

NORTHEAST SAMMAMISH SEWER AND WATER DISTRICT
MUNICIPALITY OF METROPOLITAN SEATTLE
AMENDMENT TO AGREEMENT
FOR SEWAGE DISPOSAL

THIS AMENDMENT made as of the 2nd day
of October, 1992 between the Northeast
Sammamish Sewer and Water District, formerly Sahalee Sewer
District a municipal corporation of the State of Washington
(hereinafter referred to as the "District") and the
Municipality of Metropolitan Seattle, a metropolitan
municipal corporation of the State of Washington
(hereinafter referred to as "Metro");

WITNESSETH:

WHEREAS, the parties have entered into a long term
Agreement for Sewage Disposal dated October 3, 1974
(hereinafter referred to as the "Basic Agreement"); and

WHEREAS, an advisory committee composed of elected
and appointed officials in the metropolitan area was
appointed by the Metropolitan Council to examine the
structure of Metro's charges to its participants; and

WHEREAS, said advisory committee, following
extensive research, study and deliberations, has recommended
certain changes in the structure of Metro's charges to its
participants and implementation of said changes requires
amendment of the Basic Agreement; and

WHEREAS, the parties have determined that the
recommendations are in the best public interest and
therefore desire to amend said Basic Agreement to implement
said recommendations;

NOW, THEREFORE, it is hereby agreed as follows:

Section 1. Amendment of Section 5 of the Basic Agreement. Section 5 of the Basic Agreement is hereby amended to read as follows:

"Section 5. Payment for Sewage Disposal. For the disposal of sewage hereafter collected by the District and delivered to Metro the District shall pay to Metro on or before the last day of each month during the term of this Agreement, a sewage disposal charge determined as provided in this Section 5.

1. For the quarterly periods ending March 31, June 30, September 30 and December 31 of each year every Participant shall submit a written report to Metro setting forth:

(a) the number of Residential Customers billed by such Participant for local sewerage charges as of the last day of the quarter,

(b) the total number of all customers billed for local sewerage charges by such Participant as of such day, and

(c) the total water consumption during such quarter for all customers billed for local sewerage charges by such Participant other than Residential Customers.

The quarterly water consumption report shall be taken from water meter records and may be adjusted to exclude water which does not enter the sanitary facilities of the customer. Where actual sewage flow from an individual customer is metered, the metered sewage flows shall be reported in lieu of adjusted water consumption. The total quarterly water consumption report in cubic feet shall be divided by 2,250 to determine the number of Residential Customer equivalents represented by each Participant's customers other than single family residences. Metro shall maintain a permanent record of the quarterly customer reports from each Participant.

The District's first quarterly report shall cover the first quarterly period following the date when sewage is first delivered to Metro and shall be submitted within thirty days following the end of the quarter. Succeeding reports shall be made for each quarterly period thereafter and shall be submitted within thirty (30) days following the end of the quarter.

2. (a) To form a basis for determining the monthly sewage disposal charge to be paid by each Participant during any particular quarterly period, Metro shall ascertain the number of Residential Customers and Residential Customer equivalents of each Participant. This determination shall be made by taking the sum of the actual number of Residential customers reported as of the last day of the next to the last preceding quarter and the average number of Residential Customer Equivalents per quarter reported for the four quarters ending with said next to the last preceding quarter, adjusted for each Participant to eliminate any Residential Customers or Residential Customer equivalents whose sewage is delivered to a governmental agency other than Metro or other than a Participant for disposal outside of the Metropolitan Area.

(b) For the initial period until the District shall have submitted six consecutive quarterly reports, the reported number of Residential Customers and Residential Customer equivalents of the District shall be determined as provided in this subparagraph (b). On or before the tenth day of each month beginning with the month prior to the month in which sewage from the District is first delivered to Metro, the District shall submit a written statement of the number of Residential Customers and Residential Customer equivalents estimated to be billed by the District during the next succeeding month. For the purpose of determining the basic reported number of Residential Customers and

Residential Customer equivalents of the District for such next succeeding month, Metro may at its discretion adopt either such estimate or the actual number of Residential Customers and Residential Customer equivalents reported by the District as of the last day of the next to the last preceding reported quarter. After the District shall have furnished six consecutive quarterly reports the reported number of Residential Customers and Residential Customer equivalents of the District shall be determined as provided in the immediately preceding subparagraph (a).

(c) If the District shall fail to submit the required monthly and/or quarterly reports when due, Metro may make its own estimate of the number of Residential Customers and Residential Customer equivalents of the District and such estimate shall constitute the reported number for the purpose of determining sewage disposal charges.

3. The monthly sewage disposal charge payable to Metro shall be determined as follows:

(a) Prior to July 1st of each year Metro shall determine its total monetary requirements for the disposal of sewage during the next succeeding calendar year. Such requirements shall include the cost of administration, operation, maintenance, repair and replacement of the Metropolitan Sewerage System, establishment and maintenance of necessary working capital and reserves, the requirements of any resolution providing for the issuance of revenue bonds of Metro to finance the acquisition, construction or use of sewerage facilities, plus not to exceed 1% of the foregoing requirements for general administrative overhead costs.

(b) To determine the monthly rate per Residential Customer or Residential Customer equivalent to be used during said next succeeding calendar year, the total

monetary requirements for disposal of sewage as determined in subparagraph 3(a) of this section shall be divided by twelve and the resulting quotient shall be divided by the total number of Residential Customers and Residential Customer equivalents of all Participants for the October-December quarter preceding said July 1st; provided, however, that the monthly rate shall not be less than Two Dollars (\$2.00) per month per Residential Customer or Residential Customer equivalent at any time during the period ending July 31, 1972.

(c) The monthly sewage disposal charge paid by each Participant to Metro shall be obtained by multiplying the monthly rate by the number of Residential Customers and Residential Customer equivalents of the Participant. An additional charge may be made for sewage or wastes of unusual quality or composition requiring special treatment, or Metro may require pretreatment of such sewage or wastes. An additional charge may be made for quantities of storm or ground waters entering those Local Sewerage Facilities which are constructed after January 1, 1961 in excess of the minimum standard established by the general rules and regulations of Metro.

4. The parties acknowledge that, by resolution of the Metropolitan Council, Metro may impose a charge or charges directly on the future customers of a Participant for purposes of paying for capacity in Metropolitan Sewerage Facilities and that such charges shall not constitute a breach of this agreement or any part thereof. The proceeds of said charge or charges, if imposed, shall be used only for capital expenditures or defeasance of outstanding revenue bonds prior to maturity.

In the event such a charge or charges are imposed, the District shall, at Metro's request, provide such information regarding new residential customers and

residential customer equivalents as may be reasonable and appropriate for purposes of implementing such a charge or charges.

5. A statement of the amount of the monthly sewage disposal charge shall be submitted by Metro to each Participant on or before the first day of each month and payment of such charge shall be due on the last day of such month. If any charge or portion thereof due to Metro shall remain unpaid for fifteen days following its due date, the Participant shall be charged with and pay to Metro interest on the amount unpaid from its due date until paid at the rate of 6% per annum, and Metro may, upon failure to pay such amount, enforce payment by any remedy available at law or equity.

6. The District irrevocably obligates and binds itself to pay its sewage disposal charge out of the gross revenues of the sewer system of the District. The District further binds itself to establish, maintain and collect charges for sewer service which will at all times be sufficient to pay all costs of maintenance and operation of the sewer system of the District, including the sewage disposal charge payable to Metro hereunder and sufficient to pay the principal of and interest on any revenue bonds of the District which shall constitute a charge upon such gross revenues. It is recognized by Metro and the District that the sewage disposal charge paid by the District to Metro shall constitute an expense of the maintenance and operation of the sewer system of the District. The District shall provide in the issuance of future sewer revenue bonds of the District that expenses of maintenance and operations of the sewer system of the District shall be paid before payment of principal and interest of such bonds. The District shall have the right to fix its own schedule of rates and charges for sewer service provided that same shall produce revenue

sufficient to meet the covenants contained in this Agreement.

Section 2. Effective Date of Amendment. This amendment shall take effect at the beginning of the first quarter following the date first written above with quarters beginning January 1, April 1, July 1, and October 1.

Section 3. Basic Agreement Unchanged. Except as otherwise provided in this amendment, all provisions of the basic agreement shall remain in full force and effect as written therein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

NORTHEAST SAMMAMISH SEWER
AND WATER DISTRICT

James H. Brazil
President & Commissioner

ATTEST:

Joseph M. Gaultich Secretary & Commissioner

MUNICIPALITY OF
METROPOLITAN SEATTLE

Gary Zimmerman
Chair of the Council

ATTEST:

MAY 22 1992

Danni Mattson

NORTHEAST SAMMAMISH SEWER AND WATER DISTRICT
MUNICIPALITY OF METROPOLITAN SEATTLE

EXTENSION OF AGREEMENT FOR SEWAGE DISPOSAL

WHEREAS, Northeast Sammamish Sewer and Water District (the "District"), formerly Sahalee Sewer District, and the Municipality of Metropolitan Seattle (the "Municipality") are parties to a certain Agreement for Sewage Disposal (the "Agreement") dated October 3, 1974, pursuant to which the District delivers to the Municipality for treatment and disposal all the sewage and industrial wastes it collects from its service area; and

WHEREAS, the Agreement expires by its terms on July 1, 2016; and

WHEREAS, it is in the best interests of the District and the Municipality that the expiration date of the Agreement be extended in order to allow the Municipality to sell and issue its sewer revenue bonds with maturities extending beyond 2016;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and in the Agreement, it is hereby agreed as follows:

The Agreement for Sewage Disposal between Northeast Sammamish Sewer and Water District, formerly Sahalee Sewer District, and the Municipality of Metropolitan Seattle dated October 3, 1974, is hereby extended for a period of twenty years and shall continue in full force and effect until July 1, 2036.

It is further agreed that all other provisions of said Agreement shall remain unchanged, and the Agreement dated October 3, 1974, as extended herein shall constitute the entire Agreement for Sewage Disposal between the parties.

DATED: This 28th day of May, ~~XXXX~~ 1987.

NORTHEAST SAMMAMISH SEWER AND
WATER DISTRICT

James H. Brazil
W Peterson
Wesalky

ATTEST:

Terry C. Frank

MUNICIPALITY OF METROPOLITAN
SEATTLE

Gary A. Zimmerman
Gary Zimmerman
Chairman of the Council

ATTEST:

Bonnie Mattson
Bonnie Mattson
Clerk of the Council

Executed in 6 counterparts of
which this is an interpart No. 1

MUNICIPALITY OF METROPOLITAN SEATTLE
SAHALEE SEWER DISTRICT
AGREEMENT FOR SEWAGE DISPOSAL

THIS AGREEMENT, made as of this 3rd day of October, 1974, between SAHALEE SEWER DISTRICT, a municipal corporation of the State of Washington, hereinafter referred to as the "District", and the MUNICIPALITY OF METROPOLITAN SEATTLE, a municipal corporation of the State of Washington, hereinafter referred to as "Metro";

W I T N E S S E T H:

WHEREAS, the public health, welfare and safety of the residents of the District and the residents of Metro require the development of adequate systems of sewage collection and disposal, the elimination of water pollution and the preservation of the fresh and salt water resources of the area; and

WHEREAS, growth of population, topographic conditions and preservation of water resources require that certain major sewage disposal works be constructed and operated and that the cities and special districts within the Metropolitan Area dispose of their sewage in accordance with a comprehensive plan for the Metropolitan Area; and

WHEREAS, Metro is engaged in developing and operating a Metropolitan Sewage Disposal System and the District is engaged in developing a sewage collection system for the District; and

WHEREAS, the District desires to deliver certain sewage collected by the District to Metro for disposal as soon as facilities necessary for such delivery are available; and

WHEREAS, to provide for the disposal by Metro of sewage collected by the District it is necessary that a contract be now entered into establishing certain rights and duties of the parties indident there-
to;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is hereby agreed as follows:

Section 1. Definition of Terms: The following words and phrases used in this contract shall have the meanings hereinafter set forth in this section:

(a) The words "Comprehensive Plan" shall mean the Comprehensive Sewage Disposal Plan adopted in Resolution No. 23 of the Municipality of Metropolitan Seattle and all amendments thereof heretofore or hereafter adopted.

(b) The words "Metropolitan Sewerage System" shall mean all of the facilities to be constructed, acquired or used by Metro as a part of the Comprehensive Plan. The Metropolitan Sewerage System shall generally include sewage disposal facilities with capacity to receive sewage from natural drainage areas of approximately one thousand acres or more. The Metropolitan Sewerage System shall thus include trunk or interceptor sewer facilities extending to a point within each tributary and natural drainage area where not more than one thousand acres remain to be served beyond the upper terminus of such trunk or interceptor sewer.

(c) The words "Local Sewerage Facilities" shall mean all facilities owned or operated by a Participant for the local collection of sewage to be delivered to the Metropolitan Sewerage System and all side sewers and connection fittings connected directly to such System which serve customers of such Participant.

(d) The words "Metropolitan Area" shall mean the area contained within the boundaries of the Municipality of Metropolitan Seattle as now or hereafter constituted.

(e) The word "Participant" shall mean each city, town, county, sewer district, municipal corporation, person, firm or private corporation which shall dispose of any portion of its sanitary sewage into

the Metropolitan Sewerage System and shall have entered into a contract with Metro providing for such disposal.

(f) The words "Residential Customer" shall mean a single family residence billed by a Participant for sewerage charges.

Section 2. Delivery and Acceptance and Sewage. The District shall deliver to Metro all of the sewage and industrial waste collected by the District and Metro shall accept the sewage and waste delivered for treatment and disposal as hereinafter provided subject to such reasonable rules and regulations as may be adopted from time to time by the Metropolitan Council. Metro shall not directly accept sewage or wastes from any person, firm or corporation which is located within the boundaries of or is delivering its sewage into the Local Sewerage Facilities of the District without the written consent of the District. The District shall not deliver sewage to any other agency for disposal without the written consent of Metro.

Section 3. Construction of Metro Facilities. Metro shall construct, acquire or otherwise secure the right to use all facilities required for the disposal of sewage delivered to Metro pursuant to this Agreement and shall perform all services required for the maintenance, operation, repair, replacement or improvement of the Metropolitan Sewerage System, including any additions and betterments thereto. Metro shall in its sole discretion determine the nature, location and time of construction of facilities of the Metropolitan Sewerage System.

Section 4. Connection of Local Sewerage Facilities to the Metropolitan Sewerage System. Local sewerage facilities of the District which may be required for the delivery of sewage and wastes to Metro shall be connected to facilities of the Metropolitan Sewerage System at such time as any of the facilities of such Metropolitan Sewerage System shall be available to receive sewage collected by such local facilities. Such connection shall be accomplished at the expense of the District and in accordance with the rules and regulations of Metro at such point or points as shall be determined by Metro. The

District shall secure and pay for the right to use all Local Sewerage Facilities of another Participant which may be required to deliver the District's sewage to the Metropolitan Sewerage System.

Section 5. Payment for Sewage Disposal. Commencing with the first month in which sewage is collected and delivered by the District to Metro, the District shall pay to Metro on or before the last day of each month during the term of this Agreement, a sewage disposal charge determined as provided in this Section 5.

1. For the quarterly periods ending March 31, June 30, September 30 and December 31 of each year every Participant shall submit a written report to Metro setting forth (a) the number of Residential Customers billed by such Participant for local sewerage charges as of the last day of the quarter, (b) the total number of all customers billed by such Participant as of such day, and (c) the total water consumption during such quarter for all customers billed by such Participant other than Residential Customers. The quarterly water consumption report shall be taken from water meter records and may be adjusted to exclude water which does not enter the sanitary facilities of a customer. Where actual sewage flow from an individual customer is metered, the metered sewage flows shall be reported in lieu of adjusted water consumption. The total quarterly water consumption report in cubic feet shall be divided by 2,700 to determine the number of Residential Customer equivalents represented by each Participant's customers other than single family residences. Metro shall maintain a permanent record of the quarterly customer reports from each Participant.

The District's first quarterly report shall cover the first quarterly period following the date when sewage is first delivered to Metro and shall be submitted within thirty days following the end of the quarterly period thereafter and shall be submitted within thirty (30) days following the end of the quarter.

2. a) To form a basis for determining the monthly sewage disposal charge to be paid by each Participant during any particular quarterly period, Metro shall ascertain the number of Residential Customers and Residential Customer equivalents of each Participant. This determination shall be made by taking the sum of the actual number of Residential Customers reported as of the last day of the next to the last preceding quarter and the average number of Residential Customer equivalents per quarter reported for the four quarters ending with said next to the last preceding quarter, adjusted for each Participant to eliminate any Residential customers or Residential Customer equivalents who sewage is delivered to a governmental agency other than Metro or other than a Participant for disposal outside of the Metropolitan Area.

b) For the initial period until the District shall have submitted six consecutive quarterly reports, the basic reported number of Residential Customers and Residential Customer equivalents of the District shall be determined as provided in this subparagraph (b). On or before the tenth day of each month beginning with the month prior to the month in which sewage from the District is first delivered to Metro, the District shall submit a written statement of the number of Residential Customers and Residential Customer equivalents estimated to be billed by the District during the next succeeding month. For the purpose of determining the basic reported number of Residential Customers or Residential Customer equivalents of the District for such next succeeding month, Metro may at its discretion adopt either such estimate or the actual number of Residential Customers and Residential Customer equivalents reported by the District as of the last day of the next to the last preceding reported quarter. After the District shall have furnished

six consecutive quarterly reports the basic reported number of Residential Customers and Residential Customer equivalents of the District shall be determined as provided in the immediately preceding subparagraph (a).

(c) If the District shall fail to submit the required monthly and/or quarterly reports when due, Metro may make its own estimate of the number of Residential Customers and Residential Customer equivalents of the District and such estimate shall constitute the reported number for the purpose of determining sewage disposal charges.

3. The monthly sewage disposal charge payable to Metro shall be determined as follows:

a) Prior to July 1st of each year Metro shall determine its total monetary requirements for the disposal of sewage during the next succeeding calendar year. Such requirements shall include the cost of administration, operation, maintenance, repair and replacement of the Metropolitan Sewerage System, establishment and maintenance of necessary working capital and reserves, the requirements of any resolution providing for the issuance of revenue bonds of Metro to finance the acquisition, construction or use of sewerage facilities, plus not to exceed 1% of the foregoing requirements for general administrative overhead costs.

b) To determine the monthly rate per Residential Customer or Residential Customer equivalent to be used during said next succeeding calendar year, the total monetary requirements for disposal of sewage as determined in subparagraph 3(a) of this section shall be divided by twelve and the resulting quotient shall be divided by the total number of Residential Customers and Residential Customer equivalents of all Participants for the October-December quarter preceding said July 1st.

c) The monthly sewage disposal charge paid by each Participant to Metro shall be obtained by multiplying the monthly rate by the number of Residential Customers and Residential Customer equivalents of the Participant. An additional charge may be made for sewage

or wastes of unusual quality or composition requiring special treatment, or Metro may require pretreatment of such sewage or wastes. An additional charge may be made for quantities of storm or ground waters entering those Local Sewerage Facilities which are constructed after January 1, 1961 in excess of the minimum standard established by the general rules and regulations of Metro.

4. A statement of the amount of the monthly sewage disposal charge shall be submitted by Metro to each Participant on or before the first day of each month and payment of such charge shall be due on the last day of such month. If any charge or portion thereof due to Metro shall remain unpaid for fifteen days following its due date, the Participant shall be charged with and pay to Metro interest on the amount unpaid from its due date until paid at the rate of 6% per annum, and Metro may, upon failure to pay such amount, enforce payment by any remedy available at law or equity.

5. The District irrevocably obligates and binds itself to pay its sewage disposal charge out of the gross revenues of the sewer system of the District. The District further binds itself to establish, maintain and collect charges for sewer service which will at all times be sufficient to pay all costs of maintenance and operation of the sewer system of the District, including the sewage disposal charge payable to Metro hereunder and sufficient to pay the principal of and interest on any revenue bonds of the District which shall constitute a charge upon such gross revenues. It is recognized by Metro and the District that the sewage disposal charge paid by the District to Metro shall constitute an expense of maintenance and operation of the sewer system of the District. The District shall provide in the issuance of future sewer revenue bonds of the District that expenses of maintenance and operation of the sewer system of the District shall be paid before payment of principal and interest of such bonds. The District shall have the right to fix its own schedule of rates and

charges for sewer service provided that same shall produce revenue sufficient to meet the covenants contained in this Agreement.

Section 6. Responsibility of District. The District shall be responsible for the delivery to the Metropolitan Sewerage System of sewage collected by the District, for the construction, maintenance and operation of Local Sewerage Facilities, and for the payment of all costs incident to the collection of such sewage and its delivery to the Metropolitan Sewerage System. All sewerage facilities of the District carrying sewage delivered to Metro shall be constructed and maintained in accordance with the rules and regulations of Metro and shall be constructed, maintained and operated by the District at no expense or risk to Metro.

Section 7. Records. Permanent books and records shall be kept by Metro and the District of the respective rates established, the volumes of sewage delivered and discharged into the Metropolitan Sewerage System whenever such volumes are measured and the number of Residential Customers and Residential Customer equivalents reported. In addition, Metro shall keep complete books of account showing all costs incurred in connection with the Metropolitan Sewerage System and the District shall keep complete records showing the amount billed to each of its customers for sewer service and the basis used for such billing including sewage flow and water consumption for each customer where applicable. The records required by this paragraph shall be available for examination by either party at any reasonable time.

Section 8. Development of Metropolitan Sewerage System. It is contemplated that the Metropolitan Sewerage System will be developed in stages and the nature of facilities to be constructed, acquired or used and the time of such construction, acquisition or use shall be determined by Metro, it being contemplated that Metro shall ultimately provide sewage disposal service for the entire

Metropolitan Area.

Section 9. Insurance and Liability for Damages. The District shall secure and maintain with responsible insurers all such insurance as is customarily maintained with respect to sewage systems of like character against loss of or damage to the sewerage facilities of the District and against public and other liability to the extent that such insurance can be secured and maintained at reasonable cost. Any liability incurred by Metro as a result of the operation of the Metropolitan Sewerage System shall be the sole liability of Metro and any liability incurred by the District as a result of the operation of the Local Sewerage Facilities of the District shall be the sole liability of the District.

Section 10. Assignment. The District shall not have the right to assign this Agreement or any of its rights and obligations hereunder either by operation of law or by voluntary agreement without the written consent of Metro and neither party may terminate its obligations hereunder by dissolution or otherwise without first securing the written consent of the other party and this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. In the event that the District should be dissolved or should no longer be authorized to operate sewer facilities, the Local Sewerage Facilities owned and operated by the District shall be assigned and transferred to Metro subject to any outstanding debts of the District which had been incurred for the specific purpose of constructing or acquiring such facilities and subject to the acceptance by Metro of the obligation to continue to provide sewer service to the residents served by such local facilities upon payment by such residents of sewage disposal charges determined as herein provided and the reasonable costs of local sewer service.

Section 11. Effective Date and Term of Contract. This Agreement shall be in full force and effect and binding upon the

parties hereto upon the execution of the Agreement and shall continue in full force and effect until July 1, 2016.

Section 12. Notice. Whenever in this Agreement notice is required to be given, the same shall be given by Registered Mail addressed to the respective parties at the following addresses:

MUNICIPALITY OF METROPOLITAN SEATTLE
410 West Harrison Street
Seattle, Washington 98119

SAHALEE SEWER DISTRICT
~~2221 Fall City Road~~ P.O. Box 83
Redmond, Washington 98052

unless a different address shall be hereafter designated in writing by either of the parties.

The date of giving such notice shall be deemed to be the date of mailing thereof. Billings for and payments of sewage disposal costs may be made by regular mail.

Section 13. Execution of Documents. This Agreement shall be executed in six counterparts, any of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, leases, instruments, documents and resolutions or ordinances necessary to give effect to the terms of this Agreement.

Section 14. Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provision of this Agreement.

Section 15. Remedies. In addition to the remedies provided by law this Agreement shall be specifically enforced.