

KITSAP COUNTY SEWER DISTRICT NO. 7

KITSAP COUNTY, WASHINGTON

RESOLUTION NO. 2025-03

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF KITSAP COUNTY SEWER DISTRICT NO. 7, KITSAP COUNTY, WASHINGTON, APPROVING THE ACQUISITION OF ITS REAL AND PERSONAL PROPERTY BY PUBLIC UTILITY DISTRICT NO. 1 OF KITSAP COUNTY, WASHINGTON; AND AUTHORIZING THE BOARD PRESIDENT, SARAH LEE, TO EXECUTE ALL DOCUMENTS NECESSARY TO CLOSE SAID TRANSACTION.

WHEREAS, the Kitsap County Sewer District No. 7 (the “District”) is a special purpose water-sewer district operating and existing pursuant to Title 57 Revised Code of Washington (“RCW”) providing sewer and wastewater service to a portion of the residents of Bainbridge Island in Kitsap County, Washington; and

WHEREAS, Chapter 57.42 RCW authorizes the District to sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property, to a public utility district in the same county on such terms as may be mutually agreed upon by the board of commissioners of each district; and

WHEREAS, RCW 54.16.230 authorizes Public Utility District No. 1 of Kitsap County (“KPUD”) to acquire, operate, and maintain sewer systems provided that its voters have first approved by majority vote a referendum proposition authorizing such district to exercise the powers; and

WHEREAS, recognizing that coordination for the operation of sewer systems, facilities, and equipment was mutually beneficially for both Parties, on or about June 3, 2024, KPUD and the District entered into an Interlocal Agreement for KPUD to serve as general manager for the administrative, financial, and operations oversight of the District’s system and facilities (together, with any of its amendments or extensions, the “ILA”); and

WHEREAS, the Board of Commissioners has determined that it would be in the in the public interest and conducive to the public health, welfare, and convenience of the District and its customers to convey, transfer, and distribute assets and property, as identified in the attached Asset Disposition Agreement (the “Agreement”), to KPUD so that KPUD can operate and manage the sewer and wastewater treatment system; and

WHEREAS, KPUD is willing to accept the property of the District and to commit to operate the District's sewer and wastewater treatment system upon terms set forth in an Agreement which has been negotiated between the District and KPUD.

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of the Kitsap County Sewer District No. 7, Kitsap County, Washington, that:

Section 1. Recitals. The foregoing recitals are adopted as true incorporated by reference in this Agreement.

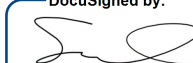
Section 2. Public Interest. The Commissioners have determined, in accordance with the procedures set forth in RCW 57.42, that it is in the public interest and conducive to the public health, welfare, and convenience, for the property of the District to be transferred to KPUD and that KPUD take over the operations of the District's sewer and wastewater treatment system as part of KPUD's system.

Section 3. Transfer Agreement. Attached hereto as Exhibit A is a copy of the Asset Disposition Agreement (the "Agreement") which has been negotiated with KPUD for the proposed transaction, which Agreement is subject to certain contingencies stated in the Agreement, including the approval of the Kitsap County Superior Court, as contemplated by RCW 57.42.030. The Commissioners hereby authorize and direct the Board President, Sarah Lee, to execute the Agreement on behalf of the District and to take all necessary steps to satisfy the contingencies in the Agreement, including the contingency for Court approval. Ms. Lee is further authorized to agree upon minor amendments to the Agreement prior to closing, as necessary to complete the transaction on terms acceptable to the District.

Section 4. Further Acts. Upon satisfaction of all contingencies, including the Court's approval of the transaction, the Board President is authorized to sign all final closing documents necessary to close the transaction.

ADOPTED by the Board of Commissioners of the Kitsap County Sewer District No. 7, Kitsap County, Washington, at a regular meeting thereof this 12th day of June, 2025.

BY: _____

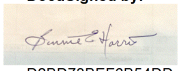
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Commissioner Sarah Lee

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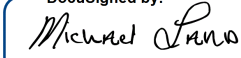
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Commissioner Bonnie Harris

ATTEST:

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Michael Land, Clerk of the Board