ITS MUNICIPAL URBAN GROWTH BOUNDARY, AND DIRECTING THAT A NOTICE OF INTENT BE FILED WITH THE WASHINGTON STATE BOUNDARY REVIEW BOARD FOR SNOHOMISH COUNTY.

WHEREAS, the Town of Woodway (“Town”) and Snohomish County (“County”) are required to plan under RCW 36.70A, the State’s Growth Management Act, for growth within unincorporated areas of the County designated for urban growth and future annexation; and

WHEREAS, both the Comprehensive Plans of the Town and the County reflect this planning through the designation of an urban unincorporated area as the Town’s municipal urban growth area (“MUGA”); and

WHEREAS, the Town’s MUGA is adjacent to and within the same County-designated urban growth area as the Town; and

WHEREAS, the Town has planned for future urban growth within the Town’s MUGA and annexation of the MUGA to the Town through the preparation of the Woodway Municipal Urban Growth Area Subarea Plan (“Subarea Plan”); and

WHEREAS, the Subarea Plan is incorporated into the Town’s Comprehensive Plan, which has been reviewed and approved by the Washington State Department of Commerce as compliant with the State Growth Management Act and the Puget Sound Regional Council as consistent with the region’s growth and transportation strategy; and

WHEREAS, the Town’s Subarea Plan and related policies provide for a mixed-use Urban Village district to implement the goals and policies of the Subarea Plan; and

WHEREAS, the Town has previously adopted pre-annexation zoning for its MUGA in Woodway Municipal Code Chapter 14.40, which will be applicable upon annexation; and

WHEREAS, the Town, the County, the City of Shoreline, and Olympic View Water & Sewer District (collective, the “Parties”) have negotiated the terms of an interlocal agreement, titled Interlocal Agreement Between the Town of Woodway, Snohomish County, the City of Shoreline, and the Olympic View Water and Sewer District Concerning an Annexation and the Orderly Transition of Services Pursuant to RCW 35A.14.296 (the “Agreement”), to implement the annexation of territory described in the Agreement and depicted in Exhibit A hereto and

legally described in Exhibit B hereto (“Annexation Area”), and incorporated by this reference as if set forth in full; and

WHEREAS, the Town’s Municipal Code Chapter 14.40.040(2) and the Agreement ensure that, for a period of five years after the annexation, any parcel zoned for residential development within the annexed area shall maintain a zoning designation that provides for residential development and not have its minimum gross residential density reduced below the density allowed for by the zoning designation for that parcel prior to annexation; and

WHEREAS, the Parties have each separately set dates for public hearings on the Agreement in accordance with the requirements of RCW 35A.14.296; and

WHEREAS, the Town provided notice of a public hearing on the Agreement on September 1, 8, 15, and 22, 2023 and posted notice of the hearing on the Town’s website, all as required by RCW 35A.14.296(3); and

WHEREAS, on October 2, 2023, the Town Council held a public hearing on the Agreement, duly considered public comment, and authorized the Mayor to execute the Agreement; and

WHEREAS, the Town Council desires to submit to the Washington State Boundary Review Board for Snohomish County (the “Board”) a notice of intent to annex the Annexation Area upon execution of the Agreement by the Parties.

NOW, THEREFORE, the Town Council of the Town of Woodway does hereby resolve as follows:

Section 1. The Town Council hereby adopts the foregoing recitals as findings of fact and conclusions as if set forth in full herein.

Section 2. The Town Council finds that annexation by the Town of the Annexation Area best serves the health, welfare, and safety of the residents of the Town, and it will encourage the most appropriate use of land within the Annexation Area, secure safety from fire, promote coordinated development, encourage the integration of any new development within the Annexation Area with the neighboring community, help facilitate conservation and restoration of natural beauty and other natural resources, and facilitate the adequate and coordinated provision of transportation, water, sewerage and other public uses.

Section 3. The Town Council finds that the Town’s utilities, police, fire and other services are sufficient to service the Annexation Area.

Section 4. The Town Council finds that the proposed annexation is consistent with the State Growth Management Act.

Section 5. The Town Council hereby declares its intent to annex the Annexation Area pursuant to the Agreement adopted under RCW 35A.14.296.

Section 6. Under the authority of RCW 35A.14.330, upon annexation, the Town's previously adopted pre-annexation zoning, contained in Chapter 14.40 of the Woodway Municipal Code, will be applicable to the Annexation Area. Furthermore, the Annexation Area shall be subject to any existing indebtedness of the Town upon annexation.

Section 7. The Town Council hereby directs the Mayor to file a Notice of Intent to Annex the Annexation Area upon execution of the Agreement, along with any other necessary documents, with the Board and any other necessary party in accordance with the laws of the State of Washington and the rules of the Board. Following the expiration of time for the exercise of the Board's jurisdiction or Board action approving the annexation, the Mayor is directed to bring this matter back to the Town Council for further action consistent with RCW 35A.14.296.

Section 8. The Town Clerk-Treasurer is authorized to make any necessary corrections to this resolution and its exhibits, including but not limited to, the correction of scrivener's/clerical errors, references, resolution numbering, section/subsection numbers and any reference thereto.

Section 9. If any portion of this resolution is found or rendered invalid or ineffective, all remaining provisions shall remain in full force and effect. Any act consistent with this Resolution and prior to the effective date of this Resolution is hereby ratified and affirmed.

PASSED this 2nd day of October 2023 by the Town Council of the Town of Woodway.

TOWN OF WOODWAY

Michael S. Quinn, Mayor

ATTEST:

Heidi K. S. Napolitano, Clerk-Treasurer


APPROVED AS TO FORM:

Greg Rubstello, Town Attorney

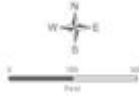
TOWN OF WOODWAY

RESOLUTION 2023-454 | EXHIBIT A






Town of Woodway
Point Wells Annexation Area



0 100 200 Feet



PACE
An Engineering Services Company
MANAGER

TOWN OF WOODWAY

RESOLUTION 2023-454 | EXHIBIT B

POINT WELLS ANNEXATION AREA

PARCEL DESCRIPTION

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SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON.





TOWN OF WOODWAY CLAIMS APPROVAL

“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 and that the claim is a just, due, and unpaid obligation against the Town of Woodway, Snohomish County, Washington, and that I am authorized to authenticate and certify to said claims.”

Clerk Treasurer

The following transactions are approved for 2023 payment:

Claims checks #14309 through 14323 and EFTs #1329 through 1334 and 1337\$20,417.45

This 2nd day of October 2023.

Mayor

Councilmember

Councilmember

Councilmember

*The three largest charges on the credit card bill are:

1. 2nd half Town Fair children's activities (Petting zoo): \$303.94
2. Certification renewal – H. Napolitano: \$125.00
3. Fuel: \$504.56 (PD - \$121.22, PW - \$383.34)

*Note: one large item is being paid

- \$11,163.75 for September 2023 planning services, including \$5,265 for the comp plan update and \$5,898.75 for general services (meeting prep/attendance, updates to various plans and regulations)



TOWN OF WOODWAY
PAYROLL APPROVAL

“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 and that the claim is a just, due, and unpaid obligation against the Town of Woodway, Snohomish County, Washington, and that I am authorized to authenticate and certify to said claims.”

Clerk-Treasurer

The following September 2023 Payroll transactions, for 7.75 FTE, are approved for 2023 payment:

EFT transactions #1296 through 1316 and 1321 through 1325.....\$70,098.78

This 39th day of September 2023

Mayor

Councilmember

Councilmember

Councilmember

* There were 10.5 comp time hours accrued in September 2023

MEMORANDUM

To: Woodway Council
From: Mike Quinn, Mayor
Subject: 2024 Preliminary Budget
Date: September 29, 2023
Cc: Eric Faison, Town Administrator
Heidi K. S. Napolitano, Clerk-Treasurer

Overview

At Monday's meeting, I will be presenting the 2024 preliminary budget. My proposed budget reflects our annual process of evaluating costs by line item, including adjusting projections based on recent & historical trends, regulatory & contractual obligations, revised priorities and expectations, and new one-time revenues and/or expenses. While this process sounds complex, the Town has few significant revenue sources, our police and fire contracts account for a substantial portion of our expenditures, and the Town is very leanly staffed. As a result, there generally are not substantial variations in our annual budget.

I am projecting an approximately \$82,000 reduction in our Operating Budget revenue compared to 2023, and a \$22,000 decrease in expenses. The reduction in revenue results primarily from the expiration of state assistance. There are a number of areas where expenses increase or decrease, largely offsetting each other. One item of note is a reduction in state audit expenses (the audit occurs every other year).

We project the Town's operating funds will drop below \$1 million sometime in 2027, and there will be a negative fund balance two years later, which is consistent with previous projections.

Items of Note

Operating Revenues:

Property taxes remain the primary revenue source for the Town. We are projecting an increase of 1% in 2024, consistent with State law. Our sales tax revenue has remained relatively steady despite continually high inflation and rising interest rates. We have invested a substantial amount of our unallocated funds, which has produced increased interest earnings.

Recent state legislation allows the Town, on a temporary basis through 2023, to spend real estate excise tax (REET) revenue on the operation of certain capital assets (e.g., street and park maintenance/operations). We will transfer approximately \$210k of REET to maintenance/operations in 2023 as planned and discussed during the 2022 budget preparation. No transfer is authorized for 2024 or future years.

Operating Expenses:

The Town's operating budget can be categorized in three areas: Mandatory, Essential and Discretionary expenses. The expenses in each of these categories remain largely consistent over the years, with most of the Town's operating expenses fall within what we would describe as mandatory (29%) or essential (63%) services.

Mandatory: By law, we are required to have a Mayor, a Council, a clerk, a treasurer, a building official, an attorney, and a police chief. We also are required to perform the functions of a building inspector, a planner, permit technician, and certain responsibilities generally performed by public works. There also are mandatory costs, such as State Auditor charges, County election charges, etc.

Essential: Traffic enforcement, police patrols, and even police response are not required by law. Nor are fire protection and emergency medical services. Paved roads, surprisingly, are not required. However, most residents would categorize each of these services as essential.

Discretionary: The Town's discretionary expenses are limited – accounting for a little less than 8% of our Operating Budget. And, while discretionary, expenses that would fall within this category include items that many would find important. A non-exhaustive list of these expenses would include parks, our Town Administrator, the Town Fair, and planning and legal expenses associated with Point Wells.

As noted above, I am projecting increased expenses largely due to inflationary increases in our employee compensation, public safety contracts, and insurance rates.

- We annually evaluate our employee wages relative to comparable positions in other cities. As a result of this analysis, I am estimating a 3.3% increase (\$30k) in our core employees' salary and benefit costs.
- We have received a state grant to continue work on updating the Town's Comprehensive Plan. I am estimating \$40k in reimbursable expenses associated with this project.
- Public Safety expenses are our largest expense – accounting for almost half of our operating expenses. Our fire contract increases by 3% annually. This will result in an additional \$18k expense for 2024. Our police contract increases by the greater of 3% or the average of the prior two year's CPI. We estimate a 7.8% increase for 2024, or \$17.7k.
- Municipal insurance rates have increased dramatically over the past year. A significant factor in this increase relates to property and liability insurance costs associated with the provision of police services. I have included a \$23.7k increase to account for this expense.

Capital Revenues and Expenses:

We are maintaining our REET revenue estimate at \$120k. As a reminder, these funds are never expended until after we receive them. The non-binding six-year transportation improvement plan anticipates \$75k in overlays in 2024.

Conclusion

Overall, our budget and financial forecast remains largely similar to prior years. The temporary change in state law and the grants that we received from the federal government have provided substantial support to the Town's operating budget – over \$1 million through 2023. However, these funds have merely masked an ongoing structural deficit.

In 2024, we expect annual operating fund deficits to return, due to expense growth rates that exceed revenue growth rates. As a result, we will need to develop a strategy to engage in a thoughtful discussion with our community on how to provide long-term stability to the funding of services that we all consider important.

Please review the budget package and consider additions that you understand to be a community priority, and we will discuss as a group. Additional staff research time may be needed. I look forward to productive discussions during this budget cycle!

2024 Budget Calendar

Our procedure for reviewing the budget and approving it is guided by state regulations. The following should help us with the various deadlines.

- October 2 Presentation of Preliminary Budget. Council members are invited to add new initiatives to budget. If research is needed for additions, staff assignments will be made.
- Public Hearing (state requirement) on revenue sources including possible increases in property tax for levy setting. Possible vote to approve Property Tax Resolution.
- Public Hearing (state requirement) on Preliminary Budget. Deliberation on individual Council members' proposals to 2024 budget.
- November 6 Public Hearing (state requirement) on Final Budget. Decisions reached on additions/deletions.
- Review of final budget. Possible vote to approve budget.
- Possible vote to approve Property Tax Resolution.
- November 20 If budget has not been approved, continue reviewing budget. Possible vote to approve budget.
- Last opportunity to approve Property Tax Resolution.
- Review proposed 2023 budget amendment (if applicable).
- December 4 Traditionally, the Council's last meeting of the year. Last opportunity to approve 2024 budget.
- Last opportunity to approve proposed 2023 budget amendment (if applicable).

Town of Woodway
2024 Preliminary Budget Forecast

Beginning Fund Bal	2020	2021	2022	2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating Funds Beginning Balances	1,727,103	1,647,164	2,115,740	2,569,184	2,569,184	2,484,302	2,233,695	1,892,649	1,481,420	933,727	329,774	(392,430)	(1,190,090)	(2,094,220)	(3,066,394)

Operating Funds	2020	2021	2022	2023 Budgeted	2023 Projected	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenues	2,124,552	2,615,315	2,600,986	2,254,303	2,374,225	2,171,932	2,103,556	2,095,185	2,079,893	2,094,293	2,108,243	2,127,142	2,152,714	2,178,854	2,205,568
Expenses	(2,204,491)	(2,146,739)	(2,147,542)	(2,444,952)	(2,459,107)	(2,422,539)	(2,444,602)	(2,506,413)	(2,627,586)	(2,698,246)	(2,830,447)	(2,924,802)	(3,056,844)	(3,151,028)	(3,312,675)
	(79,939)	468,576	453,443	(190,649)	(84,882)	(250,607)	(341,046)	(411,229)	(547,693)	(603,953)	(722,204)	(797,660)	(904,130)	(972,174)	(1,107,106)

Town of Woodway | 2024 Preliminary Budget

<i>General Fund</i>	2023 Budget	2023 Projected	2024 Proposed	
Beginning Fund Balance	2,512,165	2,512,165	2,412,860	2023 Budget vs Projected
Revenues	2,234,303	2,354,225	2,151,932	Difference in revenue: 119,922
Expenses	2,434,242	2,453,530	2,422,539	Difference in expenses: (19,288)
Ending Fund Balance	2,312,226	2,412,860	2,142,253	
<i>Replacement Reserve Fund</i>	2023 Budget	2023 Projected	2024 Proposed	
Beginning Fund Balance	57,019	57,019	71,442	2023 Budget vs Projected
Revenues	20,000	20,000	20,000	Difference in revenue: -
Expenses	10,710	5,577	-	Difference in expenses: 5,133
Ending Fund Balance	66,309	71,442	91,442	
<i>Deposit Fund</i>	2023 Budget	2023 Projected	2024 Proposed	
Beginning Fund Balance	-	-	-	2023 Budget vs Projected
Revenues	-	-	-	Difference in revenue: -
Expenses	-	-	-	Difference in expenses: -
Ending Fund Balance	-	-	-	
<i>Affordable Housing Sales Tax Fund</i>	2023 Budget	2023 Projected	2024 Proposed	
Beginning Fund Balance	4,503	4,503	4,503	2023 Budget vs Projected
Revenues	1,700	1,700	1,700	Difference in revenue: -
Expenses	1,700	1,700	1,700	Difference in expenses: -
Ending Fund Balance	4,503	4,503	4,503	
<i>Capital Projects Fund (REET)</i>	2023 Budget	2023 Projected	2024 Proposed	
Beginning Fund Balance	473,603	473,603	321,209	2023 Budget vs Projected
Revenues	120,000	130,000	120,000	Difference in revenue: 10,000
Expenses	266,336	282,394	136,450	Difference in expenses: (16,058)
Ending Fund Balance	327,267	321,209	304,759	
<i>Stormwater Utility Fund</i>	2023 Budget	2023 Projected	2024 Proposed	
Beginning Fund Balance	18,448	18,448	8,521	2023 Budget vs Projected
Revenues	172,000	177,428	82,000	Difference in revenue: 5,428
Expenses	153,878	187,355	165,418	Difference in expenses: (33,477)
Ending Fund Balance	36,570	8,521	(74,897)	

Town of Woodway | 2024 Preliminary Budget Revenues

	2020	2021	2022	2023	09-29 ytd	2023 Projected	2024 Proposed	Notes
General Fund	2,022,875	2,595,315	2,580,986	2,234,303	1,372,615	2,354,225	2,151,932	2020 includes \$60k in CARES funding; 2021 & 2022 include \$194k in ARPA funding each year
Replacement Reserve Fund	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Deposit Fund	81,677	-	-	-	600	-	-	
Affordable Housing Sales Tax Fund	494	2,244	1,765	1,700	1,135	1,700	1,700	
Capital Projects Fund (REET)	258,515	424,035	205,043	120,000	108,952	130,000	120,000	Conservative revenue projection because we only spend money in the bank
Stormwater Utility Fund	95,967	84,447	95,935	172,000	177,428	177,428	82,000	
Agency Fund	6,299	4,720	3,730	-	7,673	7,673	-	
Grand Total	2,485,827	3,130,762	2,907,458	2,548,003	1,688,403	2,691,026	2,375,632	

	2020 Actual	2021 Actual	2022 Actual	2023 Budgeted	09-29 ytd	2023 Projected	2024 Proposed	Notes
General Fund	2,022,875	2,595,315	2,580,986	2,234,303	1,372,615	2,354,225	2,151,932	
General	1,622,504	1,971,223	2,021,950	1,804,008	1,232,992	1,878,042	1,849,219	
Property Tax	1,115,915	1,163,486	1,152,965	1,174,038	649,470	1,174,038	1,205,437	Includes 1% increase for 2024 pursuant to state law (\$21k)
Sales/Excise Taxes	202,254	262,042	258,157	190,000	184,090	244,090	200,000	Includes sales tax on building materials and items delivered to Woodway
Utility Taxes/Fees	187,378	303,829	301,763	296,570	267,971	307,433	297,977	
Licenses/Other Permits/Fees	11,032	11,729	10,581	10,250	9,167	10,350	10,250	
Intergovernmental Revenue	87,139	221,930	221,597	26,923	22,413	26,954	47,505	2024 includes \$20k grant for records management; 2020 includes \$60k in CARES funding; 2021 & 2022 include \$194k in ARPA funding each year
Interest	15,411	3,199	33,232	101,577	85,189	101,908	83,400	2023 reflects rising interest rates on unallocated fund balances
Fines	1,500	500	250	500	-	500	500	
Other Revenue	1,875	4,508	21,561	4,150	13,043	12,768	4,150	2022 includes insurance reimbursements
Facility Rental	-	-	-	-	1,650	-	-	
Interfund Loans & Transfers	-	-	21,844	-	-	-	-	
Building & Planning	204,456	127,252	99,877	122,250	78,909	133,501	129,838	
Development Permits/Fees	149,640	92,298	70,611	45,750	65,972	67,001	54,338	
Development Permits/Fees - Reimbursements	54,816	34,954	29,265	26,000	12,938	16,000	26,000	
Licenses/Other Permits/Fees	-	-	-	-	-	-	-	
Intergovernmental Revenue	-	-	-	50,500	-	50,500	49,500	Comprehensive Plan Update grant revenue
Public Works & Parks	161,797	453,276	419,828	276,487	27,997	304,625	136,866	The transfers listed below will happen at the end of the year
Development Permits/Fees	10,645	6,237	25,774	3,675	8,386	8,386	3,675	
Development Permits/Fees - Reimbursements	-	-	-	-	-	-	-	
Licenses/Other Permits/Fees	-	50	-	50	-	50	50	
Intergovernmental Revenue	26,708	27,428	26,626	27,451	19,610	27,451	26,157	State shared fuel tax revenue
Interest	-	-	-	-	-	-	3,600	
Other Revenue	-	-	1,859	-	-	-	-	
Interfund Loans & Transfers	124,444	419,561	365,569	245,311	-	268,738	103,384	Includes annual transfers from Stormwater Fund for stormwater work performed by Public Works; 2024 includes \$30k interfund loan repayment from Stormwater Fund; 2021-2023 include transfers from REET per RCW 82.46 (\$380k in 2021; \$320k in 2022; ~\$210k in 2023)

Town of Woodway | 2024 Preliminary Budget Revenues

	2020	2021	2022	2023	09-29 ytd	2023 Projected	2024 Proposed	Notes
Public Safety	34,118	43,563	39,331	31,558	32,718	38,058	36,009	
Sales/Excise Taxes	25,944	30,290	32,049	25,469	24,128	30,000	30,000	State shared sales tax revenue
Intergovernmental Revenue	4,255	10,014	4,912	2,889	3,621	2,889	3,009	
Fines	3,769	3,223	2,369	3,200	4,969	5,169	3,000	
Other Revenue	150	36	-	-	-	-	-	
Replacement Reserve Fund	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
General	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Property Tax	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Deposit Fund	81,677	-	-	-	600	-	-	
General	81,677	-	-	-	600	-	-	
Facility Rental	-	-	-	-	600	-	-	
Interfund Loans & Transfers	81,677	-	-	-	-	-	-	Woodway Pointe development deposit (refunded in 2020)
Affordable Housing Sales Tax Fund	494	2,244	1,765	1,700	1,135	1,700	1,700	
General	494	2,244	1,765	1,700	1,135	1,700	1,700	
Sales/Excise Taxes	494	2,244	1,765	1,700	1,135	1,700	1,700	
Capital Projects Fund (REET)	258,515	424,035	205,043	120,000	108,952	130,000	120,000	
General	258,515	424,035	205,043	120,000	108,952	130,000	120,000	
REET	258,515	424,035	205,043	120,000	108,952	130,000	120,000	
Interest	-	-	-	-	-	-	-	
Interfund Loans & Transfers	-	-	-	-	-	-	-	
Stormwater Utility Fund	95,967	84,447	95,935	172,000	177,428	177,428	82,000	
Public Works & Parks	95,967	84,447	95,935	172,000	177,428	177,428	82,000	
Utility Taxes/Fees	83,962	83,587	85,112	82,000	83,695	83,695	82,000	
Fines	60	860	1,038	-	781	781	-	
Other Revenue	11,945	-	9,785	-	2,952	2,952	-	One-time capital facilities charges for new homes
Interfund Loans & Transfers	-	-	-	90,000	90,000	90,000	-	Interfund loan received from the General Fund
Agency Fund	6,299	4,720	3,730	-	7,673	7,673	-	
General	6,071	4,586	3,608	-	7,536	7,536	-	
Sales/Excise Taxes	-	3	33	-	10	10	-	
Fines	6,071	4,584	3,576	-	7,526	7,526	-	
Building & Planning	228	130	122	-	137	137	-	
Development Permits/Fees	228	130	122	-	137	137	-	
Public Safety	-	4	-	-	-	-	-	
Other Revenue	-	4	-	-	-	-	-	
Grand Total	2,485,827	3,130,762	2,907,458	2,548,003	1,688,403	2,691,026	2,375,632	

Town of Woodway | 2024 Preliminary Budget Expenses

	2020	2021	2022	2023	09-29 ytd	2023 Projected	2024 Proposed	Notes
General Fund	2,023,811	2,146,217	2,123,851	2,434,242	1,942,042	2,453,530	2,422,539	
Replacement Reserve Fund	10,943	522	23,691	10,710	3,077	5,577	-	
Deposit Fund	81,677	-	-	-	400	-	-	
Affordable Housing Sales Tax Fund	-	-	-	1,700	-	1,700	1,700	
Capital Projects Fund (REET)	68,501	454,546	602,371	266,336	20,565	282,394	136,450	
Stormwater Utility Fund	64,900	124,090	157,110	153,878	73,769	187,355	165,418	
Agency Fund	6,299	4,720	3,730	-	5,132	5,132	-	
Grand Total	2,256,131	2,730,095	2,910,754	2,866,866	2,044,984	2,935,688	2,726,107	

	2020	2021	2022	2023	09-29 ytd	2023 Projected	2024 Proposed	Notes
General Fund	2,023,811	2,146,217	2,123,851	2,434,242	1,942,042	2,453,530	2,422,539	
General	497,034	432,108	429,029	509,506	293,115	503,274	494,676	
Salaries & Benefits	209,953	211,980	221,263	263,041	174,826	248,933	268,201	Includes 1.5 FTE (Town Administrator & Clerk-Treasurer), all of staff's retention bonus amount, and, in 2023 & 2024, a temporary records retention specialist reimbursed by grant funding
Operating Expenses	43,176	42,102	45,973	60,424	40,478	52,425	60,428	
Utilities	23,655	23,113	23,469	26,492	16,072	26,492	22,029	
Insurance	10,767	18,730	22,790	15,308	15,783	15,783	21,127	25% property & liability insurance costs increase
Governmental Services	9,352	32,332	6,957	35,700	2,346	35,700	8,200	2023 includes State Auditor costs, which is an every-other-year expense
Supplies	6,788	5,178	4,162	5,000	1,483	3,250	5,040	
New Equipment	6,019	5,012	4,043	4,500	807	4,500	4,500	
Equipment Maintenance	1,654	936	1,010	1,800	291	1,800	1,800	
Contract/Prof. Services - Legal	50,952	31,496	38,394	37,500	36,189	54,500	40,000	
Fairs & Events	-	4,587	5,828	6,100	4,840	6,251	6,210	
Debt Service	53,041	56,641	55,141	53,641	-	53,641	57,141	
Interfund Loans & Transfers	81,677	-	-	-	-	-	-	
Contingency	-	-	-	-	-	-	-	
Building & Planning	240,893	235,559	257,809	300,783	247,477	337,353	304,961	
Salaries & Benefits	108,514	130,806	158,927	171,688	128,539	174,026	181,106	Includes 1.5 FTE (Dep. Clerk-Treas./Permit Tech, Building Official, & Building Inspector)
Operating Expenses	305	1,407	540	3,495	1,491	3,645	3,465	
Governmental Services	-	-	11,721	-	16,623	17,000	-	
Supplies	-	-	-	100	-	100	100	
Contract Services - Fire & BLS	1,119	-	4,493	1,500	-	1,500	1,500	
Contract/Prof. Services - Other	74,663	64,687	37,311	53,000	57,473	79,384	53,000	Includes engineering, planning, & hearing examiner costs. 2020 includes updates to tree and clearing & grading codes. 2023 includes increased planning costs for ADUs, wellhead protection, hazard mitigation, and floodplain regulations, and Point Wells.
Contract/Prof. Services - Other - Reimbursible	56,292	38,660	44,817	71,000	43,352	61,697	65,790	2022-2024 include a required Comprehensive Plan update. \$100k will be reimbursed through a state grant

Town of Woodway | 2024 Preliminary Budget Expenses

	2020	2021	2022	2023	09-29 ytd	2023 Projected	2024 Proposed	Notes
Public Works & Parks	395,447	570,893	479,195	607,718	441,759	604,747	549,700	
Salaries & Benefits	287,265	331,553	360,660	367,844	254,865	338,978	375,962	Includes 3 FTE (Public Works Director, 2 Crew) and REET-funded summer help (two in 2021 and 2022, one in 2023). In 2024, there will be one summer crew member, not funded by REET.
Operating Expenses	443	1,072	538	3,225	359	3,229	4,504	
Insurance	12,270	13,630	15,067	25,030	25,386	25,386	34,572	25% property & liability insurance costs increase
Supplies	5,104	5,100	4,423	4,681	2,554	4,681	4,000	
Fuel & Oil	3,353	6,355	6,576	5,300	2,968	5,300	5,500	
New Equipment	1,534	3,181	2,041	10,000	1,276	2,000	2,500	2023 includes budget for 1 electric backpack blower, 1 electric line trimmer (not going to be purchased)
Equipment Maintenance	2,739	3,698	11,204	4,110	1,039	4,441	4,500	
Vehicle Maintenance	3,953	2,426	1,907	3,540	1,865	3,540	3,000	
Facility Management	31,249	128,882	45,486	48,188	28,967	50,066	63,162	2024 includes \$15k for Town Hall exterior staining
Contract/Prof. Services - Other	47,536	74,995	31,294	45,800	32,480	77,126	52,000	2023 includes \$21k more than budgeted for ROW hazard tree removal
Interfund Loans & Transfers	-	-	-	90,000	90,000	90,000	-	Interfund loan to the Stormwater Fund
Public Safety	890,437	907,656	957,818	1,016,235	959,691	1,008,156	1,073,202	
Salaries & Benefits	91,821	87,602	80,551	106,933	66,225	97,617	114,562	Includes 0.75 FTE (7 part-time employees - Police Chief, Deputy Chief, 4 officers, police records clerk). ARPA funded: \$53k in 2021 and fully funded in 2022 & 2023
Operating Expenses	267	77	75	2,000	152	2,000	1,800	
Utilities	480	480	480	1,115	835	1,115	1,148	
Insurance	7,047	7,865	9,255	25,030	25,386	25,386	34,572	25% property & liability insurance costs increase
Supplies	270	393	510	1,350	15	1,350	1,350	
Fuel & Oil	996	1,182	1,485	1,260	1,117	1,260	1,450	
New Equipment	-	-	4,721	1,000	-	1,000	1,000	
Equipment Maintenance	154	-	210	274	-	274	282	
Contract/Prof. Services - Legal	-	-	2,100	4,200	3,150	4,200	4,200	Prosecutor services
Vehicle Maintenance	229	1,980	2,197	1,250	9	1,250	1,500	
Facility Management	-	210	-	463	-	463	500	
Contract Services - Fire & BLS	558,931	575,699	592,970	610,764	610,759	610,764	629,087	3% annual increase
Contract Services - Police/Dispatch	228,338	230,424	261,447	258,513	249,911	258,644	278,856	7.8% annual increase for 2023 & 2024
Contract/Prof. Services - Other	1,904	1,744	1,816	2,083	2,131	2,833	2,895	
Replacement Reserve Fund	10,943	522	23,691	10,710	3,077	5,577	-	
General	-	-	23,691	10,710	3,077	5,577	-	
New Equipment	-	-	23,691	10,710	3,077	5,577	-	2022 includes network equipment, new copy machine; 2023 includes audio equipment for council chambers and network equipment
Public Works & Parks	10,943	522	-	-	-	-	-	
New Equipment	10,943	522	-	-	-	-	-	
New Vehicle	-	-	-	-	-	-	-	

Town of Woodway | 2024 Preliminary Budget Expenses

	2020	2021	2022	2023	09-29 ytd	2023 Projected	2024 Proposed	Notes
Deposit Fund	81,677	-	-	-	400	-	-	
General	-	-	-	-	400	-	-	
Facility Rental	-	-	-	-	400	-	-	
Building & Planning	81,677	-	-	-	-	-	-	
Other Expenses	81,677	-	-	-	-	-	-	Woodway Pointe development deposit refunded in 2020
Affordable Housing Sales Tax Fund	-	-	-	1,700	-	1,700	1,700	
General	-	-	-	1,700	-	1,700	1,700	
Operating Expenses	-	-	-	1,700	-	1,700	1,700	
Capital Projects Fund (REET)	68,501	454,546	602,371	266,336	20,565	282,394	136,450	
General	60,000	60,000	81,844	60,000	19,171	60,000	60,000	
Capital Projects	-	-	-	-	-	-	-	
Debt Service	60,000	60,000	60,000	60,000	19,171	60,000	60,000	Town Hall bond payments
Interfund Loans & Transfers	-	-	21,844	-	-	-	-	
Public Works & Parks	8,501	394,546	520,527	206,336	1,394	222,394	76,450	
Capital Projects - Grants	8,501	-	-	-	-	-	-	
Facility Management	-	-	-	-	1,394	1,394	1,450	
Capital Projects	-	14,546	200,527	10,000	-	10,000	75,000	2024 includes road overlays/asphalt maintenance as provided in Council's 2024-2029 Transportation Improvement Plan
Interfund Loans & Transfers	-	380,000	320,000	196,336	-	211,000	-	REET transfer to the General Fund in 2021-2023 pursuant to new temporary provisions in RCW 82.46
Stormwater Utility Fund	64,900	124,090	157,110	153,878	73,769	187,355	165,418	
Public Works & Parks	64,900	124,090	157,110	153,878	73,769	187,355	165,418	
Operating Expenses	2,722	3,961	4,237	4,600	4,157	4,600	4,781	Utility tax remittance
Governmental Services	-	4,959	5,008	5,151	5,003	5,151	5,203	
Supplies	647	767	1,762	999	896	1,580	1,450	
Contract/Prof. Services - Legal	-	-	371	-	-	-	-	
Facility Management	3,879	11,045	14,750	10,000	-	10,000	45,000	Several stormwater maintenance projects are planned for 2024
Contract/Prof. Services - Other	-	-	45,539	88,000	44,504	89,078	2,000	The original stormwater comprehensive plan was created in 2006; 2022 includes Phase I of the Stormwater Comprehensive Plan update. Phase II will be in 2023
Other Expenses	-	-	-	-	-	-	3,600	
Capital Projects	21,268	63,796	39,874	-	19,209	19,209	-	Twin Maples and Kulshan Road stormwater projects
Interfund Loans & Transfers	36,384	39,561	45,569	45,128	-	57,738	103,384	Annual transfer to general fund for Public Works stormwater work; 2024 includes the \$30k interfund loan payment
Agency Fund	6,299	4,720	3,730	-	5,132	5,132	-	
General	6,071	4,658	3,608	-	5,034	5,034	-	
Governmental Services	6,071	4,658	3,608	-	5,034	5,034	-	
Building & Planning	227	59	122	-	98	98	-	
Governmental Services	227	59	122	-	98	98	-	
Public Safety	-	4	-	-	-	-	-	
Governmental Services	-	4	-	-	-	-	-	
Grand Total	2,256,131	2,730,095	2,910,754	2,866,866	2,044,984	2,935,688	2,726,107	

MEMORANDUM

To: Town Council
From: Public Works Director Terrance Bryant
cc: Mayor Mike Quinn; Town Administrator Eric Faison
Date: 28 September 2023
Re: Solid Waste ILA with Snohomish County

The Snohomish County Solid Waste Division requested that the Town of Woodway Town Council authorize the Mayor, (or the Designee) to approve the Interlocal Agreement, (ILA) for Solid Waste Management between the Town and Snohomish County. Our current agreement, signed in 2003, expires at the end of 2023.

Key points of the new agreement include:

- There is no change to the Town's waste disposal services. Additionally, this ILA does not impact any agreements between the Town and its recycle hauler (Republic Services)
- The original agreement (2003) was 1 document physically signed by all the Cities and Towns in Snohomish County (this process took 4 years). To simplify the process, there will now be a separate agreement with each city and town with *almost* identical text, and all of the electronically signed city ILAs will be bundled together for Snohomish County approval. To facilitate this, the introductory paragraph and signature page will be modified for each city/town. For instance,
 - This INTERLOCAL AGREEMENT FOR SOLID WASTE MANAGEMENT (the "Interlocal Agreement"), is made and entered into, by and between SNOHOMISH COUNTY, a Washington County (Snohomish County) and the TOWN OF WOODWAY, a Washington municipal corporation is made pursuant to Chapter 39.34 RCW.
 - The ILA states that the Town (or its designated hauler Republic Services) brings all of the Town's garbage to a Snohomish County solid waste system facility (which you already do).
 - The County will continue to provide effective and efficient solid waste disposal services.

- The duration of the new agreement is 15 years and will expire on 12/31/2038. This expiration date aligns with the expiration and potential extensions of the County's current waste export contract.

The ILA was reviewed by the Town's Attorney and the Public Works Director.

INTERLOCAL AGREEMENT REGARDING SOLID WASTE MANAGEMENT

This INTERLOCAL AGREEMENT BETWEEN SNOHOMISH COUNTY AND ITS CITIES AND TOWNS REGARDING SOLID WASTE MANAGEMENT (the “Interlocal Agreement”), is made and entered into, by and between SNOHOMISH COUNTY, a Washington County (the “County”) and the TOWN OF WOODWAY, a Washington municipal corporation (the “Town”) pursuant to Chapter 39.34 RCW.

RECITALS

- A. The County and Town executing this Interlocal Agreement are authorized and directed by chapter RCW 70A.205 to prepare a Comprehensive Solid Waste Management Plan; and
- B. The County prepared a Comprehensive Solid and Hazardous Waste Management Plan (the “Comprehensive Plan”) for the County and cities and towns of the County in 1990, 2002, 2013, and 2021, with active involvement of the cities and towns within the County; and
- C. Providing the most effective and efficient system for managing solid waste generated in Snohomish County, including its cities and towns, requires use of the solid waste disposal system established by the County and the Comprehensive Plan to the fullest extent possible;

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Town executing this Agreement agree as follows:

1. Previous Agreements.

This Interlocal Agreement supersedes the previously executed Interlocal Agreement between Snohomish County and its cities and towns regarding Solid Waste Management entered into in 2003.

2. **Definitions.** For the purposes of this Interlocal Agreement, the following definitions apply. See also Snohomish County Codes (especially Chapters 7.35 and 7.41) and State law (especially WAC 173-350-100) for additional definitions related to Solid Waste Management:
- 2.1. “City”/“Town” means a City or Town in Snohomish County, Washington that is a signatory to this Interlocal Agreement.
 - 2.2. “Combustion” means the process of burning something.
 - 2.3. “Comprehensive Plan” means the Snohomish County Comprehensive Solid and Hazardous Waste Management Plan authorized and directed by chapter RCW 70A.205 and issued in 2021 and as amended from time to time.
 - 2.4. “County” means Snohomish County, Washington.
 - 2.5. “Household Hazardous Waste” or “HHW” means wastes that would be classified as hazardous due to their nature or characteristics, except that the wastes are generated by households.
 - 2.6. “Incinerate, Incinerated, or Incineration” means the controlled combustion of solid waste that yields satisfactory non-putrescible residues and air effluents.
 - 2.7. “Person” means an individual, firm, association, partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity whatsoever.
 - 2.8. “Recyclable materials” means those solid wastes that are separated from other wastes for anaerobic digestion, composting, recycling or reuse, including but not limited to papers, metals, glass, plastics, aggregates, fabrics, yard debris, food waste, manures, wood waste and other materials that are identified as recyclable material in the Comprehensive Plan, and are recycled. Wood waste processed as hog fuel and used for energy recovery shall be considered a recyclable material for purposes of this Interlocal Agreement.
 - 2.9. “Recycling” or “Recycle” or “Recycled” means transforming or remanufacturing waste materials into usable and marketable materials for use other than landfill disposal, alternative daily (landfill) cover, industrial waste stabilizer, combustion, or incineration.
 - 2.10. “Solid Waste” means all putrescible and non-putrescible wastes, whether in solid or in liquid form, except liquid-carried industrial wastes and sewage, and including garbage, rubbish, ashes, industrial wastes, swill, construction, demolition and land-clearing

wastes, abandoned vehicles or parts thereof, discarded home and industrial appliances, manure, digested sludge, vegetable or animal solid and semi-solid wastes, dead animals, and other discarded solid and semi-solid materials. Municipal solid waste (MSW), a subset of solid waste, refers to wastes normally collected from residential households, commercial businesses, and containers.

2.11. “Solid Waste Handling” means the management, storage, collection, transportation, treatment, utilization, processing, and final disposal of Solid Waste.

2.12. “System” means all facilities for Solid Waste Handling owned or operated, or contracted for, by the County, and all administrative activities related thereto.

3. **Responsibilities for Waste Disposal and System.** For the duration of this Interlocal Agreement, the County shall have the following responsibilities:

3.1. The County shall continue to provide for the efficient disposal of all Solid Waste, not otherwise restricted by chapters 7.35 and 7.41 SCC, generated within unincorporated areas of the County and within the Town to the extent, in the manner, and by facilities as described in the Comprehensive Plan. The County shall not be responsible for disposal of, nor claim that this Interlocal Agreement extends to, Solid Waste that has been recycled in compliance with the Comprehensive Plan.

3.2. The County shall provide for the disposal of household hazardous wastes generated by residential households located in jurisdictions party to this Interlocal Agreement at the System’s existing Moderate Risk Waste Facility, or in another reasonable and similarly convenient manner.

3.3. The County shall continue to operate the System in a financially prudent manner, minimize fee increases, and use System revenues only for System purposes.

3.4. The System shall continue to be comprehensive, and include educational and other programs, as defined by the Comprehensive Plan.

4. **Comprehensive Plan.**

For the duration of this Interlocal Agreement, the Town shall participate in the Comprehensive Plan, provided that the Town shall have the right to prepare or maintain its own Comprehensive

Solid and Hazardous Waste Management Plan authorized and directed by chapter RCW 70A.205 and to assess a solid waste fee on its own residents. For the duration of this Interlocal Agreement the Town, in conformity with RCW 70A.205.040 (4), as may be amended from time to time, authorizes the County to include in the Comprehensive Plan provisions for the management of Solid Waste generated within its corporate limits.

5. **Town Designation of County System for Solid Waste Disposal.**

The Town shall, to the extent permitted by law, designate the County System for the disposal of all Solid Waste generated within the corporate limits of that Town, and within the scope of the Plan, and authorize the County to designate a disposal site or sites for the disposal of such Solid Waste except for recyclable and other materials removed from Solid Waste for recycling in conformity with the Comprehensive Plan. The designation of the County in this section shall not reduce or otherwise affect the Town's control over Solid Waste collection as permitted by applicable state law.

6. **Enforcement.**

In unincorporated Snohomish County, the County shall be responsible for enforcement of laws and regulations requiring persons to dispose of Solid Waste at sites designated by the County as required by chapter 7.35 SCC.

The Town shall by ordinance require persons to dispose of Solid Waste at the same sites designated by the County for disposal of Solid Waste. Thereafter, in incorporated Snohomish County, the Town shall be responsible for enforcement of its laws and regulations requiring persons to dispose of Solid Waste at those sites designated by the County.

The County (taking the lead role) with the Town will provide outreach both within unincorporated and incorporated Snohomish County to educate the public about the requirements of Solid Waste disposal at sites designated by the County.

7. Indemnifications.

- 7.1. The County shall indemnify and hold harmless and defend the Town against any and all claims by third parties arising out of the County's operation of the System and performance under this Interlocal Agreement, and shall have the right to settle those claims by third parties, recognizing that all costs incurred by the County thereby are System costs which must be satisfied from disposal rates. In providing a defense for the Town, the County shall exercise good faith in that defense or settlement so as to protect the Town's interests. The County's agreement to indemnify the Town for any and all claims arising out of the County's operation of the System extends to all claims caused by the actions of officers or agents of the County, including but not limited to actions which constitute misfeasance, or intentional misconduct or wrongdoing, even if the cost of such claims is held by a court of competent jurisdiction to not be a proper cost to the System. For the purpose of this paragraph, "claims of arising out of the County's operations" shall include claims arising out of the ownership, control or maintenance of the System, but shall not include claims arising out of the collection of Solid Waste within the Town prior to its delivery to a disposal site designated by the County or other activities under control of the Town.
- 7.2. If the County acts to defend the Town against a claim, the Town shall cooperate with the County.
- 7.3. The County shall defend the Town against any challenge, whether judicially or before an administrative hearings panel, to the Comprehensive Plan elements adopted pursuant to this Interlocal Agreement.
- 7.4. The Town agrees to indemnify, protect, defend and hold harmless the County from and against all claims, demands and causes of action of any kind or character, including any cost of defense and attorney's fees, arising out of any actions, errors or omissions of the Town in performing this Interlocal Agreement except for those arising out of the sole negligence of the County or otherwise listed in this Section 7.
- 7.5. Waiver of Immunity Under Industrial Insurance Act. The indemnification provisions of Sections 7.1-7.4 above are specifically intended to constitute a waiver of each party's immunity under Washington's Industrial Insurance Act, Title 51 RCW, as respects the other party only, and only to the extent necessary to provide the indemnified party with

a full and complete indemnity of claims made by the indemnitor's employees. The parties acknowledge that these provisions were specifically negotiated and agreed upon by them.

7.6. For the purposes of this section, reference to the Town and to the County shall be deemed to include the officers, agents, and employees of any such party, acting within the scope of their authority.

7.7. Survival. The provisions of this Section 7 shall survive the expiration or earlier termination of this Interlocal Agreement.

8. Duration.

This Interlocal Agreement shall continue to be in full force and effect until December 31, 2038, unless terminated as described in the following paragraph.

9. Revision, Amendment, Supplementation or Termination.

This Interlocal Agreement shall be reviewed by the parties in conjunction with any review of the Comprehensive Plan. The terms of the Interlocal Agreement may be revised, amended, or supplemented, or the Interlocal Agreement as a whole may be terminated before expiration provided in paragraph 8 only upon the written agreement of the parties to this Interlocal Agreement executed with the same formalities as the original. No revision, amendment, supplementation, or termination shall be adopted or put into effect if it impairs any contractual obligation of the County.

10. Miscellaneous.

10.1. No waiver by any party of any term or condition of this Interlocal Agreement shall be deemed or construed to constitute a waiver of any other term or condition or of any subsequent breach whether of the same or of a different provision of this Interlocal Agreement.

10.2. This Interlocal Agreement is not entered into with the intent that it shall benefit a city or town not signing this Interlocal Agreement, and no other person or entity shall be entitled to be treated as a third party beneficiary of this Interlocal Agreement.

11. Contract Administrator.

Pursuant to RCW 39.34.030(4)(a), the parties hereby appoint the County as the Contract Administrator who will be responsible for administering this Agreement, and the direction of the parties, and this Contract Administrator shall take such action as is necessary to ensure that this Agreement is implemented in accordance with its terms.

12. No Separate Entity.

This Agreement does not create a separate legal or administrative entity, and consequently is being administered in accordance with RCW 39.34.030(4).

13. Severability.

If any term or condition of this Interlocal Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect with the invalid term, condition, or application. To this end, the terms and conditions of this Interlocal Agreement are declared severable.

14. Filing.

As provided by RCW 39.34.040, this Agreement shall be filed with the Snohomish County Auditor, or, alternatively, posted on the official website of each party.

15. Authority.

Each of the individuals signing this Interlocal Agreement on behalf of a party to this Interlocal Agreement, certifies that his or her signature has been authorized by appropriate action by ordinance, resolution, or otherwise pursuant to the law of that party to bind the party to the terms of this Interlocal Agreement.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, this Interlocal Agreement has been executed by the parties shown below as of the date of the signature of the last party to sign.

COUNTY

Snohomish County, a political subdivision
of the State of Washington

By: _____

Title: Executive Director

TOWN

Town of Woodway, a Washington
municipal corporation

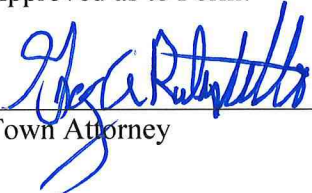
By: _____

Title: _____

Approved as to Form:

/s/ Sean Reay 07/10/2023
Deputy Prosecuting Attorney

Approved as to Form:



Town Attorney