

**SALE OF INTEREST IN BUILDING TO DOUGLAS COUNTY SEWER DISTRICT  
AND TERMINATION OF INTERLOCAL AGREEMENTS**

WHEREAS, the East Wenatchee Water District (the "Water District") is the joint owner of real property located at 692 Eastmont Avenue in East Wenatchee, Washington (the "Property") with the Douglas County Sewer District (the "Sewer District"), and

WHEREAS, the Water District owns a 54% interest in the Property (the "Water District's Interest"), with the Sewer District owning the remaining 46% of the Property; and,

WHEREAS, the Sewer District and the Water District entered into an Interlocal Joint Venture Agreement on October 6, 1993 and another Interlocal Agreement dated December 3, 1998, which collectively identify the terms of the arrangement between the Parties with respect to their shared ownership and maintenance of the Property. Collectively these two interlocal agreements shall be referred to as the "Interlocal Agreements.", and

WHEREAS, both the Water District and the Sewer District are in need of additional space and the Water District has decided its best interests are to purchase real property located at 455 6th Street NE, East Wenatchee, Washington (the "Cherry Hill Property"), which is authorized by separate resolution, and

WHEREAS, the assessed value of the Property is \$1,059,700.00 (the "Assessed Value"); and,

WHEREAS, the Water District obtained an appraisal of the Property and the appraised value was \$945,000.00 (the "Appraised Value"); and,

WHEREAS, the Water District and the Sewer District entered into negotiations. After negotiations, the most the Sewer District would pay for the Water District's Interest in the Property was \$572,238 (or 54% of the Appraised Value). The Board of Commissioners and Water District staff believe this to be a fair price for the Water District's Interest and believe it in the Water District's best interests to sell its interest in the Property and purchase the Cherry Hill Property. Factors that went into this consideration were:

- The size, age and layout of the Cherry Hill Property;
- The pre-existing building present on the Cherry Hill Property (i.e., the Water District considered building a new building on vacant land);
- The proximity of the Cherry Hill Property to the Water District's current location, including the lack of disruption both to the Water District and its customers that moving to the Cherry Hill Property would cause;
- The proximity of the Cherry Hill Property to the operations of the Sewer District so as to maintain consistency and cooperation among the districts, including but not limited to the exchange of information and the sharing of resources;
- The lack of marketability of the Water District's interest in the Property;
- The opportunity to safely and effectively divorce itself from joint ownership of the Property and the Sewer District;
- The available resources of the Water District;
- The central location of the Cherry Hill Property in comparison with other properties available (i.e., in Baker Flats or near the airport) and prime access on Eastmont Ave.;
- The plans of the Water District for future growth;
- The costs of condemnation of the Cherry Hill Property would eat into and possibly overcome any difference between the actual value and the price to be paid; and,

WHEREAS, the Water District wishes to sell and the Sewer District wishes to purchase the Water District's Interest in the Property under the terms and conditions of a purchase and sale agreement attached hereto as Exhibit "A" (the "PSA"), for a value of \$572,238 (or 54% of the Appraised Value), and,

WHEREAS, the Water District has done due diligence on the Cherry Hill Property and has analyzed all consequences of entering into the PSA and the purchase and sale agreement with the owners of the Cherry Hill Property, and,

WHEREAS, the Board of the Commissioners of the Water District approves of the PSA, which has no contingencies, and wishes to terminate the Interlocal Agreements, and

WHEREAS, by separate resolution the Board of the Commissioners of the Water District approves of and authorizes the purchase of the Cherry Hill Property, and


NOW THEREFORE be it RESOLVED by the BOARD OF THE COMMISSIONERS, THAT, the Water District should enter into the PSA. The Water District Manager, Vince Johnston, has authority to sign the PSA on behalf of the Water District. Vince Johnston, however, only has the authority to sign the PSA under the following conditions: (1) the Water District has in hand a final and binding signature of the owners of the Cherry Hill Property on the purchase and sale agreement for the Cherry Hill Property; and, (2) the Water District has in hand a final and binding signature of the Sewer District on the PSA for the Property.

NOW THEREFORE be likewise RESOLVED by the BOARD OF THE COMMISSIONERS that the Water District should and by signing the PSA will terminate the Interlocal Agreements upon closing of the sale of the Water District Interest in the Property to the Sewer District.

ADOPTED, by the BOARD OF COMMISSIONERS of the EAST WENATCHEE WATER DISTRICT, Douglas County, Washington at a regular meeting thereof, this 12<sup>th</sup> day of April 2023.

  
Terry Barnes, President

ATTEST:

  
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Nick Warner, Secretary