

AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Monday, June 23, 2025 - 2:30 PM
Community Rooms

This meeting may also be accessed through Zoom at <https://zoom.us/j/93216056382> or by calling (253) 215-8782 and entering Meeting ID 932 1605 6382.

CALL TO ORDER/ROLL CALL

DISCUSSION ITEMS

- 1. Chamber of Commerce Tourism Update**
Chamber of Commerce Executive Director Miriam Battson
- 2. Parks Code**
Parks Manager Jennifer Haro
- 3. Shore Acres Water System – Tentative Agreement**
Public Works Director Jeff Langhelm

ADJOURN

PUBLIC COMMENT & DECORUM

Public comment will not be accepted at this study session.

AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS

ADA accommodations can be provided upon request. Those requiring special accommodations should contact the city clerk at cityclerk@gjgharborwa.gov or (253) 853-7613 at least 24 hours prior to the meeting.



**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: June 23, 2025

SUBJECT: Parks Code

SUBMITTED BY: Parks Manager Jennifer Haro

DEPARTMENT: Public Works

PHONE: (253) 853-8253

SUGGESTED MOTION: N/A

BACKGROUND INFORMATION: Gig Harbor Municipal Code references related to parks are currently found in several different places throughout the code. Most park rules and regulations are found in GHMC 9.28, in the “Public Peace, Morals and Welfare” title. Rules about public docks are found in Title 8 “Health and Safety” and rules about special events are found in Title 5 “Business Licenses and Regulations.”

The purpose of creating a new Title 11 for a parks code is to have all parks-related codes in one place. There were also some updates that need to be made. Anything that is proposed to be changed from current language is shown in the attached draft.

Among the biggest changes is a proposed commercial park use permit for smaller commercial park uses. For instance, according to the special event permit code, anyone using the parks for commercial purposes that “involves public promotion of event or collection of money” requires a special event permit. Some cities require a permit to use a park for photography, like senior or family photos. The city has had inquiries on what is required to have photography “mini-sessions,” which are advertised and have several families or graduates sign up for photo sessions in succession. There have also been inquiries about conducting small fitness classes in parks. Staff feels that the special event fee and process can be onerous for these minor uses, and would like to create a new permit for these events that would be a year-long permit.

Other changes in the attached draft include:

- Adding language that allows the public works director or designee to adopt reasonable rules for parks, as long as they are posted in the park.
- Adding a park use permit to allow use of parks for commercial uses with minimal impacts on parks
- Consolidating the prohibited activities for docks.
- Adding language prohibiting vaping
- Prohibiting jumping, diving or swimming from public docks and piers
- Prohibiting fishing and shellfishing where it impedes public enjoyment or watercraft access to docks
- Adding regulations for Eddon Boat Dock and Maritime Pier
- Prohibiting parking at Borgen and Grandview Cushman Trailheads for more than 4 hours

Staff has consulted with the city clerk, police chief, public works director and city attorney on these proposed changes. The parks commission reviewed the proposed changes at their May 7 meeting.

At the June 23 study session, staff is looking for feedback from council on the proposed Title 11 and direction on whether to prepare an ordinance for consideration at a future regular council meeting.

FISCAL CONSIDERATION: N/A

ATTACHMENTS:

1. Draft Parks Code_ 062325 Study Session
-

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities

Title 11 PARKS AND DOCKS

Chapter 11.01 General Provisions

11.01.010 Definitions (from GHMC 9.24 and 8 (dock sections))

A. "Boat," also known as a vessel, includes every description of watercraft on the water used or capable of being used as a means of transportation on the water, other than a seaplane. However, it does not include inner tubes, air mattresses, and small rafts or flotation devices or toys customarily used by swimmers.

B. "Commercial fishing operator" is the user-owner or captain of a commercial fishing vessel who has entered into an agreement with the city or an received authorization from the city to use the netshed under a properly executed Ancich Netshed use authorization form~~city facilities.~~

C. "Commercial fishing vessel" is a type of watercraft that is currently licensed for commercial fishing by a state government or a federally recognized Indian tribe and is actively being operated for the purposes of commercial fishing.

D. "Dawn" means the time at one-half hour before sunrise as published by the National Weather Service.

E. "Dinghy," also known as a tender, is a type of boat 13 feet or less in length whose sole purpose is to carry people or materials between a larger boat and the shore.

F. "Dusk" means the time at one-half hour after sunset as published by the National Weather Service.

G. "Moor" or "mooring" is to secure by rope, cable, chain, or other connection, a watercraft to the dock.

H. "Nonmotorized craft" is a type of boat with no propulsion machinery of any type.

I. "Normal park/regular park usage" means those legal recreational uses for which the public park is maintained by the city for public use, not requiring a special event permit under this chapter, including, but not limited to, picnics, playing catch, sunbathing, game playing, etc.

J. "Operator," is the person responsible for, or in control of, watercraft.

K. ~~"Other Event – For Profit". Such events~~Means an event -are limited to no more than one per month per park. No events will be allowed that are designed for the primary purpose of selling products. A "for-profit" event includes all events where a business entity intends to make a profit from the event on public property. This includes all special events managed, planned or overseen by a business or commercial entity- No for-profit event will be allowed that's primary purpose is to sell products. This does not include farmers markets and similar events.

L. "Other event – Not for profit" means a special event organized or put on by a nonprofit organization, company or group of people and is open to the public.

M. "Other event – Private" means a special event held in a park or public space that is not open to the public, such as a wedding, party, or fundraising event.

N. "Overnight" shall be considered use of any duration at any time after 8:00 p.m. and before 8:00 a.m. for dock moorage, and after park closing for park use. (Ord. 1345 § 1, 2016; Ord. 1330 § 1, 2016).

O. "Parade" means any march or procession consisting of people, animals, bicycles, vehicles, or combination thereof, except wedding processions and funeral processions, upon any public street or sidewalk which does not comply with normal and usual traffic regulations or controls

P. "Park" means any public facility permitted for use by the general public for human enjoyment and recreation purposes. This shall include associated parking areas, water access areas, trails, trailheads, and open spaces, located on city-owned real property and in the city's right-of-way, as identified in the city's adopted parks recreation and open space plan. ~~(Ord. 1478 § 3, 2021).~~

Q. "Run" means an organized procession to contend in a race consisting of people, bicycles, or other vehicular devices or combination thereof containing 25 or more persons upon a public street or sidewalk.

R. "Special event" means any event expected to cause a public gathering that is not part of the normal usage or course of business at the location. A special event may include, but is not limited to, any parade, run, street dance, or other demonstration and exhibition to include on-water activities on public property (including public tidelands and aquatic lands), weddings, funerals, festivals, concerts, walks/runs, free speech/demonstration, and uses/activities that impact regular park operations or normal park usage.

S. "Special event – City-sponsored" is an event that the city contributes funding toward or provides staff support before, during, and/or after the event for no additional cost to the applicant.

T. "Special event – Public" or "public special event" is an event organized by a group that is not affiliated with the city, but is open to the public.

U. "Special expressive event" means a special event organized primarily to convey ideas, opinions, or thoughts through words or conduct. Examples of special expressive events include political demonstrations and/or rallies, picketing, and similar types of free speech or conduct typically given a higher level of constitutional protection than commercial speech.

V. "Sponsor" or "sponsoring organization" is the entity or entities hosting the event that requires a special event or park use application and shall also be considered the "applicant."

W. "Street" or "streets" means any public roadway, sidewalk, or portions thereof in the city of Gig Harbor dedicated to the public use.

X. "Street dance" means any organized dance of three or more couples on any public street, public sidewalk, or publicly owned parking lot.

Y. "User" also known as an operator, is the person responsible for, or in control of, a watercraft.

Z. "Watercraft," also known as a vessel or boat, includes every description of watercraft on the water used or capable of being used as a means of transportation on the water, other than a seaplane. However, it does not include inner tubes, air mattresses, and small rafts or flotation devices or toys customarily used by swimmers.

AA. "Weekend" for the purposes of this chapter means Fridays, Saturdays, and Sundays.

1.01.020 Administrative rules.

The public works director, or designee, shall have the authority to promulgate and adopt reasonable rules and regulations pertaining to the operation, management and use of the parks, which shall be posted in conspicuous places in park areas. Such rules and regulations may set forth the times and conditions upon which the City parks and recreation facilities will be open, closed, or used by the public. It is unlawful for any person to violate or fail to comply with any park rule or regulation duly adopted and posted by the department

11.01.030 Fireworks prohibited.

A. Any type of fireworks, as defined by RCW [70.77.126](#), are prohibited in city parks.

11.01.040 Alcohol prohibited.

A. Except as permitted in GHMC [9.04.010](#) or except if consumed on a vessel moored at Jerisich Dock, and except if consumed in a leased area or rental area pursuant to the terms contained in the lease or rental agreement, no person shall open a package containing liquor or consume liquor in a park or netshed or on a public dock.

B. Alcohol consumed pursuant to one of the above exceptions must be in accordance with Washington State Liquor and Cannabis Board permit and license requirements and provide a minimum of \$1,000,000 liquor liability coverage. This section shall be prosecuted as set forth in Chapter [9.04](#) GHMC.

11.01.050. Smoking and vaping prohibited.

A. It is unlawful for any person to operate a vaping device or smoke or light cigars, cigarettes, tobacco, or other smoking ~~or~~ material within city parks. The public works director shall post signs in appropriate locations prohibiting smoking in the city's parks.

11.01.060 Motor vehicles in parks prohibited.

A. A vehicle propelled by an internal combustion gasoline engine shall not be operated within the boundaries of any city park, except on streets and parking areas provided for use of automobiles, without first obtaining a permit for such operation from the city.

B. Notwithstanding the above provisions, official federal, state or local agency motor vehicles may be operated within the boundaries of city parks without permit.

11.01.070 Firearms and weapons.

No person shall use, carry, or possess weapons that could be harmful to wildlife or human safety, except duly authorized law enforcement personnel and/or persons licensed to carry a concealed weapon shall possess a concealed firearm in a City park.

11.01.080 Noise

Noise from audio equipment or speakers in parks shall not be heard more than 30 feet away in public parks, except for:

A. Scheduled athletic games at Gig Harbor Sports Complex properties, provided that an effort is made to have minimal impacts to neighboring properites.

A-B. Authorized special events that have received a special event permit.

11.01.090 Facility rentals

The Director may designate certain park areas and facilities that may be rented or reserved for private events. All approved park and facility renters shall pay a rental fee in an amount ~~Rental fees shall be~~ adopted by city council resolution. The Director may adopt reasonable policies and procedures for the rental and reservation of park areas or facilities. Gatherings of over 30 people outside of an enclosed building will also be required to obtain a special event permit in accordance with GHMC 11.10.

Formatted: Font: Not Bold

Formatted: Font: (Default) Arial

11.01.100 Park operating hours *(from GHMC 9.24.040)*

A. All city parks shall be closed from dusk to dawn unless otherwise provided for in the municipal code, a lease or rental agreement, or posted by the city of Gig Harbor.

B. It is unlawful to enter or remain on any park property while closed unless operating under the authority of a special event or special use permit.

C. Gig Harbor Sports Complex facilities with lighting must post operating hours at each site. Hours may be governed by a facility use agreement or management agreement with the facility operator.-

Formatted: Indent: First line: 0.25"

~~11.05 Facility rentals and reservations~~All approved park and facility renters shall pay a rental fee in an amount

11.10 Special events (moved from Chapter 5.28)

11.10.010 Purpose and intent.

A. The purpose of this chapter is to provide reasonable supervision of any movement of persons, or vehicles or boats within the limits of the city by way of runs, parades, street dances, special events, or other demonstrations or exhibitions, for the protection of persons and property.

B. The intent of this chapter is to allow sponsorship of special events in public parks, and on public thoroughfares, rights-of-way and public waterways, and to provide guidelines that protect the public's health, safety, and welfare

11.10.020 Permit – Required.

A. No person shall engage in, participate in, aid, form or start any special event, unless a permit has been obtained from the city administrator or their designee. A permit is required if the event meets the standard set forth in GHMC 11.xx.xx and/or if the event will have 30 or more people. Additionally, if an event includes the need for tents, amplified sound, stages, generators, onsite public promotion or vendor booths, involves public promotion of event or collection of money, a special event permit is required. Additionally, any activity that impacts regular traffic circulation and park operations will

require a special event permit. When otherwise not specified by this code, the city administrator or their designee has authority to determine when a permit is required.

B. If an event involves public promotion of an event and collection of money, but will not have more than 30 people or interfere with general use of the park, a park use permit is required. Examples include professional photography events with more than one client or family, filming in parks, or classes for profit.

11.10.030 Permit – Application – Fee.

All approved special event and require payment of a fee ~~Fees for special events shall be~~ in accordance with the city's current fee schedule adopted by resolution.

11.10.040 Permit – Application – Contents.

Applications for a special events permit shall include, but not be limited to:

- A. Name and address of applicant;
- B. Date and time of event;
- C. Name of sponsoring organization;
- D. Probable number of participants;
- E. Route(s), to include starting point and termination;
- F. Required access to public rights-of-way;
- G. Location of assembly areas;
- H. Copy of liability insurance coverage;
- I. Security and traffic control provisions;
- J. Emergency medical provisions;
- K. A cleanup plan;
- L. Hold harmless agreement that removes all liability from the city in a form approved by the City;
- M. List of all participating vendors;
- N. Proposed site plan of event.

11.10.050 Permit – Application – Filing period.

A. A complete application for a special events permit shall be filed with the city administrator or their designee not less than 60 days nor more than 365 days before the date on which the event will occur. Applications that are requesting a road closure must be submitted not less than 90 days before the event date. Applications received with less than 60 days until the event will not be reviewed and will be ~~disapproved~~denied, unless authorized by the city administrator, with the following exceptions:

1. Applications for events that are scheduled or rescheduled with less than 60 days' notice due to a public health directive or declaration of a state or local emergency may be approved at the discretion of the city administrator or their designee.
2. Applications for special expressive events received with less than 60 days' notice shall be reviewed in accordance with the other provisions of this chapter.

B. The city administrator or their designee shall notify the applicant in writing of approval or ~~disapproval~~denial no later than 30 days following the date of the application

11.10.060 Costs of cleanup.

In the event a sponsoring organization fails to adequately provide cleanup in accordance with the plan submitted under GHMC ~~XX.XX.XXX-5-28-050(K)~~, the city will conduct the necessary cleanup and bill the sponsoring organization for such ~~costs plusplus XYZ percentage~~ 25 percent. The sponsoring organization must make payment to the city upon receipt of the city's invoice for such costs. (~~Ord. 1529 § 1, 2024; Ord. 1385 § 8, 2018; Ord. 1165 § 5, 2009~~).

11.10.070 Insurance required.

A. The applicant shall show proof of liability insurance with primary coverage limits of: \$1,000,000 general aggregate (per event); \$1,000,000 products aggregate (if food and/or beverage vending is part of the event); \$250,000 personal and advertising injury; \$50,000 each occurrence; \$50,000 fire legal liability; and \$50,000 damage to premises rented for seven or fewer days.

B. A certificate of insurance listing the name and inclusive dates of the event shall be filed with the application, and shall name the city of Gig Harbor as an additional named insured for the event, including a provision prohibiting the cancellation of said policy except upon at least 30 days' prior written notice to the city. (~~Ord. 1529 § 1, 2024; Ord. 1221 § 6, 2011; Ord. 1165 § 6, 2009; Ord. 427 § 8, 1983~~).

11.10.080 Permit – Issuance standards.

After application and departmental review, the city administrator or their designee may issue a special event permit unless:

A. The time, route, and size will unreasonably disrupt the movement of other traffic contiguous to the route;

B. The size or nature of the event requires the diversion of so great a number of city staff and/or police officers of the city that police protection or city services to the remainder of the city is unreasonably diminished;

C. The applicant failed to remit all ~~customary and reasonable~~ required fees, insurance documents, application materials ~~or bonds~~;

D. The event exceeds five consecutive days of occurrence, except city-sponsored special events can exceed five consecutive days;

E. There is another event already scheduled at the same location, or the new event would violate the special restriction in GHMC ~~5-28-150~~ XX.XX.XXX.

F. The city administrator or their designee determines the primary purpose of the event is to sell products.

11.10.090 Traffic control.

A. The chief of police may require any reasonable and necessary traffic control. If such traffic control cannot be handled by the sponsor and shall require the deployment of additional police personnel, the permittee shall be responsible for the expense. The chief of police or his designee shall notify the applicant(s) of the actual projected expense.

B. Road closure requests for special expressive events with less than 90 days' notice shall be reviewed in accordance with the other provisions of this chapter.

C. Special events that are not city-sponsored and require a road closure and/or reserving or blocking off public parking spaces shall also require a temporary encroachment permit application to be submitted.

D. Road closure requests not associated with a city-sponsored special event must also receive approval from the chief of police. This requirement does not apply to special expressive events.

E. Events with grandfathered road closure approvals are: Maritime Gig Festival, Beatnik's Concert, National Night Out, Trick or Treat, PAL Arts Festival, Turkey Trot and Race for a Soldier.

F. Roads that may not be closed: Olympic Drive, Point Fosdick Drive, 56th Street, Soundview Drive (between Olympic Drive and Grandview Street), Stinson Avenue (between Pioneer Way and Rosedale), Borgen Boulevard (between Burnham Drive and Harbor Hill Drive), Wollochet Drive, 38th Avenue (between 56th Street and Hunt Street), Skansie Avenue (between 72nd Street and Rosedale Street), and Rosedale Street (between Skansie Avenue and 54th Avenue).

G. Harborview Drive may not be closed more than once per calendar month for special event purposes.

11.10.100 Alcoholic beverages.

Consumption of alcohol is illegal on public property and no special event shall allow the sale or consumption of alcoholic beverages except as follows:

A. Where the city leases a structure to a tenant and their approved lease allows consumption of alcoholic beverages for approved events. Lessees shall not permit drinking alcohol outside of leased structure. Lessee must also obtain a license from the Washington State Liquor and Cannabis Board and provide a minimum of \$1,000,000 liquor liability coverage.

B. Locally produced alcohol sales are allowed at farmers' market special events consistent with law. No consumption is allowed.

11.10.108 Smoking.

It is unlawful for any person to smoke or light cigars, cigarettes, tobacco, marijuana or other smoking material or to vape during special events or commercial park use. Smoking (including vaping) is not permitted during special events.

11.10.110 Appeal procedure.

Upon denial of a permit by the city administrator or their designee, an applicant may appeal to the city council by filing a written notice of appeal for hearing by the city council five days in advance of its next meeting. Upon such appeal, the city council may reverse, affirm, or modify the administrator's determination.

11.10.120 Permit – Revocation.

The city administrator or their designee shall have the authority to revoke a permit upon application of the standards for issuance as herein set forth. The city administrator or their designee shall also have the authority to revoke a permit if an event cannot be held due to a public health directive or declaration of a state or local emergency. If a permit is revoked due to a public health directive or other emergency measures, the application fee shall be refunded to the applicant. In the event of revocation, the city administrator

or their designee shall notify the permittee of the revocation, in writing, as soon as reasonably possible.

11.10.130 Violation – Penalty.

Violation of any portion of this chapter is an infraction and subject to a penalty of \$1,000 as provided in GHMC [1.16.010\(D\)](#).

11.10.140 Businesses participating in a special event.

When two or more ~~businesses~~ ~~entities~~ temporarily gather for a special event under the direction and supervision of a nonprofit organization, only one special events permit shall be required. The sponsoring nonprofit organization shall be responsible for obtaining the permit.

11.10.150 Special Restrictions – Skansie Brothers Park, Eddon Boat Park, and Ancich Waterfront Park.

A. During the months of May through September, no more than two weekend special events shall be permitted per calendar month at each park: Skansie Brothers Park, Eddon Boat Park, and Ancich Waterfront Park. City-sponsored events, events approved by a lease agreement, and special expressive events do not count toward the limit of two weekend special events.

B. At Eddon Boat Park, special events shall be limited to a maximum of 30 people for the entire park area, excluding the Boat Yard Building.

C. Skansie Brothers Park may be reserved for periods of four hours maximum. All setup and cleanup must be completed within the four-hour event limit. City-sponsored events, public special events and special expressive events are not subject to the four-hour event limit but require an application be submitted.

D. The view platform at Skansie Brothers Park shall not be reserved for special events.

11.10.160 Special expressive events.

When a special expressive event permit is sought, the following exceptions shall apply:

A. Where the event will not require temporary street closures or other special provisions, no fee shall be required for processing the permit.

B. The insurance requirements of GHMC [11.10.080](#) may be waived by the city administrator or their designee; provided, that the sponsor has filed with the application a verified statement that the sponsor intends the event purpose to be First Amendment expression and the cost of obtaining insurance is financially burdensome and would constitute an unreasonable burden on the right of the First Amendment expression.

11.20 Park Use Permit

11.20.010 Purpose and intent

A. The purpose of this chapter is to provide reasonable supervision of park activities of a for-profit entity that wishes to use a park or trail for money-generating activities that are less impactful to normal park use than a special event; such as filming activities.

photography sessions with more than one client or group, or group fitness classes for a fee.

B. The intent of this chapter is to allow limited use parks and public facilities for these for-profit activities with a less onerous permitting process.

11.20.020 Permit – required

A. No person or business entity shall engage in for-profit activities in a park or on a trail unless a park use permit has been obtained from the city administrator or their designee. A permit must be obtained if an event or activity involves public promotion of an event or collection of money. The city administrator or their designee has authority to determine when a permit is required.

B. No permit will be required if the park use is not advertised and is limited to one client or small group, i.e.- senior or family photos.

C. The permit shall be valid for one calendar year and will allow multiple events per year.

D. No permit shall be issued for direct sales in parks or on trails. Direct sales must be part of a special event.

11.20.030 Permit - Fee

The fee for a park use permit shall be set by city council by resolution.

11.20.040 Permit – Application - Contents

Applications for a park use permit shall include, but are not limited to:

A. Name and address of applicant and associated business;

B. Nature of park use;

C. Number of park uses estimated in one year;

D. Probable number of participants per event;

E. Name(s) of parks to be utilized

F. Hold harmless agreement that removes liability from the city.

11.20.050 Permit – Application – Filing Period

A. A complete application for a park use permit shall be filed with the city administrator or their designee not less than 14 days from the first park use of the year.

B. A permit must be renewed each calendar year to continue for-profit park use.

11.20.060 Permit – Issuance standards

After internal review, the city administrator or their designee may issue a park use permit, unless:

A. The proposed activities will disrupt regular or permitted special use of the park

B. The size or nature of the park use(s) will exceed 30 people.

C. The permit involves product sales or solicitation at a park or trail.

D. The activities will have signs or banners onsite at the park or trail advertising the park use.

11.20.070 Permit – Revocation

The city administrator or their designee shall have the authority to revoke a permit upon application of the standards or issuance as herein set forth. If a permit is revoked, the permittee shall be notified, in writing, as soon as reasonably possible.

Formatted: Font: Not Bold

11.30 Docks and piers (moved from Chapter 8.23-8.29)

11.30.010 Public Use.

A. The City of Gig Harbor owns and maintains several public piers, docks and floats for the use and enjoyment of the general public, including Eddon Boat Dock, Community Paddler's Dock, Jerkovich Pier, Jerisich Dock, and Maritime Pier.

B. The City operates Ancich Pier, Ancich Netshed and the Commercial Fishermen's Homeport for the use and enjoyment of commercial fishing operators and the general public, with limitations set forth in this ~~title~~chapter. The general public may use the pier for enjoyment but shall not interfere or inhibit the use of the pier by a commercial fishing operator. Commercial fishing operators may, for short duration, restrict portions of ~~the city docks or piers~~ for safety reasons during work that presents ~~an identifiable~~ danger to the public as identified by the commercial fishing operator.

11.30.020 Prohibited Activities. The following activities are prohibited at all city-owned recreational piers, docks and floats, unless permitted for a specific dock in a section below:

A. ~~Fueling, repairing or maintenance of watercraft.~~

B. No consumption of alcohol, unless consumed on a watercraft that is moored at Jerisich Dock.

C. No smoking or vaping.

C. No commercial activity is allowed on city docks, unless authorized as part of a lease, use agreement, or special event.

D. Users are prohibited from placement of watercraft, fishing gear or equipment on a dock for a period of more than 15 minutes and no allowed placement shall create a hazard for other dock users, except as allowed for commercial fishing operators at specific docks and piers.

E. Users are prohibited from tying unattended watercraft to docks ~~unattended~~ for more than 15 minutes, except at Jerisich Dock.

F. Any watercraft queued at the dock, shall be allowed access based on their place in the queue and may access docks in the order in which watercraft arrive at the dock.

F. ~~Jumping, diving or swimming is prohibited from public docks and piers.~~

G. ~~Fishing and shellfishing, including crabbing, is prohibited anywhere that will impede public enjoyment or watercraft access to a dock or pier.~~

11.30.030 Eddon Boat Dock.

A. The dock at Eddon Boat Park is located ~~at approximately N47°20'3.95", W122°35'18"~~ adjacent to the Eddon Boat Building, which is leased by a private nonprofit organization.

B. The pier, ramp and float are available for use by the lessor at the property, per terms of their lease.

C. The public shall be allowed to use the dock to moor nonmotorized watercraft, by the bow only, for up to three hours on the southern sides of the float, and on the north side when not in use for Eddon Boat Building lessee programming.

D. The lessee at the Eddon Boat Building is allowed exclusive use of the eastern side of the float.

E. The marine railways are not a part of the public park and are off-limits to the public.

11.30.040 Ancich Pier.

A. The Ancich Pier (pier), ~~located at approximately N 47° 20' 04", W 122° 35' 12"~~, is part of the city of Gig Harbor's Ancich Waterfront Park. ~~It also contains the Ancich Netshed, which is covered by GHMC 11.20.050.~~

B. The general public may use the pier for enjoyment but shall not interfere or inhibit the use of the pier by a commercial fishing operator.

11.30.050 Ancich Netshed.

A. The Ancich Netshed (netshed), ~~located at approximately N 47° 20' 03", W 122° 35' 13"~~, is part of the city of Gig Harbor's Ancich Waterfront Park and extends over the waters of Gig Harbor for the use and enjoyment of commercial fishing operators and the general public, with limitations set forth in this ~~chapter~~ Title.

B. When the netshed doors are open, the general public may enter the netshed but shall not interfere or inhibit the use of the netshed by a commercial fishing operator..

C. Any commercial fishing operator queued at the netshed shall be allowed access based on their place in the queue and may access the netshed in the order in which users arrive at the netshed.

D. Any commercial fishing operator using the netshed must have a properly executed Ancich Netshed use authorization form.

~~D~~E. Any commercial activity conducted by users from the netshed shall only be performed by commercial fishing operators. Retail sales can only be performed by vendors who maintain a current business or peddler's license from the city and any other required state or local license.

~~F~~E. Violations of this chapter by commercial fishing operators shall be remedied in accordance with the properly executed Ancich Netshed use authorization form.

11.30.070 Jerkovich Pier

A. The Jerkovich Pier (pier), ~~located at approximately N 47° 20' 02", W 122° 35' 10"~~, is part of the city of Gig Harbor's Ancich Waterfront Park and extends over the waters of Gig Harbor Bay for the use and enjoyment of commercial fishing operators and the general public, with limitations set forth in this ~~chapter~~ Title.

B. No watercraft may moor to the pier.

C. User shall not store any watercraft or commercial fishing gear or equipment on or over the grated surfaces of the pier for a period exceeding 15 minutes.

11.30.080 Community Paddler's Dock

A. The community paddler's dock (dock), ~~located at approximately N 47° 20' 03", W 122° 35' 09"~~, is part of the city of Gig Harbor's Ancich Waterfront Park and extends over

the waters of Gig Harbor for the use and enjoyment of the general public for launching nonmotorized watercraft, with limitations set forth in this ~~chapter~~Title.

B. Users are allowed use of the dock to actively launch human-powered watercraft into or out of Gig Harbor Bay.

C. Moorage of watercraft at the dock is prohibited.

D. Dock operating hours:

1. The public is permitted access to the dock and the associated upland boat storage building each day beginning at dawn as defined in Chapter 9.2411.01.010 GHMC and ending at 6:00 p.m. or dusk, whichever is later.

2. The tenants of the private float system waterward of the dock shall be allowed access to the dock 24 hours a day for the purposes of accessing their private float system.

E. Motorized watercraft are prohibited from being located at or on the dock.

F. The dock is available to the general public for free public use and access on a first-come, first-served basis.

11.30.090 Jerisich Dock

A. The Jerisich public dock (dock) extending from Skansie Brothers Park into the waters of Gig Harbor Bay is operated by the city of Gig Harbor for the use and enjoyment of the general public, ~~with limitations set forth in this Title, and is located approximately N 47° 19' 54", W 122° 34' 51".~~ This chapter will also include regulation of any mooring buoys provided by the city in this same vicinity.

B. Rafting of vessels is allowed on the east side of the dock, but prohibited on the west side of the dock. Furthermore, stern-tying of vessels is allowed on the east side of the dock, but prohibited on the west side of the dock. Vessels may only moor temporarily to the marked area adjoining the wastewater pumpout for purposes of using that service.

C. There shall be no motorized vehicles on the dock except as authorized by the city.

D. Reserving moorage prohibited. All dock areas are first come, first served. Moorage areas shall not be reserved unless otherwise granted written permission from the city.

E. Mooring time limit. Except for city-owned or boats receiving prior authorization from the city, a boat shall not be moored at the dock and/or a mooring buoy in excess of three overnight periods, whether continuous or not, within any 10-day period. Any prior authorization shall be obtained from the chief of police or his/her designee. This authorization does not remove the requirement to pay appropriate moorage fees.

F. Dock operating hours.

1. The public is permitted access to the dock each day beginning at dawn as defined in Chapter 9.2411.01.010 GHMC and ending at 6:00 p.m. or dusk, whichever is later.

2. Those owning boats moored to the dock may also access the dock and associated upland dock facilities between dusk and dawn.

G. Commercial activity prohibited.

1. There shall be no commercial activity conducted from the dock.
2. Commercial boats shall only be allowed to moor temporarily at the load/unload zones of the dock unless otherwise granted written permission from the city.

H. Load/unload zones

1. A portion of the dock shall be set aside and clearly marked and posted on the dock for loading and unloading of boats.
2. Boats may temporarily use the load/unload zone only for the purpose of loading and unloading of passengers; a person responsible for navigating such boat shall remain with the vessel while temporarily moored at the dock; and such boat shall be moved from the load/unload zone immediately after passengers have disembarked.

I. Moorage fees ~~and penalties~~

1. Moorage fees are not charged at the following locations; however, the time limits prescribed in GHMC-~~11.30.090(F)8-28-050~~ shall apply:
 - a. Dinghy and nonmotorized craft area;
 - b. Mooring buoys.
2. Except as provided in subsection ~~I(1)~~ of this section, each boat shall pay the moorage fee established by resolution when any one of the following conditions exist:
 - a. The boat is moored overnight, including rafted boats; or
 - b. The boat is connected to a power outlet at the dock; or
 - c. The boat is connected to a water outlet at the dock
3. Operators with a Disabled Veteran Lifetime Pass from Washington State Parks shall not be charged moorage fees, but still must register at the kiosk and have Lifetime Pass displayed.
- ~~43.~~ For each boat showing proof of payment of the moorage fee for mooring overnight the following utilities are provided at no additional charge:
 - a. Power: typically available year round at the dock; and
 - b. Water: typically available between April 1st and October 31st of each year at the dock.
- ~~54.~~ Proof of payment of the moorage fee shall be displayed in a visible dock-side window on each boat required to pay moorage fees per subsection ~~B I(2)~~ of this section. If the boat does not have a visible dock-side window, the proof of payment shall be displayed on a dock-side vertical surface above the gunwale.
- ~~65.~~ Falsifying vessel identification and/or size on moorage payment information shall be a violation of this chapter.
- ~~76.~~ Payment of moorage fees shall be made using a credit card or debit card only at the payment kiosk located on the shoreline adjacent to the dock.
- ~~87.~~ Mooring buoys may be used by boats at no charge; however, depth and/or boat length limits may apply as posted. The same moorage time limits outlined in GHMC-~~11.20.090(E)8-28-050~~ shall also apply to city-owned mooring buoys. Vessels

using mooring buoys must register and display proof of registration, but there will be no fee charged for use of the buoy.

J. Dinghies and human powered craft.

1. Dinghies and human powered craft shall only be tied to the following locations on the dock:

- a. Where posted specifically for the type of boat; or
- b. Alongside the larger boat to which they are a tender.

2. Dinghies and human powered craft tied to the dock and not within a designated area are subject to moorage payment

11.30.100 Maritime Pier (moved from GHMC 8.29)

A. The Maritime Pier (pier), located at approximately N 47° 19' 47", W 122° 34' 42", is accessed from land that is city right-of-way, with limitations set forth in this Title.

B.B. The general public may use the pier for enjoyment but shall not interfere or inhibit the use of the pier by a commercial fishing operator. No watercraft may use the Maritime Pier for loading and unloading purposes for a period exceeding 15 minutes, unless authorized by the city under a properly executed Maritime Pier commercial vessel use authorization.

C. Other than loading and unloading, there shall be no commercial activity conducted from the Maritime Pier.

B.

G.D. The float shall be set aside and clearly marked and signed for unloading and loading of watercraft passengers for a period of time not to exceed 15 minutes. A person responsible for navigating such watercraft must remain with the vessel while using the Maritime Pier. Any watercraft shall be moved from the unloading/loading zone immediately after loading or unloading if another watercraft needs to use the unloading/loading area.

11.30.110 Moorage Penalties and remedies (copied from 8.28.070)

The following violations of GHMC 11.30, , shall be civil infractions:

A. Moorage without registering or without paying the established fee; continuing to moor without paying the established fee as it becomes due. The civil penalty shall be \$100.00. Each calendar day on which a failure to pay the moorage fees occurs shall constitute a separate civil infraction.

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

Formatted: List Paragraph, Indent: Left: 0.73"

Formatted: Font: (Default) Arial, 12 pt

Formatted: List Paragraph

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

Formatted: No bullets or numbering

Formatted: Default Paragraph Font, Font: (Default) +Body (Calibri), 11 pt

B. Moorage in a restricted loading/unloading area or prohibited area. The civil penalty shall be \$100.00. Each calendar day on which a watercraft is moored in a restricted or prohibited area shall constitute a separate civil infraction.

C. Falsifying vessel identification and/or size on moorage payment information. The civil penalty shall be \$250.00. Each calendar day on which a watercraft has falsified such vessel identification and/or size information shall constitute a separate civil infraction.

D. Exceeding the mooring time limit of more than three overnight periods in any 10-day period without prior authorization. The civil penalty shall be \$100.00. Each calendar day on which a watercraft is moored beyond the prescribed time limit shall constitute a separate civil infraction.

E. The police department shall be responsible for issuing civil infractions pursuant to this section. The police department shall utilize the city's standard parking ticket when issuing notices of infraction pursuant to this section. The moorage/parking ticket will be issued and served upon the violating boat.

11.30.120. Abandoned boats and remedies (copied from 8.28.090)

A. Boats that remain moored at any city dock in violation of this chapter beyond 10 days shall be deemed a public nuisance under RCW [35.27.410](#) and in violation of the safety, health, morals and general welfare of the city.

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

Formatted: Space After: 8 pt, Line spacing: Multiple 1.08 li

B. Such remedies given by law for the prevention and abatement of nuisances shall apply hereto.

C. Appropriately located signs shall inform users of the moorage fees and time limits as expressed in this chapter and shall be deemed notice as warning of impoundment by violations.

D. Violation of any portion of this section shall be just cause for the violating boat to be cabled to the dock to insure compliance with this chapter. Upon proper notice in accordance with subsections [F](#) and [G](#) of this section, the violating boat shall be impounded.

E. For the purposes of this chapter, the fact that a boat has been so left beyond 10 days without permission or notification of the police department is prima facie evidence of abandonment.

F. When boats are found in violation of this section, the registered owner shall be notified by certified or registered mail that such boat is in violation of this chapter and has been impounded by the city pending issuance of notice of infraction in accordance with GHMC XX.XX and is subject to seizure if not claimed within 30 days.

G. When boats are found in violation of this section and parties claiming ownership to said boats are not known, a notice of violation of this chapter shall be affixed to a prominent portion of the boat stating that the boat is in violation of this chapter and has been impounded by the city pending issuance of notice of infraction in accordance with GHMC ~~XX.XX~~11.30.110 and are subject to seizure if not claimed within 30 days.

Formatted: Font: (Default) Arial, 12 pt

H. Such notice described in subsections E and G of this section shall include the redemption procedure and the opportunity for hearing to contest the propriety of impoundment. If the owner of the boat is not known, publication of the boat's description, make, model, size, and color, plus details of impoundment, redemption procedure and the opportunity for hearing to contest the propriety of impoundment within a newspaper of general and local readership shall constitute sufficient notice.

I. After 30 days of receipt of the registered or certified mail or publication in a general and local newspaper providing notice of the impoundment, the city shall hold for sale the impounded boat. Proceeds of the sale shall be applied to the towing and storage fees incurred through impoundment and any excess shall be deposited in the city treasury.

11.40 Cushman Trail

11.40.010 Purpose and intent

The Cushman Trail extends from Borgen Boulevard south through the city and outside of city limits, mostly on property owned by Tacoma Public Utilities and governed by a use agreement. Public use of the trail is governed by the Park Rules outlined in this Title, except for operating hours.

11.40.020. Parking at trailheads

Parking at the Borgen trailhead and Grandview trailhead is limited to 4 hours.

11.40.030 Internal combustion engines prohibited

All vehicles, bicycles and scooters with internal combustion engines are prohibited on the Cushman Trail, except for maintenance vehicles as authorized by the use agreement between Tacoma Power and the city.

11.40.040 Electric motorized bicycles and scooters

Bicycles and scooters and personal assistive mobility devices are governed by GHMC 8.30.

11.50 Conservation Properties

11.50.010 Purpose

The city owns several properties classified as conservation properties, including the ~~tx~~^waalqel Conservation Area and Old Burnham Properties. The primary purpose of these properties is to preserve the natural environment.

Formatted: Font: Not Bold

11.50.020 Allowed uses

Passive park use is allowed, including hiking, running or walking on designated trails and nature viewing. Other allowed uses may be specified in property-specific management plans.

11.50.030 Prohibited Uses

Bicycle riding, horseback riding, motor vehicles, destruction of plant life and off-leash pets are prohibited in conservation properties.

11.60 Penalties-(moved from 9.24.050)

11.60.010 Parks Code Violations

Failure to comply with any of the provisions of this chapter shall constitute a civil infraction, subject to a penalty of \$100.00 as provided in GHMC [1.16.010\(D\)\(3\)](#), unless otherwise specified in chapters above above.



**City of Gig Harbor
City Council Agenda Bill**

Meeting Date: June 23, 2025

SUBJECT: Shore Acres Water System – Tentative Agreement

SUBMITTED BY: Public Works Director Jeff Langhelm

DEPARTMENT: Public Works

PHONE: (253) 853-7630

SUGGESTED MOTION: N/A

BACKGROUND INFORMATION: The Shore Acres Water Company's water system (see attached service area map) was established in 1946 and used a single well source to provide drinking water to the Shore Acres community. Eventually, their well source slowed production and in the late 1970s or early 1980s the city agreed to provide SAWC city water as a wholesale customer. The most current agreement between the city and SAWC is attached for reference. The SAWC Board continues to operate the water system through volunteer efforts and with professional management support from the Peninsula Light Company.

About a decade ago, SAWC approached the city requesting the city take over ownership, operations, and maintenance of their water system. The city responded to this request with a list of deficiencies in the SAWC water system as perceived by the city. SAWC indicated they would make improvements then return to the city.

In 2023, SAWC returned to the city to again request the city take over their water system. The city requested SAWC summarize the improvements completed since the city last considered this request. After a few meetings, SAWC decided to engage with Washington Water Company, a privately owned water operator based in California, to transfer ownership, operations, and maintenance of the water system. This option would require the city still provide fire flow to the SAWC water system.

On April 25, Public Works met with a representative of the SAWC Board to review the details of how the SAWC water system transfer to Washington Water is proceeding and how the existing agreement between the city and SAWC may be impacted. During the April 25 meeting, SAWC acknowledged the board would still prefer to transfer the water system to the city instead of Washington Water to retain local representation and ownership, and other reasons. City staff suggested presenting this option to transfer the water system to the city at city council's May 1 study session.

At the May 1 study session, staff presented options for consideration and city council supported the city to further consider acquiring the SAWC. Following the May 1 study session, staff completed these steps:

1. May 12: The city provided a letter of intent to SAWC to acquire the water system (attached).

2. May 30: The City and SAWC reviewed the existing facilities, the last 2-years of maintenance records, and the overall status of the water system.
3. Subsequent review of SAWC information and facilities finds the SAWC system is in good condition. However, SAWC system likely does not provide the minimum fire flow standard of the city's water system.
4. June 5: The city attorney drafted a purchase and sale agreement (PSA), attached, which was provided to SAWC for review and comment.

Moving forward, if the city and SAWC elect to continue with this PSA, staff will continue to work with SWAC to finalize the PSA, staff will provide city council with a final draft of the PSA, and staff will hold an open house in summer. This open house will likely be in August and is intended to be a Q & A session for SAWC customers.

At the June 23 study session, staff will review with council the current steps completed and the next steps proposed in the path to execute the PSA. A SAWC representative will likely be at the June 23 study session to answer questions.

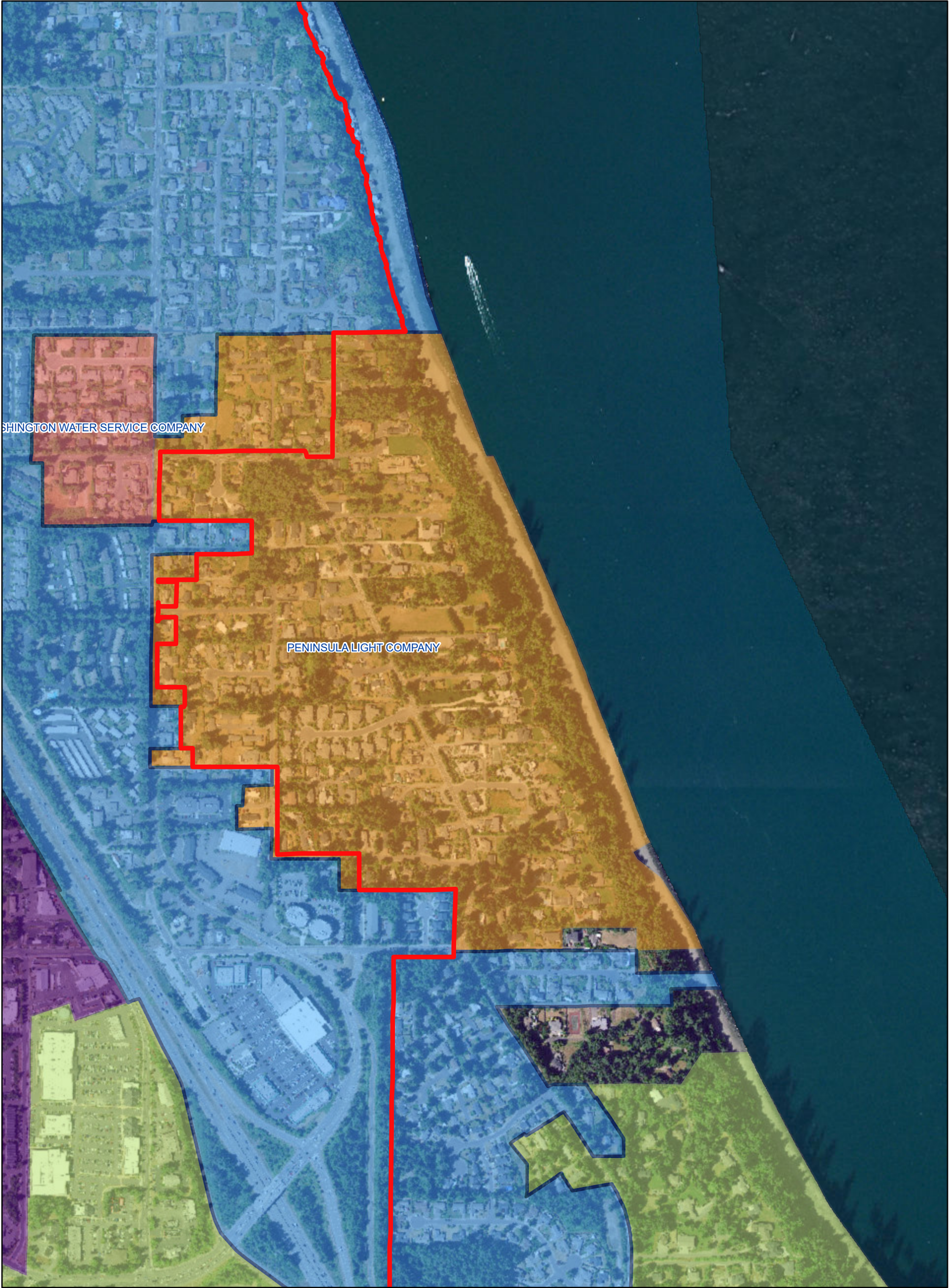
FISCAL CONSIDERATION: N/A

ATTACHMENTS:

1. Shore Acres Water Service Area Map
2. 2008-01-14_Shore Acres Water Service Agreement_r
3. 2025-05-12_Shore Acres Letter of Intent
4. DRAFT Gig Harbor - SAWS Agreement for Purchase-Sale of Water System_2025-06-05

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities

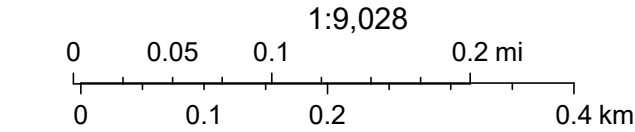
Shore Acres (aka Peninsula Light) Water System Service Area



4/29/2025, 11:27:56 AM

GH Peninsula Purveyor Management Agencies

- GIG HARBOR WATER DEPT
- WASHINGTON WATER SERVICE COMPANY
- PENINSULA LIGHT COMPANY
- RAINIER VIEW WATER COMPANY
- STROH S WATER COMPANY INC



Imagery © 2023 Hexagon and data partners.
Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community
Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, ©

**AGREEMENT
BETWEEN THE CITY OF GIG HARBOR
AND THE SHORE ACRES WATER COMPANY**

THIS AGREEMENT, made and entered into this 14 day of January, 2008, by and between the City of Gig Harbor, an optional code municipal corporation of the State of Washington, hereinafter called the "City," and Shore Acres Water Company, a nonprofit corporation, organized and existing under the laws of the State of Washington, hereinafter called the "Purchaser."

WITNESSETH:

WHEREAS, the Purchaser is the owner of a Water Company, and its customers own property located both inside and outside the City limits; and

WHEREAS, the Purchaser purchases water from the City for the use of its customers, who are billed by the Purchaser, and the Purchaser then pays the City for the water;

WHEREAS, the Purchaser desires to obtain additional hook-ups for property that has not yet been developed; and

WHEREAS, the City desires to provide water to the Purchaser, under the terms and conditions set forth in Title 13 of the Gig Harbor Municipal Code; and

WHEREAS, the City Council held a public hearing on this Agreement on January 14, 2008, during a regularly scheduled Council meeting, and authorized the Mayor to execute this Agreement on behalf of the City; NOW, THEREFORE,

That the parties heretofore and in consideration of the mutual covenants herein contained, agree as follows:

1. Agreement to Sell Water, Agreement to Purchase Water.

The City agrees to sell up to Seventeen Million (17,000,000) gallons of water annually to the Purchaser for the term of this Agreement, under the terms and conditions set forth herein. "Annually" shall mean from January 1st of any year until December 31st of that year. At the time a new connection to the Purchaser's system is added under Section 4 herein, the City agrees to increase this amount by Eighty Thousand (80,000) gallons of water annually to the Purchaser for the remaining term of the Agreement, under the terms and conditions set forth in this Agreement. The Eighty Thousand (80,000) gallons of water annual limit reflects

the amount included in the City's Water Comprehensive Plan used by a single household, multiplied by the number of connections in the Purchaser's system as of the date of this Agreement. The parties agree that if the City's Water Comprehensive Plan (or an ordinance adopted for the same purpose) is amended to reflect a new number for water use by a single household, then this shall thereafter be used in future calculations for the amount of increase for a single connection.

The amounts established in this Section 1 shall not apply during those times in which the City Council declares that there is a drought or other emergency necessitating the adoption of ordinances relating to water conservation. During such times, the Purchaser agrees to comply with the City's water conservation ordinances.

The parties agree that if the Purchaser draws more water from the City's water system than the Seventeen Million (17,000,000) gallon annual limit, payment for any gallons over the Seventeen Million limit shall include a surcharge of twenty-five percent (25%) of the current water rate, as established in the City's ordinances. In addition, if the Purchaser draws more water from the City's water system than ten percent (10%) above the Seventeen Million (17,000,000) gallon limit, the parties shall meet to renegotiate this Agreement, as set forth in Section 17 herein.

2. Term.

This Agreement shall be deemed effective as of January 14, 2008, and shall terminate on December 31, 2011. Without further action by either of the parties hereto, and as long as the Purchaser has not triggered the renegotiation provision of Section 1 above, this Agreement shall be renewed and continued in full force and effect for additional terms of four year periods after the anniversary date, unless the Purchaser or City, on or before three hundred (360) days prior to the termination of this Agreement, or on or before three hundred (360) days prior to the termination of any renewal period, gives written notice that the Agreement will not be renewed.

3. Payment for Water and Connection Fees.

Water delivered under this Agreement shall be billed by the City and paid by the Purchaser bi-monthly. Purchaser shall pay the water rate established by the City in its codes, as they now exist or may hereafter be amended. All conditions of payment which apply to City customers shall apply equally to the Purchaser.

4. New Connections and Payment for Connections.

For purposes of calculating billing from the City to the Purchaser, it shall be conclusively presumed that there are currently **214** connections to the

Purchaser's system. This presumption shall be reviewed and adjusted to reflect actual number of connections on the first day of June of each year this agreement shall remain in force. Currently, the Purchaser is approved by the Department of Health for a total of 357 connections.

Any property owner in the jurisdiction of the Purchaser's water system (up to the 357 approved connections) may apply to the City for a water concurrency certificate. If granted, the individual property owner(s) shall comply with the applicable City codes, as they now exist or as they may be amended in the future.

The individual property owner shall pay to the City for each new connection to the Purchaser's system a connection fee as established by the City Council in an ordinance adopted for this purpose. The individual property owner agrees to pay the connection fee at the rate schedules applicable at the time the individual property owner requests to actually connect to the system.

5. Point of Delivery and Character of Service.

The City will deliver or make available to the Purchaser, at the two master meters serving Shore Acres Water Company near the City's corporate limits or at such other sites as the City and the Purchaser may agree upon, wholesome water for residential and fire extinguishing uses. The water supplied shall be of the same quality as that distributed by the City to its users.

6. Master Meter System.

The City shall bi-monthly read the master meters in existence and the bill sent to the Purchaser from the City shall reflect that reading. The bi-monthly bill shall be computed as follows:

A. First, there shall be a determination of the total water consumed bi-monthly by reading the master meters.

B. Then, the billing shall be computed according to the current ordinance by multiplying the base charge for each 4" meter times the outside City multiplier, plus multiplying usage at the current ordinance rate per 100 cubic feet times the outside City multiplier, plus City taxes as applicable.

7. Load Changes.

The Purchaser shall not extend new service to any structure used for business or commercial purposes, as the same are defined in the City's Zoning Code, without first obtaining written approval from the City.

8. Resale of Water.

The Purchaser agrees that all water delivered by the City hereunder will be used for its own purposes as a distributing utility to distribute water to its members and that none will be delivered or sold to another distributing utility for resale.

9. Flushing.

The City shall notify the Purchaser prior to flushing any lines which affect the quality of the water delivered to the Purchaser, or before intentionally interrupting any water service to the Purchaser.

10. Interruption of Service for Causes Beyond Control of Parties.

If the operation of the City's source of water or means of distribution or the operation of the Purchaser's service is suspended, interrupted, or interfered with for any cause beyond the City's control, including, but not by way of limitation, the failure or breakdown or interruption of electrical power, floods, fires, acts of God or the public enemy, or other causes beyond the control of the parties, but expressly excluding a depression or recession in the economy, the City need not deliver water for such period of time to the extent that such suspension, interruption or interference makes it reasonably impractical to deliver such water; and monthly bills for any such period, including any such suspension, interruption of interference, shall be pro-rated by reducing the billing demand in the ratio of days of suspension of service to the total days in the billing period.

11. Area Served.

The Purchaser shall only serve members within the following described area:

Area Served.

The Purchaser shall only serve members within the following described area:

Beginning at the Northeast corner of the Southeast quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of W.M.;

Thence West 30 feet more or less to the West line of Wickersham County Road;

Thence Southerly along the West line of Wickersham County Road to the North line of the Southwest quarter of Section 17, Township 21 North, Range 2 East W.M.;

Thence Easterly along the North line of the Southwest quarter and the Southeast quarter of Section 17 to the point of intersection with the Government Meander line;

Thence Northwesterly along the Government Meander line to the City limits of the City of Gig Harbor, the current city limits as established on October 23, 1946;

Thence Westerly along said City limits to the point of beginning.

Excluding any area served by the City through the City's distribution lines prior to the 1st day of January, 2007, which has been annexed to the City of Gig Harbor. Nothing in this Agreement shall limit the City's exercise of its authority to annex property served by the Purchaser.

12. Specific Enforcement.

In addition to any other remedy provided by law or this Agreement, the terms of this Agreement may be specifically enforced by a court of competent jurisdiction.

13. Assignment and Assumption.

The Purchaser shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation, provided that, the City shall provide its prior written consent to such sale, assignment or transfer. The Purchaser shall provide the City with written notice of any intent to sell, assign, or transfer, at least 30 days in advance of such action. The City's consent shall not be unreasonably withheld.

14. Amendment to Agreement; Effect of Agreement on Future Actions.

This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200).

15. Notices.

Notices and correspondence to the City and Purchaser shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated below. Notice to the City shall be to the attention of both the City Administrator and City Attorney. The parties hereto may, from time to time, advise the other of any new addresses for notice and correspondence.

TO THE CITY:

TO SHORE ACRES:

City Administrator
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Shore Acres Water Company
3110 Judson St. PMB #232
Gig Harbor, WA 98335

City Attorney
Law Office of Carol A. Morris, P.C.
P.O. Box 948
Seabeck, WA 98380

16. Applicable Law and Attorneys' Fees.

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

17. Default and Termination.

A. The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by the non-performing Party:

1. The failure to make any payment required to be made hereunder within ten (10) days of the receipt of the notice of such failure to pay;
2. The failure of the City to provide water to the Purchaser, in the amounts agreed to herein, within twenty (20) days of the receipt of the notice of such failure to provide water;
3. The Purchaser's annual use of water in excess of ten percent (10%) over the amount established in Section 1; and
4. The failure to observe or perform any of the covenants, conditions or obligations of this Agreement, within ten (10) days of a notice by the other Party, specifying the nature of the default claimed.

B. With respect to any default under Section 17(A) above, the Purchaser shall be responsible for the default of any individual purchaser of water in the Purchaser's water system.

C. At the end of each year, the City shall calculate the amount of water used by the Purchaser. If the amount used by the Purchaser for the year

exceeds by ten percent (10%) the amount established in Section 1 of this Agreement, the City shall notify the Purchaser in writing that the parties shall meet to renegotiate this Agreement. At such time, the parties shall discuss the deadline for termination of this Agreement, which shall occur within six (6) months of the date the City mails the notice to Purchase for renegotiation. All of the terms of this Agreement may be renegotiated in any subsequent agreement.

D. In the event that the Purchaser fails to comply with any term or condition of this Agreement, the City shall have the right, at any time, to enter on the Purchaser's property, and for that purpose disconnect the water and terminate this Agreement. Such disconnection shall be a remedy available to the City in addition to any other remedy available at law, including, but not limited to, breach of contract.

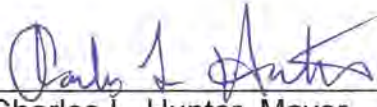
18. Severability and Integration.

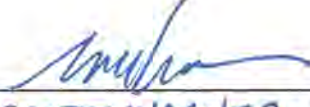
This Agreement and the Exhibits attached hereto constitute the agreement between the parties on this subject matter, and there are no other understandings, verbal or written, that modify the terms of this Agreement. If any phrase, provision, or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the resolution or ordinance adopting this Agreement, such invalidity shall not affect the other terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth below:

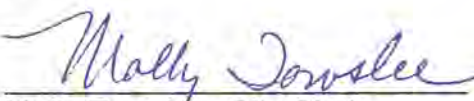
CITY OF GIG HARBOR

SHORE ACRES WATER COMPANY


Charles L. Hunter, Mayor


SCOTT WAGNER, President

ATTEST:


Molly Towslee, City Clerk


Secretary
DAVID HOPKINS

APPROVED AS TO FORM:


Carol A. Morris, City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Charles L. Hunter is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Mayor of Gig Harbor to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1-15-08



Molly M. Towslee
Molly M. Towslee
(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:
Gig Harbor
My Commission expires: 12/2/2011

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Scott Wagner is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the President of Shoreacres Water Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1/10/08



Ryan T. Ryan
Ryan T. Ryan
(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:
Pierce County
My Commission expires: 12/7/08



PUBLIC WORKS DEPARTMENT

May 12, 2025

Shore Acres Water System
Tim Toerber, Vice President
PO Box
Gig Harbor, WA 98335

SUBJECT: Letter of Intent to Acquire Shore Acres Water System

Dear Mr. Toerber,

The city has served Shore Acres Water System (SAWS) with water for residential and fire flow uses in accordance with the most recent, enclosed 2008 water service agreement. As you know, the SAWS Board and the City of Gig Harbor have been in occasional discussions for the city to take over the SAWS. Most recently, SAWS presented to the city the desire of SAWS to transfer ownership and operation of its water system to another water purveyor. The options proposed were a transfer to either Washington Water Service Company (WWSC) or the city of Gig Harbor.

City staff made a presentation to city council at their May 1 study session regarding the option to transfer SAWS to the city. At the May 1 study session city council supported the common desire for SAWS customers to receive local representation and by future elected officials upon annexation of the Shore Acres neighborhood. As a result, city council directed staff to submit this letter of intent to SAWS that supported the city's interest in transferring SAWS to the city with the following conditions.

1. The city understands the previously offered vacant property (APN 7580000830) where the Shore Acres well was once located is no longer being offered by SAWS and has now been sold into private ownership.
2. The city and SAWS will schedule a date/time to meet with SAWS representatives, including Peninsula Light Co. water system management representatives, to review the status of the water system.
3. Provide the city with 2 years of SAWS maintenance records.
4. If, after review of conditions 2 and 3 above, significant improvements are necessary to bring the water system up to city standards (see the city's current [2018 Water System Plan](#) and [Chapter 4 of the Public Works Standards](#)) there may be an additional local improvement fee imposed to provide the city with the revenue for the necessary improvements.

Letter of Intent to Acquire Shore Acres Water System

May 12, 2025

Page 2 of 2

5. If SAWS is transferred to the city, customers of SAWS will continue to pay water rates in accordance with [GHMC 13.04.030](#) until such time parcels are annexed into the city.
6. The city is currently completing a rate study to adjust water rates and the rate structure. As part of this rate study the city is considering implementing tiered water rates. This rate study would consider any changes to the 2008 water service agreement.

If Shore Acres elects to receive service from WWSC, the city will consider the existing agreement void and will submit the 360-day notice of termination of the 2008 water service agreement.

If there are any further questions please contact me by phone at (253) 851-6170 or by e-mail at JLanghelm@gigharborwa.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Langhelm".

Jeff Langhelm, PE
Public Works Director

Encl. 2008 Water Service Agreement

**AGREEMENT
BETWEEN THE CITY OF GIG HARBOR
AND THE SHORE ACRES WATER COMPANY**

THIS AGREEMENT, made and entered into this 14 day of January, 2008, by and between the City of Gig Harbor, an optional code municipal corporation of the State of Washington, hereinafter called the "City," and Shore Acres Water Company, a nonprofit corporation, organized and existing under the laws of the State of Washington, hereinafter called the "Purchaser."

WITNESSETH:

WHEREAS, the Purchaser is the owner of a Water Company, and its customers own property located both inside and outside the City limits; and

WHEREAS, the Purchaser purchases water from the City for the use of its customers, who are billed by the Purchaser, and the Purchaser then pays the City for the water;

WHEREAS, the Purchaser desires to obtain additional hook-ups for property that has not yet been developed; and

WHEREAS, the City desires to provide water to the Purchaser, under the terms and conditions set forth in Title 13 of the Gig Harbor Municipal Code; and

WHEREAS, the City Council held a public hearing on this Agreement on January 14, 2008, during a regularly scheduled Council meeting, and authorized the Mayor to execute this Agreement on behalf of the City; NOW, THEREFORE,

That the parties heretofore and in consideration of the mutual covenants herein contained, agree as follows:

1. Agreement to Sell Water, Agreement to Purchase Water.

The City agrees to sell up to Seventeen Million (17,000,000) gallons of water annually to the Purchaser for the term of this Agreement, under the terms and conditions set forth herein. "Annually" shall mean from January 1st of any year until December 31st of that year. At the time a new connection to the Purchaser's system is added under Section 4 herein, the City agrees to increase this amount by Eighty Thousand (80,000) gallons of water annually to the Purchaser for the remaining term of the Agreement, under the terms and conditions set forth in this Agreement. The Eighty Thousand (80,000) gallons of water annual limit reflects

the amount included in the City's Water Comprehensive Plan used by a single household, multiplied by the number of connections in the Purchaser's system as of the date of this Agreement. The parties agree that if the City's Water Comprehensive Plan (or an ordinance adopted for the same purpose) is amended to reflect a new number for water use by a single household, then this shall thereafter be used in future calculations for the amount of increase for a single connection.

The amounts established in this Section 1 shall not apply during those times in which the City Council declares that there is a drought or other emergency necessitating the adoption of ordinances relating to water conservation. During such times, the Purchaser agrees to comply with the City's water conservation ordinances.

The parties agree that if the Purchaser draws more water from the City's water system than the Seventeen Million (17,000,000) gallon annual limit, payment for any gallons over the Seventeen Million limit shall include a surcharge of twenty-five percent (25%) of the current water rate, as established in the City's ordinances. In addition, if the Purchaser draws more water from the City's water system than ten percent (10%) above the Seventeen Million (17,000,000) gallon limit, the parties shall meet to renegotiate this Agreement, as set forth in Section 17 herein.

2. Term.

This Agreement shall be deemed effective as of January 14, 2008, and shall terminate on December 31, 2011. Without further action by either of the parties hereto, and as long as the Purchaser has not triggered the renegotiation provision of Section 1 above, this Agreement shall be renewed and continued in full force and effect for additional terms of four year periods after the anniversary date, unless the Purchaser or City, on or before three hundred (360) days prior to the termination of this Agreement, or on or before three hundred (360) days prior to the termination of any renewal period, gives written notice that the Agreement will not be renewed.

3. Payment for Water and Connection Fees.

Water delivered under this Agreement shall be billed by the City and paid by the Purchaser bi-monthly. Purchaser shall pay the water rate established by the City in its codes, as they now exist or may hereafter be amended. All conditions of payment which apply to City customers shall apply equally to the Purchaser.

4. New Connections and Payment for Connections.

For purposes of calculating billing from the City to the Purchaser, it shall be conclusively presumed that there are currently **214** connections to the

Purchaser's system. This presumption shall be reviewed and adjusted to reflect actual number of connections on the first day of June of each year this agreement shall remain in force. Currently, the Purchaser is approved by the Department of Health for a total of 357 connections.

Any property owner in the jurisdiction of the Purchaser's water system (up to the 357 approved connections) may apply to the City for a water concurrency certificate. If granted, the individual property owner(s) shall comply with the applicable City codes, as they now exist or as they may be amended in the future.

The individual property owner shall pay to the City for each new connection to the Purchaser's system a connection fee as established by the City Council in an ordinance adopted for this purpose. The individual property owner agrees to pay the connection fee at the rate schedules applicable at the time the individual property owner requests to actually connect to the system.

5. Point of Delivery and Character of Service.

The City will deliver or make available to the Purchaser, at the two master meters serving Shore Acres Water Company near the City's corporate limits or at such other sites as the City and the Purchaser may agree upon, wholesome water for residential and fire extinguishing uses. The water supplied shall be of the same quality as that distributed by the City to its users.

6. Master Meter System.

The City shall bi-monthly read the master meters in existence and the bill sent to the Purchaser from the City shall reflect that reading. The bi-monthly bill shall be computed as follows:

A. First, there shall be a determination of the total water consumed bi-monthly by reading the master meters.

B. Then, the billing shall be computed according to the current ordinance by multiplying the base charge for each 4" meter times the outside City multiplier, plus multiplying usage at the current ordinance rate per 100 cubic feet times the outside City multiplier, plus City taxes as applicable.

7. Load Changes.

The Purchaser shall not extend new service to any structure used for business or commercial purposes, as the same are defined in the City's Zoning Code, without first obtaining written approval from the City.

8. Resale of Water.

The Purchaser agrees that all water delivered by the City hereunder will be used for its own purposes as a distributing utility to distribute water to its members and that none will be delivered or sold to another distributing utility for resale.

9. Flushing.

The City shall notify the Purchaser prior to flushing any lines which affect the quality of the water delivered to the Purchaser, or before intentionally interrupting any water service to the Purchaser.

10. Interruption of Service for Causes Beyond Control of Parties.

If the operation of the City's source of water or means of distribution or the operation of the Purchaser's service is suspended, interrupted, or interfered with for any cause beyond the City's control, including, but not by way of limitation, the failure or breakdown or interruption of electrical power, floods, fires, acts of God or the public enemy, or other causes beyond the control of the parties, but expressly excluding a depression or recession in the economy, the City need not deliver water for such period of time to the extent that such suspension, interruption or interference makes it reasonably impractical to deliver such water; and monthly bills for any such period, including any such suspension, interruption of interference, shall be pro-rated by reducing the billing demand in the ratio of days of suspension of service to the total days in the billing period.

11. Area Served.

The Purchaser shall only serve members within the following described area:

Area Served.

The Purchaser shall only serve members within the following described area:

Beginning at the Northeast corner of the Southeast quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of W.M.;

Thence West 30 feet more or less to the West line of Wickersham County Road;

Thence Southerly along the West line of Wickersham County Road to the North line of the Southwest quarter of Section 17, Township 21 North, Range 2 East W.M.;

Thence Easterly along the North line of the Southwest quarter and the Southeast quarter of Section 17 to the point of intersection with the Government Meander line;

Thence Northwesterly along the Government Meander line to the City limits of the City of Gig Harbor, the current city limits as established on October 23, 1946;

Thence Westerly along said City limits to the point of beginning.

Excluding any area served by the City through the City's distribution lines prior to the 1st day of January, 2007, which has been annexed to the City of Gig Harbor. Nothing in this Agreement shall limit the City's exercise of its authority to annex property served by the Purchaser.

12. Specific Enforcement.

In addition to any other remedy provided by law or this Agreement, the terms of this Agreement may be specifically enforced by a court of competent jurisdiction.

13. Assignment and Assumption.

The Purchaser shall have the right to sell, assign or transfer this Agreement with all their rights, title and interests therein to any person, firm or corporation, provided that, the City shall provide its prior written consent to such sale, assignment or transfer. The Purchaser shall provide the City with written notice of any intent to sell, assign, or transfer, at least 30 days in advance of such action. The City's consent shall not be unreasonably withheld.

14. Amendment to Agreement; Effect of Agreement on Future Actions.

This Agreement may be amended by mutual consent of all of the parties, provided that any such amendment shall follow the process established by law for the adoption of a development agreement (see, RCW 36.70B.200).

15. Notices.

Notices and correspondence to the City and Purchaser shall be sufficiently given if dispatched by pre-paid first-class mail to the addresses of the parties as designated below. Notice to the City shall be to the attention of both the City Administrator and City Attorney. The parties hereto may, from time to time, advise the other of any new addresses for notice and correspondence.

TO THE CITY:

TO SHORE ACRES:

City Administrator
City of Gig Harbor
3510 Grandview Street
Gig Harbor, WA 98335

Shore Acres Water Company
3110 Judson St. PMB #232
Gig Harbor, WA 98335

City Attorney
Law Office of Carol A. Morris, P.C.
P.O. Box 948
Seabeck, WA 98380

16. Applicable Law and Attorneys' Fees.

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington. If litigation is initiated to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. Venue for any action shall lie in Pierce County Superior Court or the U.S. District Court for Western Washington.

17. Default and Termination.

A. The occurrence of any one or more of the following events shall constitute a material default and breach of this Agreement by the non-performing Party:

1. The failure to make any payment required to be made hereunder within ten (10) days of the receipt of the notice of such failure to pay;
2. The failure of the City to provide water to the Purchaser, in the amounts agreed to herein, within twenty (20) days of the receipt of the notice of such failure to provide water;
3. The Purchaser's annual use of water in excess of ten percent (10%) over the amount established in Section 1; and
4. The failure to observe or perform any of the covenants, conditions or obligations of this Agreement, within ten (10) days of a notice by the other Party, specifying the nature of the default claimed.

B. With respect to any default under Section 17(A) above, the Purchaser shall be responsible for the default of any individual purchaser of water in the Purchaser's water system.

C. At the end of each year, the City shall calculate the amount of water used by the Purchaser. If the amount used by the Purchaser for the year

exceeds by ten percent (10%) the amount established in Section 1 of this Agreement, the City shall notify the Purchaser in writing that the parties shall meet to renegotiate this Agreement. At such time, the parties shall discuss the deadline for termination of this Agreement, which shall occur within six (6) months of the date the City mails the notice to Purchase for renegotiation. All of the terms of this Agreement may be renegotiated in any subsequent agreement.

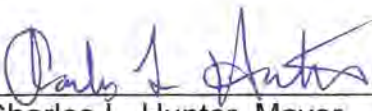
D. In the event that the Purchaser fails to comply with any term or condition of this Agreement, the City shall have the right, at any time, to enter on the Purchaser's property, and for that purpose disconnect the water and terminate this Agreement. Such disconnection shall be a remedy available to the City in addition to any other remedy available at law, including, but not limited to, breach of contract.

18. Severability and Integration.

This Agreement and the Exhibits attached hereto constitute the agreement between the parties on this subject matter, and there are no other understandings, verbal or written, that modify the terms of this Agreement. If any phrase, provision, or section of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any statute of the State of Washington which became effective after the effective date of the resolution or ordinance adopting this Agreement, such invalidity shall not affect the other terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates set forth below:

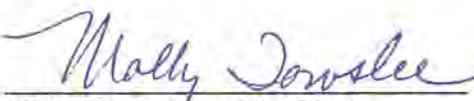
CITY OF GIG HARBOR


Charles L. Hunter, Mayor

SHORE ACRES WATER COMPANY


SCOTT WAGNER, President

ATTEST:


Molly Towslee, City Clerk


Secretary
DAVID HOPKINS

APPROVED AS TO FORM:


Carol A. Morris, City Attorney

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Charles L. Hunter is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Mayor of Gig Harbor to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1-15-08



Molly M. Towslee
Molly M. Towslee
(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:
Gig Harbor
My Commission expires: 12/2/2011

STATE OF WASHINGTON)
) ss.
COUNTY OF PIERCE)

I certify that I know or have satisfactory evidence that Scott Wagner is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the President of Shoreacres Water Company to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 1/10/08



Ryan T. Ryan
Ryan T. Ryan
(print or type name)
NOTARY PUBLIC in and for the
State of Washington, residing at:
Pierce County
My Commission expires: 12/7/08

**AGREEMENT FOR PURCHASE AND SALE
OF WATER SYSTEM FACILITIES AND
PERSONAL PROPERTY OF
SHORE ACRES WATER COMPANY**

This Agreement ("Agreement") is entered into by and between **SHORE ACRES WATER COMPANY**, a Washington non-profit corporation ("**Seller**" or "**SAWC**"), and the **CITY OF GIG HARBOR**, a Washington municipal corporation ("**Purchaser**" or "**City**") (individually a "**Party**" and collectively the "**Parties**") for the purposes set forth below.

RECITALS

A. Seller owns a water system (DOH ID #846703) serving the area located west and adjacent to the City in Pierce County, Washington, described on **Exhibit "J"**. The water system presently serves 235 residential units or equivalent residential units ("ERUs"). The water system consists of distribution water lines, fire hydrants, and other water services including, but not limited to, water meters (the "**Water System**"). The Water System includes certain easements, personal property and intangible property used in connection with the Water System.

B. Seller desires to sell to Purchaser and Purchaser desires to purchase the Water System from Seller as further described herein in accordance with the terms and conditions set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

AGREEMENT

1. **Sale of Assets.** Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, transfer, convey, assign and deliver to Purchaser, and Purchaser hereby agrees to purchase and accept all of Seller's assets, as more specifically described below (collectively referred to herein as the "**Property**"), which are part of and used in the Water System, except as expressly provided herein. If any Asset described below requires formal action to assign, transfer, or amend to account for this sale shall be undertaken without delay and completed as soon as is feasible following execution of this agreement.

1.1 **Real Property.** All right, title, and interest of Seller in the easements and real property described on **Exhibit "A"** and all of the rights arising out of the ownership thereof or appurtenant thereto (the "**Real Property**").

1.2 **Facilities.** All water system facilities now existing or in the process of construction as described on the **List of Facilities** and the **Water System Depiction** attached hereto as **Exhibit "B"**.

1.3 **Personal Property.** All plans, engineering reports, drawings, maps and records listed on the **List of Personal Property** attached hereto as **Exhibit "C"**.

1.4 **Contract Rights and Intangibles.** To the extent transferable by the Seller, all contract rights held by Seller, specifically including without limitation all franchises authorizing the installation and operation of the Water System within any public rights-of-way; all warranties or guarantees connected with the construction of all or part of the Water System; all permits relating to the ownership or operation of the Water System; and all rights to bill for water provided by Purchaser after Closing, as listed on the **List of Contract Rights and Intangibles** attached hereto, labeled as **Exhibit "D"**.

1.5 **Excluded Property.** Purchaser is not purchasing the real and personal property related to the Water System listed on **Exhibit "E"** attached hereto. Seller represents and warrants that the property listed on **Exhibit "E"** constitutes the only real or personal property owned by Seller that will not be transferred to Purchaser pursuant to this Agreement. Notwithstanding the foregoing, any available water rights associated with the property listed on **Exhibit "E"** shall be transferred to the City subject to the timelines and conditions provided herein.

1.6 **Condition of Property.** Purchaser acknowledges that after the due diligence period and at closing, Seller is selling and Purchaser agrees to accept the Property "as is, where is and with all faults" without representation, warranty or covenant (express or implied) except as specifically set forth herein. Such acceptance should not be construed to prohibit the City from implementing a capital surcharge for a period of time to bring the system up to city standards.

2. **Consideration/Purchase Price.** In consideration of Seller's transfer and conveyance of the Property to the Purchaser, the Purchaser's agreement to accept the transfer and conveyance of the Property and extend its water system to provide water service to Seller's present customers as further described in this Agreement, Purchaser shall pay Seller at the time of closing of the purchase and sale of the Property the amount of Ten Dollars and no/100 Cents (\$10.00) and other valuable consideration (the "Sales Price"). The Parties acknowledge and agree that the Sales Price shall be allocated to the Property as follows:

A. Real Property: \$5.00

B. Personal Property: \$5.00

3. **Conveyance.** The Property described in Paragraph 1 above shall be conveyed by Seller to Purchaser at Closing by bill of sale, a blanket easement assignment in the forms attached hereto, labeled **Exhibit "G"**, and/or any other instrument that may be necessary in Purchaser's reasonable discretion in order to convey said Property.

4. **Due Diligence/Contingencies.**

4.1 **Purchaser's Due Diligence.** The obligation of Purchaser to close this Agreement is subject to the Seller providing the following disclosures and requirements and the Parties obtaining the following approvals and consents set forth in this Paragraph 4.1 conditioned as follows:

4.1.1 Document/Information Disclosure. Seller shall provide to Purchaser the following documents and information within thirty (30) days of the Effective Date of this Agreement ("Disclosure Deadline"):

- (A) Current Annual Report filed with Washington Secretary of State;
- (B) A copy of the latest SAWC water system plan;
- (C) Minutes of all SAWC member annual meetings for the past two years;
- (D) A list of current officers and directors of SAWC and their contact information;
- (E) A copy of SAWC's Articles of Incorporation and Bylaws;
- (F) Copies of the SAWC income and expense reports, balance sheets, audits and financial statements, and accounting reports showing the status of all utility accounts for the past two years;
- (G) All agreements affecting any real or personal property owned or leased by SAWC, including without limitation all management agreements, maintenance contracts, facilities agreements, and any instrument evidencing or purporting to grant a security interest in any such property;
- (H) All permits, licenses, authorizations or approvals held by SAWC required for or otherwise related to its current or planned operations; all information relating to expiration, termination, assignment, compliance or renewal of such permits or authorization;
- (I) All SAWC insurance policies for the past two years;
- (J) A list and legal descriptions of all easements, licenses, franchises, leases, deeds and all real or personal property held, owned or leased by SAWC together with copies of all such easements, licenses, franchises, deeds and lease agreements;
- (K) A list of all pending, threatened or potential litigation and/or administrative actions involving SAWC, identifying the parties to each litigation or matter, the nature of the claim or matter, the amount at issue, and provide all documents relating thereto;
- (L) Any operating permits and authorizations affecting SAWC;
- (M) All environmental assessments, investigations, tests and reports relating to the Property;

- (N) All correspondence between SAWC and all governmental entities for the past two years;
- (O) All SAWC utility customer billing records for the past two years;
- (P) A copy of SAWC's current utility service rate schedule;
- (Q) All SAWC federal tax returns for the past two years;
- (R) All maintenance and repair records with respect to the Water System for the past two years; and
- (S) All lending agreements and any other instrument evidencing a monetary debt, payment obligation or liability of SAWC.

4.1.2 Within thirty (30) days of the Disclosure Deadline, Purchaser may in its sole discretion terminate this Agreement without obligation by written notice to Seller. Without prejudice to the foregoing, if such documents or information are not disclosed or provided within the thirty (30) day deadline established by this Paragraph 4.1, Purchaser may, in its sole discretion, terminate this Agreement without obligation by written notice to Seller provided within thirty (30) days of the Disclosure Deadline.

4.1.3 If Seller does not possess or have knowledge of any of the above documents/information as set forth above, after a good faith search of records and reasonable inquiry, then Seller will acknowledge, in writing, when providing said documents/information that, upon its good faith knowledge, information and belief, it does not possess or have knowledge of said documents/information.

4.1.4 If review of the disclosed documents/information outlined above, in addition to a meeting between SAWC representatives and the City to review the status of the Water System, reveals that significant improvements are necessary to bring the water system up to city standards as defined in the City's 2018 Water System Comprehensive Plan and Chapter 13 of the Gig Harbor Municipal Code ("GHMC") the City may impose an additional local improvement fee to provide the City with the revenue, as required, for the necessary improvements.

4.2 Additional Approvals and Consents. If Purchaser determines to continue with the purchase of the Property following receipt and review of the information and documents provided by the Seller to Purchaser pursuant to Paragraph 4.1.1 above, the closing of the purchase and sale of the Property shall be further conditioned thereafter on the Parties receiving the approvals, consents and performing the obligations provided in this Section 4.2 by September 30, 2025, unless a different deadline is expressly provided below.

4.2.1 Seller and Purchaser shall have conducted an inventory of the Property which shall be jointly planned and conducted by Seller's and Purchaser's agents.

4.2.2 A representative of Seller shall have taken representatives of Purchaser on a comprehensive tour of the Water System and shown Purchaser's representatives the physical location and current method of operation of each major component of the Water

System facilities.

4.2.3 Seller shall have delivered to Purchaser a complete list of the names, addresses and service addresses of all persons/entities to whom Seller has contractual commitments or has otherwise agreed or is legally obligated to provide water service and the status or extent of the water commitment such as residential, recreational or other commitment current as of the date that Seller provides the list to Purchaser.

4.2.4 The Parties have obtained all necessary approvals from public agencies with the jurisdiction to regulate the expansion of Purchaser's water service area to include Seller's water service area, and Purchaser has received assurances from water purveyors that share a boundary with SAWC or the City of Gig Harbor and SAWC that the transfer effected by this Agreement will not create a boundary or service area dispute.

4.2.4.1 Without prejudice to the foregoing, the Parties mutually acknowledge the Pierce County Coordinated Water System Plan (**PCCWSP**) and Pierce County Ordinance Nos. 83-9 and 93-152, declaring Pierce County as a Critical Water Supply Service Area (**PCCWSSA**), attached hereto, labeled as **Exhibit I**. The Closing of the purchase and sale of the Property as addressed in this Agreement is expressly contingent upon prior receipt of all applicable approvals required by the PCCWSP and the PCCWSSA to include the current SAWC water service area within the City's retail water service area. The Parties shall reasonably cooperate in good faith in order to timely secure any and all such approvals.

4.2.5 Purchaser shall obtain the approval of the Gig Harbor City Council, which approval may be withheld for any reason in the City Council's sole discretion, to acquire Seller's entire interest in the Property and of this Agreement by appropriate ordinance or resolution.

4.2.6 Prior to approval of the Gig Harbor City Council, Seller shall obtain all approvals and consents required to convey Seller's entire interest in the Property to the Purchaser, including the approval of Seller's membership as required by law and Seller's Articles of Incorporation and Bylaws.

4.2.7 Prior to the Closing Date Purchaser shall have obtained right-of-way franchise rights from Pierce County for a period no less than ten (10) years following the Closing Date, authorizing Purchaser's operation and continued maintenance and installation of the Water System located within Pierce County public rights-of-way. Such grant may take the form of: (i) a renewal of the existing SAWC franchise agreement dated [Month] [Day], [Year], and approval of an assignment to Purchaser of all rights thereunder; (ii) an amendment of the existing City of Gig Harbor franchise agreement dated _____, extending the term to at least 10 years and expanding the franchise area thereunder to include the SAWC service area; or (iii) any other grant, approval or assurance mutually acceptable to the Parties. The Parties shall reasonably cooperate in good faith in order to timely secure said grant.

4.3 Right to Terminate. Each Party shall have the right, in its sole discretion, to terminate this Agreement without obligation if the actions, approvals and consents set forth in Paragraph 4.2 above have not occurred or been obtained within one hundred and eighty (180) days of the date of this Agreement, provided the Parties may agree to extend the time period for such

actions, approvals and consents.

5. Closing.

5.1 **Opening of Escrow.** Within twenty (20) days after the Date of Mutual Acceptance of this Agreement, the Parties shall deposit a copy of this Agreement with the escrow department of _____ Title Insurance Company in Gig Harbor, Washington or such other escrow company agreed to by the Parties (the "**Escrow Agent**") for the purpose of closing the purchase and sale contemplated by this Agreement. Seller and Purchaser shall deposit with the Escrow Agent all instruments, documents and funds as may be appropriate to enable the Escrow Agent to complete the sale in accordance with the terms of this Agreement. In the event of a conflict between the provisions of this Agreement and any escrow instructions, the terms of this Agreement shall control. Purchaser shall pay all escrow costs or fees.

5.2 **Closing Date.** The purchase and sale contemplated herein shall be closed by the Escrow Agent three hundred and sixty (360) days after the satisfaction or waiver of all of the contingencies set forth in Section 4 above or following approval by Pierce County related to the County's Coordinated Water System Plan and/or DOH, whichever comes later, provided that the Parties may mutually agree to extend the closing date. For purposes of this Agreement, "**Closing Date**" or "**Closing**" shall mean the date upon which each of the documents required to be delivered to the Escrow Agent for recordation has been recorded and each required action is complete.

5.3 **Prorations.** Utilities constituting liens against the Property and taxes and assessments for the Property shall be prorated as of the Closing Date. Payments for water service shall be prorated and handled by Seller and Purchaser outside of escrow and in accordance with the provisions of Paragraph 8.5. The Parties shall also prorate all other items normally adjusted in connection with similar transactions.

5.4 **Closing Costs.** Purchaser shall pay all escrow fees, and the fees for recording the conveyance instruments referred to in Paragraph 3.3 above. Purchaser shall also pay any documentary transfer taxes, excise taxes and sales taxes, if any, arising in connection with the transactions contemplated hereby.

5.5 **Possession.** Purchaser shall be entitled to possession of the Property and to commence operation of the Water System at 6:30 a.m. (PST) on the Closing Date.

5.6 **Obligations of Seller at Closing.** At closing, Seller shall deliver to Purchaser the following duly executed and acknowledged documents where appropriate:

5.6.1 A certified copy of the directors' minutes of Seller authorizing Seller to enter into and execute this Agreement and any documents required hereunder;

5.6.2 The Personal Property and a bill of sale therefore to transfer and convey the Personal Property to Purchaser in the form attached hereto and incorporated herein by this reference;

5.6.3 A duly executed real estate excise tax affidavit;

5.6.4 An Assignment and Assumption of Easements in the form attached hereto and incorporated herein by this reference;

5.6.5 A FIRPTA certificate;

5.6.6 Such assignments and other documents and certificates as Purchaser may reasonably require in order to fully and completely transfer and assigned to Purchaser all of Seller's right, title and interest to the Property being conveyed to Purchaser;

5.6.7 Any additional documents that Purchaser or the Escrow Agent may reasonably require for the proper completion of the transactions completed by this Agreement.

5.7 **Obligations of Purchaser at Closing.** At closing, Purchaser shall deliver to Seller the following duly executed and acknowledged documents where appropriate:

5.7.1 A certified copy of an ordinance or resolution of the Gig Harbor City Council authorizing Purchaser to enter into and execute this Agreement and any documents required hereunder;

5.7.2 A duly executed real estate excise tax affidavit;

5.7.3 An Assignment and Assumption of Easements in the form attached hereto and incorporated herein by this reference;

5.7.4 Any additional documents that Seller or the Escrow Agent may reasonably require for the proper completion of the transactions contemplated by this Agreement.

6. **Representations and Warranties of Seller.** Seller represents, warrants and covenants to and with Purchaser as follows, which representations and warranties are true as of the date of this Agreement, and shall be true as of the Closing Date:

6.1 **Organization and Authority.** Seller is a Washington non-profit corporation in good standing and has the right, power and authority to enter into this Agreement, to execute all documents and instruments contemplated by this Agreement, to consummate this transaction and to perform all other obligations to be performed by Seller under the terms of this Agreement. The execution, delivery and performance of this Agreement and all agreements, documents and instruments contemplated hereby have been duly authorized by all necessary action on the part of Seller.

6.2 **Title to Assets.** Except as otherwise disclosed to Purchaser in writing, as of the date of this Agreement, Seller has good and marketable title to all of the Property described in Section 1 and included in this transaction. None of the assets which are the subject matter of this Agreement are subject to any mortgage, pledge, lien, conditional sale, title redemption agreement, lease, encumbrance or other claim or charge that will not be discharged at Closing, except the liens, liabilities and encumbrances as disclosed on **Exhibit "F"** attached hereto.

6.3 **Taxes.** All local, state and federal taxes, tax returns and reports (including federal income taxes) to the date of this Agreement have been timely filed, paid or otherwise provided for to the extent such payment or provision for is necessary for Seller to convey the Property pursuant to the terms of this Agreement.

6.4 **Litigation and Legal Compliance.** Except as disclosed in **Exhibit "H"**: (a) there are no judgments against Seller relating to its interest in the Water System; (b) there are no pending actions, suits or proceedings against Seller relating to its interest in the Water System; and (c) to Seller's Knowledge, there are no threatened actions against Seller by any of Seller's employees, any federal, state or local agency or any private party relating to Seller's interest in the Water System, that, in the case of each of clauses (a), (b) and (c), would affect Seller's right and ability to convey the Property to Purchaser. Whenever used in this Agreement, "Seller's Knowledge" shall mean the knowledge of any member of Seller's Board of Directors and its officers.

6.5 **No Violation.** Neither the execution and delivery of this Agreement; the consummation of the transaction contemplated hereby; nor the performance by Seller of, and compliance by Seller with, any of the provisions of this Agreement will violate any provision of Seller's organizational documents and will not require any consent, approval, order or authorization of, or any registration, qualification, designation or filing with, or any permit from, or any notice to any federal, state or other governmental, regulatory or administrative authority, body or agency other than what is identified in this Agreement in, for example, Section 4.2.4, or disclosed to Purchaser in writing.

6.6 **Condition of Assets/Seller Disclaimer.** The Property is agreed to be "as is, where is and with all faults," and Seller makes no representation or warranty of merchantability and fitness for a particular purpose (whether express or implied) with respect thereto, including as to their physical condition or fitness, subject to the indemnification provisions of Section 10 herein. Purchaser agrees to accept the Property in its condition on Closing "as is, where is and with all faults". Notwithstanding the foregoing, the City reserves the right to implement a capital surcharge for a period of time to bring the system up to city standards at its sole discretion.

6.7 **Information.** All customer lists, meter information and all other documents given or otherwise produced by Seller to Purchaser are true, correct and complete in all material respects to Seller's good faith knowledge, information and belief. Seller's good faith knowledge, information and belief is the knowledge, information and belief of its directors and officers.

6.8 **Conditions and Best Efforts.** Seller will use its best efforts to effectuate the transactions contemplated by this Agreement and will do all reasonable acts as may be required to carry out its obligations hereunder.

7. **Representations and Warranties of Purchaser.** Purchaser represents, warrants and covenants to and with the Seller as follows, all of which representations and warranties are true as of the date of this Agreement, and shall be true as of the Closing Date:

7.1 **Organization and Authority.** Purchaser is a Washington municipal corporation in good standing and has the right, power and authority to enter into this Agreement, to execute all documents and instruments contemplated by this Agreement, to consummate this transaction and to perform all other obligations to be performed by Purchaser under the terms of this Agreement. The execution, delivery and performance of this Agreement and all agreements, documents and instruments contemplated hereby have been duly authorized by all necessary action on the part of Purchaser.

7.2 **No Violation.** Neither the execution and delivery of this Agreement; the consummation of the transaction contemplated hereby; nor the performance by Purchaser of, and compliance by Purchaser with, any of the provisions of this Agreement will violate any provision of Purchaser's organizational documents and will not require any consent, approval, order or authorization of, or any registration, qualification, designation or filing with, or any permit from, or any notice to any federal, state or other governmental, regulatory or administrative authority, body or agency other than what is identified in this Agreement or disclosed to Seller in writing.

7.3 **Litigation and Legal Compliance.** (a) There are no outstanding judgments against Purchaser; (b) there are no pending, or to Purchaser's knowledge, threatened actions, suits or proceedings against Purchaser; and (c) to Purchaser's knowledge, there are no threatened or potential actions against Purchaser or any of its assets by any of Purchaser's employees, any federal, state or local agency or any private party, that, in the case of each of clauses (a), (b) and (c), could reasonably be expected to result in the issuance of a writ, judgment, decree, injunction or similar order of any governmental or regulatory authority (in each such case whether preliminary or final) restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated hereby or the performance by Purchaser of any of its obligations hereunder. Whenever used in this Agreement, "Purchaser's Knowledge" shall mean the knowledge of any member of Purchaser's governing body, Mayor, and director-level employees.

7.4 **Conditions and Best Efforts.** Purchaser will use its best efforts to effectuate the transactions contemplated by this Agreement and will do all reasonable acts as may be required to carry out its obligations hereunder.

8. **Conduct of Business Pending Closing.** Pending the Closing of the sale contemplated by this Agreement, Seller covenants as follows:

8.1 **Agreement Changes.** Seller shall not make or agree to any changes in Seller's water service agreements, leases or other contracts or agreements relating to the Water System which would materially increase any of the liabilities to be transferred hereunder or materially adversely impair the value of the Water System or the rights contemplated to be transferred hereunder without the prior written approval of Purchaser.

8.2 **New Contracts.** Seller shall not enter into any contract or commitment which would materially increase any of the liabilities to be transferred hereunder or materially adversely impair the value of the Water System or the rights contemplated to be transferred hereunder that is not terminable at will without the prior written approval of Purchaser.

8.3 **Operation and Maintenance.** Seller shall operate, maintain and repair the Water System at Seller's sole expense so that its Property remains materially in the same condition it was in on the Date of Mutual Acceptance of this Agreement, except for ordinary wear and tear. Without the prior written consent of Purchaser, Seller shall not make any material improvements to the Water System or undertake material construction on any part of thereof except for minor emergency repairs or repairs or maintenance conducted in the ordinary course of business and operation of the Water System. Purchaser shall have the right to inspect, and have a representative present during, any material improvement or construction (including, if practicable, emergency repairs) performed between the Date of Mutual Acceptance and the Closing Date.

During the period after execution of this Agreement and until this transaction is closed, Seller will conduct its business in a reasonable and prudent manner in accordance with past practices, to use its best efforts to preserve its existing business and relationships with its customers, suppliers and others, to preserve and protect its properties, and to conduct its business in compliance with all applicable laws and regulations. Seller will not make any material divestitures of assets, excepting agreements entered pursuant to Section 8.2 herein, and will not borrow funds (other than trade debt incurred in the ordinary course of business).

8.4 **Notice of Sale** Pursuant to WAC 246-290-035 the Parties shall give notice of the sale contemplated by this Agreement. SAWC will retain sole responsibility for provision of such notice to SAWC customers. Purchaser is aware and accepts that notice delivery to customers may be less than one (1) year from the date of acceptance of this Agreement.

8.5 **Final Bills.** Within five (5) business days after the Closing Date, Seller shall prepare from meter readings a final billing for the water service provided by Seller until the actual time of transfer of the Property as contemplated hereby ("**Final Bills**"). Seller shall be entitled to any and all proceeds received from such Final Bills and all proceeds received in respect of any other bills relating to the provision of water prior to 4:30 P.M. (PST) on the Closing Date. Purchaser shall be entitled to bill for, and shall receive all proceeds from, all water provided by Purchaser pursuant to its operation of the Water System from and after the time of transfer of the Property as contemplated hereby.

8.6 **Damage to Facilities or Personal Property.** If any of the facilities identified on **Exhibit "B"** or any of the personal property identified on **Exhibit "C"** is materially damaged between the Date of Mutual Acceptance and the Closing Date (other than normal wear and tear and excepting any damage resulting from any action, negligence or misconduct of Purchaser or any of its employees, representatives or agents), Seller shall repair or replace the same at Seller's sole cost and expense; provided, that if the value of such damage is in excess of Fifty Thousand Dollars (\$50,000), either Seller or Purchaser may terminate this Agreement by written notice to the other.

9. **Further Assurances.** At any time and from time to time from the Date of Mutual Acceptance and from and after the Closing, Seller and Purchaser will, at the reasonable request of the other party hereto, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such instruments and other documents and perform or cause to be performed such acts and provide such information, as may reasonably be required to evidence and effectuate the sale, conveyance, transfer, assignment and delivery to Purchaser of the Property or for the

performance by Seller or Purchaser of any of their respective obligations under this Agreement.

10. **Indemnification.**

10.1 **Indemnification by Seller.** Seller hereby indemnifies, defends and saves Purchaser and its officers, officials, employees agents and representatives harmless from any and all claims, damages or other liabilities, whether absolute, contingent or merely alleged including, but not limited to, reasonable costs and attorney's fees (collectively referred to herein as "Damages"), arising out of or relating to (a) the breach of any covenant, representation or warranty made by Seller in this Agreement or (b) any Damages resulting from or relating in any way to the negligent operation of the Water System or the Property prior to the Closing.

10.1.1 Seller further indemnifies, defends, and saves Purchaser and its officers, officials, employee agents and representatives harmless from any claims, liabilities, or losses arising from bodily injury, disease (including latent diseases such as mesothelioma), or death caused by exposure to asbestos or other hazardous materials present on the Property prior to the Closing Date. This includes claims where Seller had actual knowledge or virtual certainty that such exposure would result in injury or disease but failed to take reasonable protective measures. For the purposes of this indemnity, Seller shall be deemed to have such knowledge where records or employee health information demonstrate prior awareness of asbestos-related risks, or similar. This indemnity is limited to claims relating to hazardous material exposure occurring before the transfer of ownership.

10.2 **Indemnification by Purchaser.** Purchaser hereby indemnifies, defends and saves Seller and its officers, directors, employees, agents and representatives harmless from any and all claims, damages or other liabilities, whether absolute, contingent or merely alleged including, but not limited to, reasonable costs and attorney's fees, arising out of or relating to (a) the breach of any covenant, representation or warranty made by Purchaser in this Agreement or (b) any claim, damage, loss or other liability resulting from or relating in any way to the negligent operation of the Water System or the Property from and after the Closing.

10.3 **Joint Liability.** With respect to claims, damages or other liabilities proximately caused by the joint or concurrent negligence of Seller and Purchaser, the Parties' respective liabilities shall be as determined by the laws of the State of Washington.

10.4 **Survivability.** The provisions of this Section 10 shall survive the expiration, termination or Closing of this Agreement.

11. **Future Operations and Capital Improvements.**

11.1 Customer Classification and Rates. In accordance with RCW 35.92.010, Chapter 13.04 of the GHMC and other applicable law, it is the intent of the Parties that, following Closing, Purchaser shall treat the water customers located within the SAWC service area as it existed as of the date of the Effective Date of this Agreement ("**Existing SAWC Customers**") similar to Purchaser's existing customers, including assessing water service rates and charges for the same or substantially similar class of customer and applying water conservation or water use restrictions in the event of water shortages or diminished water supply in a non-discriminatory fashion. Provided, that nothing herein shall limit the City's authority to assess rates for retail water

service to fund system operations and maintenance in a manner consistent with applicable state law and the GHMC within and outside the current SAWC service area boundary. The City's represents, and Seller acknowledges, and the City is currently completing a rate study to adjust water rates and the rate structures which includes the consideration of implementing tiered water waters. To the extent applicable, this study will include consideration of any changes to the 2008 Water Service Agreement between the City and SAWC, herein incorporated by this reference and included in **Exhibit "K."**

Retail Water Rates. In accordance with applicable state and local regulations, Existing SAWC Customers shall after the date of Closing be charged rates for water service supplied by Purchaser as either "inside city" or "outside city" depending on the geographic location of the property and the City's corporate boundary. Nothing herein shall be construed as preventing the City from assessing "outside city" customers based on a rate multiplier for "inside city" retail water customers as established by the City pursuant to GHMC 13.04.030, as such may be amended, until such time that the parcels of such "outside city" customers are annexed into the City.

11.2 **Duty to Serve.** Following Closing, the Purchaser shall have the duty to provide retail water service within the current SAWC water service area pursuant to RCW 43.20.260 and chapter 246-290 WAC.

11.3 **Connection Charges.** The Parties mutually acknowledge that:

11.3.1 Pursuant to Chapter 13.04 GHMC, Existing SAWC Customers shall not, as a result of this Agreement, be subject to assessment for any water system capital improvement charges or other system development or facility charges that would otherwise be assessed for new connections to Purchaser's water system.

11.3.2 Pursuant to Chapter 13.04 GHMC, Existing SAWC Customers are not be subject to requirements for new developments under said chapter until such time that a new development or change in use of a facility occurs on the subject property.

11.3.3 Nothing in this Section 11.3 should be construed to limit the City's ability to levy assessments on the properties of Existing SAWC Customers, as authorized by law, to make improvements to the Water System in the areas where such properties are located.

12. **Miscellaneous.**

12.1 **Entire Agreement; Modification.** This Agreement constitutes the entire agreement among the parties hereto and supersedes all prior and contemporaneous agreements and understandings of the parties with respect to the subject matter hereof. No supplement, modification or amendment of this Agreement shall be binding and enforceable unless executed in writing by the parties hereto.

12.2 **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to be a waiver of any other provision hereof (whether different or similar), nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

12.3 **Successors in Interest; Assignment.** This Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective heirs, executors, administrators, personal representatives and successors of the parties hereto. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any party hereto without the prior written consent of the other party and attempt to do so will be void.

12.4 **FIRPTA Compliance.** The Parties shall comply in all respects with Internal Revenue Code Section 1445 and the regulations issued thereunder (hereinafter referred to as the "Regulations"). Seller is not a "foreign person" (as defined in the Regulations). Seller shall deliver to Purchaser through Escrow Agent no later than Closing a non-foreign certificate provided by Escrow Agent, properly executed and in the form and contents as approved by the Internal Revenue Service.

12.5 **Headings.** Headings contained in this Agreement are inserted only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or of any provision hereof.

12.6 **Governing Law; Jurisdiction.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Washington. Except with respect to an action commenced by a third party in another jurisdiction, the parties hereto agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be maintained in the Superior Court of Pierce County, State of Washington.

12.7 **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be sent U.S. Certified Mail, Return Receipt Requested, or by facsimile transmission, or by personal service addressed as set forth below:

12.7.1 All notices to be given to Seller shall be

addressed as follows: Shore Acres Water Company

Attn:

PO Box #[]

Gig Harbor, WA 98335

With a copy to:

12.7.2 All notices to be given to Purchaser shall be addressed as follows:

City of Gig Harbor

Attn: Public Works Director

3510 Grandview Street

Gig Harbor, WA 98335

With a copy to:

Either Party hereto may, by written notice to the other, designate any other address for the giving of notices. All notices shall be deemed given on the day such notice is personally served, on the third day following the date such notice is mailed in accordance with this paragraph, or on the day of the facsimile transmission provided that receipt is confirmed.

12.8 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.9 **Severability.** The invalidity or unenforceability of any particular provision, or any part thereof, of this Agreement shall not affect the other provisions hereof, and all such other provisions shall remain in full force and effect as if such invalid or unenforceable provisions were omitted.

12.10 **Attorneys' Fees and Costs; Expenses.** In the event of any conflict, claim or dispute between the Parties arising out of or relating to the subject matter of this Agreement, whether or not such conflict, claim or dispute has its basis in law or in equity, the prevailing party shall be entitled to receive from the non-prevailing party all reasonable costs and expenses of every sort whatsoever including, but not limited to, arbitrators' fees, mediation fees, deposition costs, expert witness fees, accounting expenses and actual attorneys' fees incurred or expended, whether or not arbitration or court proceedings are initiated, and including all such costs or expenses incurred or expended in arbitration, in trial, on appeal or in any bankruptcy or receivership proceeding. Except as otherwise expressly provided herein, whether or not the transaction contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in connection with the negotiation, execution and closing of this Agreement and the transactions contemplated hereby.

12.11 **Status, Rights and Obligations of SAWC Customers.** Upon the Closing, all Existing SAWC Customers shall be customers of the City of Gig Harbor water utility and shall thereafter have all rights and obligations established by applicable state and local regulations. Without limitation of the foregoing, all such customers shall have standing to challenge and/or seek judicial redress with respect to any City of Gig Harbor act or omission concerning the City of Gig Harbor water utility commensurate with the City's existing water utility customers. Such standing may be exercised with respect to, *inter alia*, any water utility rate, classification, charge, fee or tax and/or any capital expenditure or improvement. All of the provisions, conditions and requirements of Sections 10, 11.1, 11.1.1, 11.1.2, 11.2, 11.3, 11.4, 12.10 and 12.11 of this Agreement shall be in addition to any and all other obligations and liabilities the City may have to the Seller and its members at common law, by statute or by contract, and shall survive, to the extent provided herein, the Closing of the sale contemplated by this Agreement, shall not be merged with the transfer of title at Closing and shall continue in full force and effect, to the extent provided herein. All of the provisions, conditions, regulations and requirements of this Agreement shall be binding upon the heirs, successors, administrators, legal representatives and assigns of the Parties, and all privileges, as well as obligations and liabilities of the Seller shall inure to its members, heirs, successors and assigns equally as if they were specifically mentioned wherever the Seller is named herein. Following the Closing, the Seller and Existing SAWC Customers shall have the authority and standing to specifically enforce the terms and conditions of this Agreement by suit in equity or law in Pierce County Superior Court,

provided, any such suit shall be subject to the provisions of Section 12.10, Attorneys' Fees and Costs; Expenses.

12.12 **Recording**. A Memorandum of this Agreement may be recorded provided that, in the event this transaction does not close, the Parties agree to timely execute and record a release of the Memorandum of Agreement.

12.13 **Time of the Essence**. Time is of the essence in connection with this Agreement.

12.14 **Incorporation by Reference**. All of the exhibits attached hereto and the recitals set forth above are incorporated herein by this reference as if the same were set forth in full.

12.15 **Mutual Acceptance**. For purposes of this Agreement, Mutual Acceptance of this Agreement (the "**Date of Mutual Acceptance**") shall occur on the date the last person of all parties has executed this Agreement.

12.16 **Exhibits**. The following Exhibits attached to this Agreement are incorporated into this Agreement in full:

- Exhibit A – Real Property
- Exhibit B – Facilities
- Exhibit C – Personal Property
- Exhibit D – Contract Rights and Intangibles
- Exhibit E – Excluded Property
- Exhibit F – Assumed Liabilities
- Exhibit G – Transfer and Conveyance Forms
- Exhibit H – Litigation/Legal Compliance
- Exhibit I – Pierce County Coordinated Water System Plan (2021); Pierce County Ordinance Nos. 83-9 and 83-152
- Exhibit J – Water Service Area
- Exhibit K – 2008 Water Service Agreement

12.17 **No Third-Party Beneficiaries.** This Agreement is made entirely for the benefit of the Parties hereto and no third person or party shall have any rights hereunder whether by agency, as a third-party beneficiary or otherwise.

12.18 **Regulatory and Legislative Authority Preserved.** Nothing in this Agreement shall be construed as a waiver, abridgment or other limitation of the City of Gig Harbor's regulatory authority or the Gig Harbor City Council's legislative power, which are hereby expressly reserved in full.

12.19 **Effective Date.** This Agreement shall be effective ("Effective Date") upon the later date signed by both Parties set forth below.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates indicated below.

"SELLER":

SHORE ACRES WATER COMPANY,
a Washington corporation:

By _____

Name:

Title:

Date: _____

Approved by SAWC Resolution No. ____ adopted the ____ day of _____, 2025

"PURCHASER":

CITY OF GIG HARBOR, a Washington
municipal corporation:

By _____

Name:

Title:

Date: _____

Approved by City Resolution No. _____, adopted the _____ day of _____, 2025.

Exhibit A – Real Property

[The Seller does not own any real property in fee]/[The Seller owns the following real property in fee:]. The Seller shall assign all easement rights to the Purchaser by blanket assignment and assumption agreement or other appropriate instrument at Closing

Exhibit B – List of Facilities

The Water System to be conveyed by the Seller to the Purchaser consisting of reservoirs, pipes, pump stations, meters, hydrants and appurtenances described as follows:

Reservoirs: [number] reservoirs as follows:

1. Concrete Reservoir located at _____ with a capacity of _____ thousand gallons.
2. Concrete Reservoir located at _____ with a capacity of _____ thousand gallons.
3. Concrete Reservoir located at _____ with a capacity of _____ thousand gallons.
4. Concrete Reservoir located at _____ with a capacity of _____ thousand gallons.
5. Concrete Reservoir located at _____ with a capacity of _____ thousand gallons.
6. Steel Reservoir located at _____ with a capacity of _____ thousand gallons.

Pipes: approximately _____ feet of 2 to 12-inch distribution water main located within the County right-of-way and on private property including all hydrants, valves and other appurtenances within the right-of-way connected to the water main as depicted on the attachment hereto

Meters: the master meter installed at _____; individual meters installed on all active service connections

Booster Pump Stations: 2 booster pump stations located at _____

Miscellaneous: all service pipes, meters, meter boxes and other related appurtenances running from the water distribution main to the downstream connection point of the meter and/or meter setter to the customer's private water service line.

Exhibit C – List of Personal Property

Plans and Engineering Reports: All draft or final water system plans, reports and operation and maintenance manuals.

Drawings and Maps: Originals or copies of all system maps and drawings.

Reports: Audit reports, WA DOH and/or County Sanitary Inspection Reports

Records:

1. Customer lists;
2. All billing records, customer letters;
3. Operating statements;
4. Any operational manuals;
5. Originals or copies of operational permits and licenses.

Exhibit D – Contract Rights and Intangibles

State of Washington DOH Public Water System Operating Permit (ID # _____)

Contract rights to water service:

All existing customers of the Water System

Exhibit E – Excluded Property

Vacant property (APN 758000830) where the Shore Acres well was once located.

Exhibit F – Assumed Liabilities

1. Prorated excise tax payable at end of year of Closing, if any.
2. Duties, responsibilities, obligations and liabilities arising out of or relating to the contract rights and intangibles identified in **Exhibit D** herein.

Exhibit G – Transfer and Conveyance Forms

1. Assignment of Easements
2. Bill of Sale.

ASSIGNMENT AND ASSUMPTION AGREEMENT OF EASEMENTS FOR WATER FACILITIES

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT OF EASEMENT FOR WATER LINES (the "Assignment") is entered into this ____ day of _____, 2025, by and between the SHORE ACRES WATER COMPANY, a Washington non-profit corporation ("Seller" and "Assignor"), and the CITY OF GIG HARBOR, a Washington municipal corporation ("Purchaser" and "Assignee") (individually a "Party" and collectively the "Parties") for the purposes set forth below.

RECITALS

The Parties entered into an agreement dated the ____ day of _____, 2025 ("Agreement"), for the purchase and sale of a water system owned by Seller to the Purchaser, and the Agreement requires the Seller to sell, transfer, convey and assign to Purchaser all of the Seller's right, title and interest in the water system facilities referenced in the Agreement (collectively "Facilities"), including all of Seller's right, title and interest in any and all easements Seller may have related to the water facilities conveyed by Seller to Purchaser as referenced in the Agreement in Exhibit B - "List of Facilities" (collectively "Easements")

AGREEMENT

NOW THEREFORE, in consideration of the Assignee's acceptance of the ownership of the Facilities and other good and valuable consideration, the Parties agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor's right, title and interest and delegates to Assignee all of its duties, liabilities and obligations from and under the Easements. Assignor agrees that Assignor will continue to be solely responsible for all of the duties, liabilities and obligations under the Easements up to the effective date of this Assignment. Thereafter, Assignor shall be fully released from all duties, liabilities and obligations under the Easements.

2. Assumption. Assignee hereby assumes and accepts the rights, interests, duties, liabilities and obligations of Assignor from and under the Easements from and after the effective date of this Assignment.

3. Successors and Assigns. This Assignment and the covenants, terms, and conditions contained herein are intended to and shall be binding upon and inure to the benefit of Assignor, Assignee, and their respective successors and assigns. Assignee shall record this Assignment following its execution by the Assignor and the Assignee with the Pierce County Auditor's Office.

4. Effective Date. This Assignment shall be effective upon the date of the last signature set forth below.

"SELLER":

SHORE ACRES WATER COMPANY,
a Washington corporation:

By _____

Name:

Title:

Date: _____

"PURCHASER":

CITY OF GIG HARBOR, a Washington
municipal corporation:

By _____

Name:

Title:

Date: _____

For good and valuable consideration, the receipt of which is hereby acknowledged, SHORE ACRES WATER COMPANY, a Washington non-profit corporation ("Seller"), hereby conveys and transfers to CITY OF GIG HARBOR, a Washington municipal corporation ("Purchaser"), the **real/personal** property more particularly described in the attached **Exhibit "A"** (the "Property") owned by Seller.

Dated this _____ day of _____, 2025

By_____

Name _____

Title

By _____

Name_____

Title

On this _____ day of _____, 2025, before me personally appeared _____, to me known to be the _____ of SHORE ACRES WATER

COMPANY, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

NAME: _____
(Print Name)
Notary Public in and for the State of Washington.
Commission Expires: _____

STATE OF WASHINGTON)
) ss
COUNTY OF PIERCE)

On this _____ day of _____, 2025, before me personally appeared _____, to me known to be the _____ of CITY OF GIG HARBOR, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he or she was authorized to execute said instrument.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

NAME: _____
(Print Name)
Notary Public in and for the State of Washington.
Commission Expires: _____

Exhibit H – Litigation/Legal Compliance

**Exhibit I – Pierce County Coordinated Water System Plan; Pierce County Ordinance
Nos. 83-9 and 83-152**

EXHIBIT J – Water Service Area

Beginning at the Northeast corner of the Southeast quarter of the Southwest quarter of Section 8, Township 21 North, Range 2 East of W.M.;

Thence West 30 feet more or less to the West line of Wickersham County Road;

Thence Southerly along the West line of the Wickersham County Road to the North line of the Southwest quarter of Section 17, Township 21 North, Range 2 East W.M.;

Thence Easterly along the North line of the Southwest quarter and the Southeast quarter of Section 17 to the point of intersection with the Government Meander line;

Thence Northwesterly along the Government Meander line to the City limits of the City of Gig Harbor, the current city limits as established on October 23, 1946;

Thence Westerly along said City limits to the point of beginning.

EXHIBIT K – 2008 Water Service Agreement