

AMENDMENT TO JUNE 16, 1982
AGREEMENT FOR SEWAGE DISPOSAL
between
THE CITY OF EVERETT
and
SILVER LAKE WATER DISTRICT

THIS AGREEMENT made as of this 12th day of December, 1991, between Silver Lake Water District of Snohomish County, a municipal corporation of the State of Washington, hereinafter referred to as the "District," and the City of Everett, a municipal corporation of the State of Washington, hereinafter referred to as "City."

W I T N E S S E T H :

WHEREAS, the City and the District wish to amend the June 16, 1982, agreement between the parties in order to increase the authorized capacity of the District for Sewage Disposal in City sewage facilities and in order to clarify the City's and the District's rights and obligations in the event of annexation of District territory;

NOW, THEREFORE. the parties agree:

I. A new Subsection is hereby added to Section I of the June 16, 1982, agreement for Sewage Disposal between the District and the City:

(D) (1) Due to the increases in anticipated sanitary sewage transmission and treatment services required by the District, the City and the District agree that the following sewage system facilities be sized by the City to service the following capacity requirements of the District (in addition to the capacity requirements set forth in I(A) herein) determined as the average maximum flow measured over a one-hour period (except Sewer Treatment Plant flow which is maximum winter month flow):

<u>Facility</u>	<u>District Capacity Requirements</u>
S. End Extension	8560 (3,000 gpm
S. End Interceptor to Southwest Interceptor	3,000 gpm
S. End Interceptor Northern Segment (1983)	3,000 gpm
Headworks	3,000 gpm
Sewer Treatment Plant	1.7 MGD

(2) It is currently anticipated that the following sewerage system facilities shall be improved by the City in order to provide capacity in the following total amounts determined as the average maximum flow measured over a one-hour period (except Sewer Treatment Plant flow which is maximum winter month flow):

<u>Facility</u>	<u>Total Facility Capacities</u>
S. End Extension	16,000 gpm
S. End Interceptor to Southwest Interceptor	32,000 gpm
S. End Interceptor Northern Segment (1983)	45,000 gpm
Headworks	80,000 gpm
Sewer Treatment Plant	40.4 MGD

(Total facilities capacities have been revised from June 16, 1982, agreement.)

Based on the above-stated capacity requirements, the estimated costs (in addition to costs established for the capacity requirements set forth in I(B) herein) of the District's share of the above facilities is set forth in Exhibit C attached hereto and incorporated herein by reference. The District Capacity Requirements in Section I(D)(1) above were established by the District and submitted by the District to the City for inclusion in this Amendment. In reliance on said District Capacity Requirements established by the District, the City will size, design and construct, maintain or improve sewer facilities to serve both the City's and the District's capacity requirements. Remedies for flows in excess of total Section I capacity shall be as provided in Section I(B) herein.

(3) The District agrees to pay to the City from the gross revenues of its sewer system the following percentage share of total costs of said facilities (said percentage share being calculated by dividing the District's additional Capacity Requirements under the June 16, 1982, agreement and this Amendment by the Total Facility Capacities above):

<u>Facility</u>	Percentage Share of Total Cost Payable To City under 6/16/82	Percentage Share Of Total Cost Payable to City	
	<u>Agreement</u>	<u>Under this Amendment</u>	<u>New Total</u>
S. End Extension	53%	19%	72%
S. End Interceptor to Southwest Interceptor	27%	9%	36%
S. End Interceptor Northern Segment	21%	7%	28%
Headworks	10%	4%	14%
Sewer Treatment Plant	12%	4%	16%

The total costs of each facility to which said percentage shall be applied shall be determined and paid as provided in Section I(C)(1) herein. Annual payments as provided in I(C)(3) shall not apply to the increased capacity provided under this Amendment.

II. Regarding Section II of the June 16, 1982, agreement, it is agreed that after construction of the S. End Extension and Interceptors, lift station operation costs shall not be included in the M & O charge.

III. In addition to the connection points agreed under Section III hereof, the City and District agree to the following new connections points:

- 19th Ave. SE at City limits
- District's Lift Station near 116th St SE and 35th Ave SE
- Side sewer connections to the City's South End Interceptor

Further, it is agreed that sewage and industrial waste may be delivered to the City from the area described in Exhibit D, attached hereto, which shows the Agreed District Service area under the June 16, 1982, agreement and all amendments thereto, including the present Amendment.

IV. Section IX is hereby revised to read hereafter as follows:

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 the City, 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. Provided, that the District, by agreement of the City, may sell unneeded capacity to others who are a party to agreements with the City or who are Special Purpose Districts organized pursuant to Title 56 or Title 57 RCW which are contiguous to the District; provided that any such Special Purpose District shall be lead agency and shall pay all costs for all SEPA review or SEPA procedures related to such assignment.

V. Regarding Section X, the compensation provisions provided herein are not exclusive, and the parties may agree to other provisions where the City annexes District facilities. Proportionate reduction of District capacity in City sewer facilities due to City annexations shall be based on the District's sewer comprehensive planning for the area annexed.

VI. This arrangement shall constitute joint water/sewer facilities planning as required under the Growth Management Act.

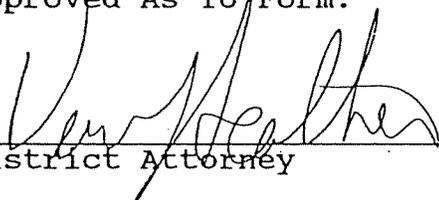
DATED this 12th day of December, 1991.

Silver Lake Water District

City of Everett

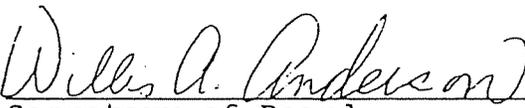
Approved As To Form:

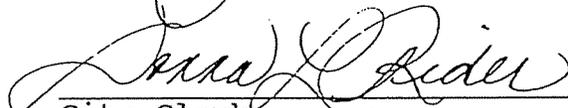
Approved As To Form:


District Attorney


City Attorney

Attest:


Secretary of Board


City Clerk


President


Mayor

SILVER LAKE SEWER AGREEMENT AMENDMENT

EXHIBIT C (PAGE 1 OF 2)

Increase in district capacity will increase facility cost by approximately the following amounts:

S. End Interceptor Northern Segment	\$210,285.32
Headworks	129,364.65
Sewer Treatment Plant	<u>852,356.80</u>
TOTAL:	\$1,192,006.77

NOTE: All future Sewer Treatment Plant improvement costs will be shared based on percentages to be determined, currently estimated at 16.3%, TOTAL, for Silver Lake. All costs for the 1991 portions of the South End Interceptor will be allocated per the table on page 2 of this schedule.

EXHIBIT C (PAGE 2 OF 2)

SEGMENT	COST		CAPACITY		CITY		SLWD		AWD		MWD	
	MILLIONS		GALS/MIN		CAPACITY	%	CAPACITY	%	CAPACITY	%	CAPACITY	%
Silver Lake	\$1.3		4,550		3,719	82%	831	18%		0%		0%
South	\$5.5		16,000		4,500	28%	11,500	72%		0%		0%
Middle	\$3.1		16,000		4,500	28%	11,500	72%		0%		0%
North	\$4.6		32,000		14,700	46%	11,500	36%	2,300	7%	3,500	11%
West	\$0.7		13,900		8,100	58%		0%	2,300	17%	3,500	25%
TOTAL	\$15.2					\$6.0		\$8.1		\$0.4		\$0.7
DOLLARS												

EXHIBIT "D"

Page 1 of 2

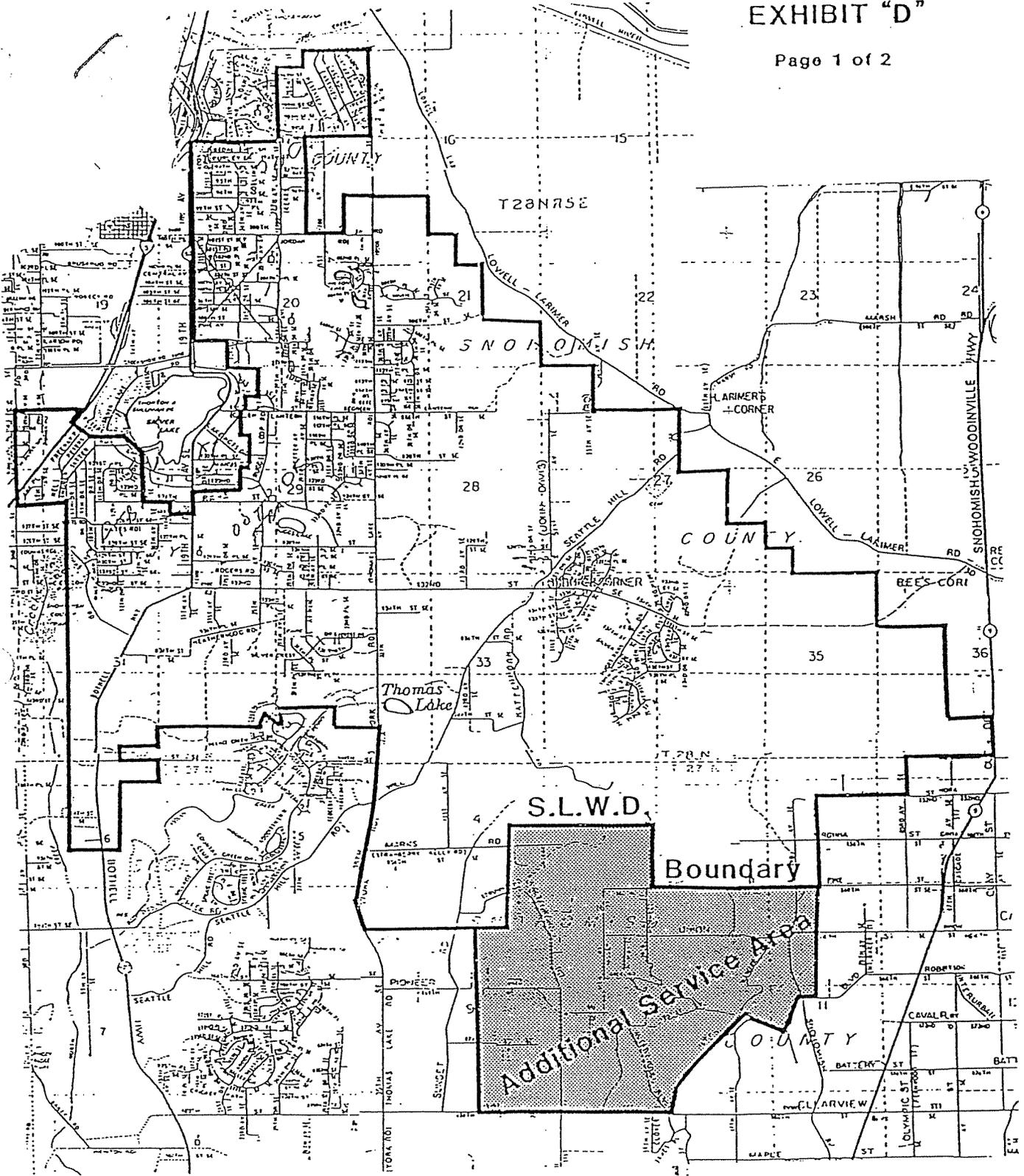


EXHIBIT D - LEGAL DESCRIPTION

THAT PORTION OF SECTIONS 2, 3, 4, 9, 10 AND 11, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M., IN SNOHOMISH COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SECTION 9 AND THE CENTERLINE OF 180TH STREET;

THENCE WESTERLY ALONG THE CENTERLINE OF 180TH STREET TO THE WEST LINE OF THE EAST HALF OF SECTION 9, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

THENCE NORTHERLY ALONG SAID LINE TO THE SOUTHERLY BOUNDARY OF THE SILVER LAKE WATER DISTRICT;

THENCE NORTHERLY AND EASTERLY ALONG SAID SOUTHERLY BOUNDARY TO THE EAST LINE OF THE WEST HALF OF SECTION 2, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M.;

THENCE SOUTHERLY PARALLEL TO THE WEST LINE OF SECTION 11 TO THE CENTERLINE OF INTERURBAN BOULEVARD; THENCE SOUTHWESTERLY ALONG THE CENTERLINE OF INTERURBAN BOULEVARD TO THE CENTERLINE OF 180TH STREET;

THENCE WESTERLY ALONG THE CENTERLINE OF 180TH STREET TO THE POINT OF BEGINNING.

A G R E E M E N T

THIS AGREEMENT by and between Silver Lake Water District, a municipal corporation of the State of Washington, hereinafter called "District," and the City of Everett, a municipal corporation of the State of Washington, hereinafter called "City," agree as follows:

1. The District shall be allowed to connect its sewer lines from the ULID #85-1 area of the District (essentially in the area of 19th Avenue and 128th) and shall pay to the City therefor \$82,700 as compensation for the District's share of the City's lift station and force main located at 1530 - 121st (Silver Lake Road), Everett, Washington, plus construction of the City gravity sewer lines to connect therewith, and the extension of those lines requested by the District.

2. It is understood that the District will connect their sewer line to the end of the City system which is located on 19th Avenue S.E. and opposite the south boundary of the City limits. This location was requested by the Silver Lake Water District to facilitate their construction timetable and required an extension of the City sewer system by approximately sixty feet. The City's sewer line on 19th Avenue is being constructed under LID #719.

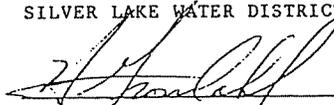
3. Payment from the District to the City shall be made within thirty (30) days following completion by the City of the lift station, force main and gravity lines referred to in Section 1 hereof.

DATED this 23rd day of May, 1986.

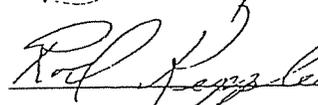
CITY OF EVERETT

SILVER LAKE WATER DISTRICT


WILLIAM E. MOORE, Mayor



ATTEST:



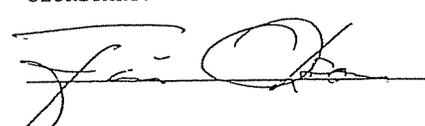

CITY CLERK - *deputy*



APPROVED AS TO FORM:

SECRETARY:


CITY ATTORNEY



AMENDMENT NO. _____
to
Agreement for Sewage Disposal
between the
City of Everett and Silver Lake Water District

WHEREAS, the City of Everett hereinafter called the "City," and the Silver Lake Water District hereinafter called the "District," have agreed on June 16, 1982 to terms and conditions for the costs of treatment and transmission of sewage from areas of the Silver Lake Water District; and

WHEREAS, the City and the District wish to amend the boundaries of the areas of the District from which sewage may be transmitted from the District for treatment by the City;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS: Section III(A) is hereby amended by adding the following land area from which the District may deliver sewage and industrial waste to the City:

The E 1/4 of the S.E. 1/4 of Section 17, Township 28 N, Range 5 E,
W.M. except the North ~~33'~~
330'

all as shown on Exhibit C attached hereto and incorporated herein by reference.

All other terms and conditions of the June 16, 1982, agreement between the parties shall remain in full force and effect.

DATED this 19 day of ~~February~~ ^{MARCH}, 1986.

CITY OF EVERETT


WILLIAM E. MOORE, Mayor

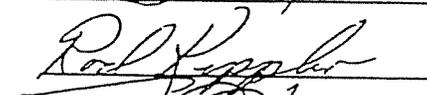
ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

SILVER LAKE WATER DISTRICT


SECRETARY

AGREEMENT AMENDMENT

CLARE
OLIVERS

THIS AGREEMENT made as of this 23RD day of JANUARY,
1985, between Silver Lake Water District of Snohomish County, a municipal
corporation of the State of Washington, hereinafter referred to as the "District,"
and the City of Everett, a municipal corporation of the State of Washington,
hereinafter referred to as "City."

FY 1

WITNESSETH:

WHEREAS, the City and the District have previously entered into an
agreement for sewage disposal dated June 16, 1982; and

WHEREAS, the City and the District now wish to amend said agreement to
allow additional areas to be served by the District provided that property owners in
said areas agree to annex to the City upon being requested to do so;

NOW, THEREFORE, the parties agree:

1. Section III(A) of the June 16, 1982, agreement between the City and
the District is hereby amended to read hereafter as follows:

It is agreed that the District may deliver to the City sewage and
industrial waste from the existing boundaries of the District or as the
District boundaries may be amended provided that the District
service area shall exclude all areas within the existing City limits of
the City and all areas of the District west of I-5 and ~~east of I-5, the~~
~~area~~ north of 100th Street S.E. and west of 35th Avenue S.E. except
the S.E. 1/4 of the S.E. 1/4 of the S.E. 1/4 of Section 17, T 28 N, R 5
EWM, as shown on the map attached hereto marked Exhibit B and
provided further that within the area west of I-5 subject to written
approval of the City the District may provide sewer service, or agree
with other districts to provide sewer service, on the condition that
customers sign the attached agreement shown in Exhibit C and file
said agreement with the County Auditor as a covenant running with
the land. The City shall accept the sewage and waste delivered for
treatment and disposal as hereinafter provided up to the maximum
capacity set forth in Section I hereof subject to such reasonable rules
and regulations as may be adopted from time to time by the City
Council provided such rules shall apply both to the City and the
District, subject to capacities set forth in Section I hereof. In the
event that an adjacent district obtains capacity to serve certain
areas of the District at less cost, then and in that event, after
consultation with the City, the District may serve such areas by
connections to others in a different flow direction. This will not
release the District from any portion of any required payments to the
City under Section I, above.

R.K. Pres.

2. All other terms and conditions of the aforesaid June 16, 1982, agreement between the City and the District shall remain the same.

DATED this 14th day of Feb., 1985.

CITY OF EVERETT

SILVER LAKE WATER DISTRICT

William E. Moore
WILLIAM E. MOORE, Mayor

Ray Kopp
H. Lundell
Leo Nelson

ATTEST:

Genevieve Moschetti
CITY CLERK

APPROVED AS TO FORM:

SECRETARY:

Brian Don
CITY ATTORNEY

Leo Nelson

AGREEMENT FOR SEWAGE DISPOSAL
 between
 THE CITY OF EVERETT
 and
 SILVER LAKE WATER DISTRICT

THIS AGREEMENT made as of this 16th day of June, 1982, between SILVER LAKE WATER DISTRICT of Snohomish County, a municipal corporation of the State of Washington, hereinafter referred to as the "District," and THE CITY OF EVERETT, a municipal corporation of the State of Washington, hereinafter referred to as "City."

WITNESSETH:

WHEREAS, the City and the Fircrest Sewer District, predecessor of the District, previously entered into contracts on September 16, 1970, and December 18, 1974, plus amendments to the December 18, 1974, contract; and

WHEREAS, the City and the District wish to rescind said contracts upon the entering of this contract; and

WHEREAS, the City and the District recognize the need for the District to participate in the costs of certain facilities of the City sewerage system which are necessary to serve the District; and

WHEREAS, the District agrees to contribute toward the costs of said City sewer facilities which benefit the District.

NOW, THEREFORE, the parties agree:

I.

(A) In order that the City may provide sanitary sewerage transmission and treatment services for sewage flowing from the District into the City sewer system, the City and the District agree that the following sewerage system facilities shall be constructed and maintained by the City to service the following capacity requirements of the District determined as the average maximum flow measured over a one-hour period:

<u>Facility</u>	<u>District Capacity Requirements</u>
L.S. # 24 and force main	1,500 gpm
L.S. # 25 and # 26 Interim	1,500 gpm
L.S. # 26 ultimate	8,500 gpm
L.S. # 26 line	8,500 gpm

S. End Extension	8,500 gpm
S. End Interceptor to Southwest Interceptor	8,500 gpm
S. End Interceptor Northern Segment	8,500 gpm
Headworks	8,500 gpm —
Sewer Treatment Plant	4.9 MGD

(B) It is currently anticipated that the following sewerage system facilities shall be improved by the City in order to provide capacity in the following total amounts determined as the average maximum flow measured over a one-hour period:

<u>Facility</u>	<u>Total Facility Capacities</u>
L.S. #24 and force main	3,500 gpm
L.S. #25 and #26 Interim	1,800 gpm
L.S. #26 ultimate	9,500 gpm
L.S. #26 line	9,500 gpm
S. End Extension	9,500 gpm
S. End Interceptor to Southwest Interceptor	29,700 gpm
S. End Interceptor Northern Segment	40,300 gpm
Headworks	80,000 gpm
Sewer Treatment Plant	40.4 MGD

Based on the above-stated capacity requirements, the estimated costs of the District's share of the above facilities is set forth in Exhibit A attached hereto and incorporated herein by reference. The District Capacity Requirements in Section (A) above were established by the District and submitted by the District to the City for inclusion in this Agreement. In reliance on said District Capacity Requirements established by the District, the City will size, design and construct, maintain or improve sewer facilities to serve both the City's and the District's capacity requirements. In the event that it is determined that the City's or the District's sewage flows exceed their respective capacity requirements, the City or the District, whichever is exceeding its allotted capacity, shall pay any and all damages or fines incurred by the City or the District in any manner related to or arising from exceeding the stated District or City's Total Capacity Requirements. City shall notify District at any time that facility capacity problems are anticipated by the City, and the City and District shall meet to discuss and plan for future remedial measures at any time after the District flows exceed 80% of its

above-stated capacity requirements. In the event the District exceeds its allotted capacity and the City and District have not reached agreement as to remedial measures, the City, after notification to the District, may take any one or all of the following remedial steps: (1) Refuse to allow any new sewer connections in the area tributary to the undersized facility; (2) Re-size, re-design and re-construct or improve the above facilities to such capacity as is determined will accommodate the capacity required; (3) Purchase or sell capacity from City or other Districts; and/or (4) Take all reasonable steps to reduce loading. In the event the City elects the second remedial step, the District agrees, as liquidated damages, to pay to the City all costs incurred by the City for the design and improvement of any of said facilities, including but not limited to all costs set forth in Section I (C) hereof, except the cost of design and construction to meet the City's and/or other Districts' additional capacity requirements. Said costs shall be due and payable as provided in Section I (C). In the event that step (1) above is deemed necessary by the City or the District, the party contemplating action shall submit notice thereof at least thirty (30) days prior to taking final action. The District shall have no responsibility for Total Facility Capacities except as provided herein; provided that, in the event the City determines to refuse new connections tributary to facilities which are at or exceed capacity, the District will refuse also to allow new connections tributary to such facilities. The City shall take all reasonable actions to insure preservation to the District of any and all unused District capacity throughout the total Everett sewerage system serving the District until used and/or sold by the District. In the event that the City utilizes the full capacity of the system affecting the District prior to the District's full use of its contracted capacity, either of the following remedies shall apply at the election of the District:

- (1) The City shall compensate the District in monies for its loss of the remaining portion of its unused capacity. Compensation shall be by negotiation and in the event the parties cannot agree upon such compensation, the amount of such compensation shall be determined by arbitration under the procedure set forth in Section II hereof;
- (2) City shall, at its own expense, expand its facilities in order to accommodate the balance of the District's contracted for capacity.

(C) (1) The District agrees to pay to the City from the gross revenues of its sewer system the following percentage share of total costs of said facilities (said percentage share being calculated by dividing the District's Capacity Requirements

by the Total Facility Capacities above):

<u>Facility</u>	<u>Percentage Share Of Total Cost Payable to City</u>
L.S. #24 and force main	30.0%
L. S. #25 and #26 Interim	83.3%
L.S. #26 ultimate	89.5%
L.S. #26 line	89.5%
S. End Extension	89.5%
S. End Interceptor to Southwest Interceptor	28.6%
S. End Interceptor Northern Segment	21.1%
Headworks	10.6%
Sewer Treatment Plant	12.1%

The total cost of each facility to which said percentage shall be applied shall include but not be limited to engineering costs and fees, all payments to consulting engineers or contractors, or otherwise, for labor, materials, equipment, overhead, etc., right-of-way or land costs, testing, inspection, legal fees, and interim financing costs. Payments to the City shall commence with approval by the City of the Engineer's and/or the Contractor's progress payments for work performed so that payments from the District will coincide with the City's payments to Engineers/Contractors. Final total costs will be established and adjusted upon release of all claims against said projects. Provided that payments to the City as required herein are current, the District's obligation to the City shall be junior to all present and future bonded indebtedness of the District.

(2) Except in the event that the City is directed by the State Department of Ecology or EPA or any other governmental agency having jurisdiction to require such construction, the City shall not proceed to construct L.S. #26 ultimate or the Southend Extension without District agreement.

(3) In the event that the District cannot feasibly finance participation in the Southend Interceptor Northern Segment and the Headworks improvements at the time construction is commenced by the City, the District shall make annual payments to the City, payable on or before June 1 of each year following completion and release of all claims against said improvements, of interest on the amount above determined as the District's share of said improvements. The rate of interest shall be one-half of one percent (0.50%) in excess of the City's annual interest rate schedule on the "1980 Water & Sewer Revenue Bonds," as shown in

Exhibit A-1 attached hereto, for the year in which each interest payment is made. The principal amount shall be payable on or before the date the District agrees or the City is ordered to proceed to construct L.S. #26 ultimate or the Southend Extension.

12/12/91 > ADD NEW D. (1) (2) (3)

II.

In addition to the payments set forth in Section I above, the District shall pay the City a sewage disposal maintenance and operation charge (M & O charge) determined on the basis of 58% of the City's monthly sewer service rate for single family residences X 1.20 surcharge X total District customer equivalents. Payment shall be monthly, due within thirty (30) days of billing.

The general formula for determination of the M & O charge is:

$$\frac{\text{District \% Share of Total Costs X City Single Family Service Rate}}{\text{District \% of Total Customer Equivalents}} \quad \times \quad 1.20 \text{ Surcharge} \\ = \text{Monthly Sewer Rate Per Customer Equivalent}$$

in accordance with the following understandings:

(A) Customer equivalents shall be single family residence equivalents and shall constitute the total number of single family residences to which the District or the City provides service, plus all other metered water usage divided by 900 cubic feet per month. The City's total single family equivalents shall be determined from the City's December billings. The District's single family equivalents shall be determined monthly for purposes of determining the District's monthly M & O charge. For purposes of determining the District's percentage of total equivalents, the determination shall be based on the District's December billing.

(B) The City's monthly service rate shall be the current City of Everett single family residence sewer service rate; or as such rate may be revised in the future.

(C) The District's % share of total costs for the year 1981 is agreed to be 2.8%.

The District's % of total system customer equivalents for the year 1981 is agreed to be 4.8%.

The District's % of City monthly service rate (before 1.20 surcharge) is agreed to be 58% for the year 1981.

On or about February of 1982, and each year thereafter, the City shall submit to the District a proposed new percentage of City monthly service rate to

be used for the forthcoming year, together with a summary of the final previous year's sewer expenditures. Said new percentage of total costs shall be applied to the monthly M & O charge commencing April 1, 1982, through March 31, 1983, and each year thereafter shall be subject to modification as provided herein. In the event of disagreement between the City and the District as to the District's percentage share of total costs for the forthcoming year, each party shall appoint an arbitrator and the respective appointed arbitrators shall appoint a third arbitrator to create a board of arbitrators whose review and determination of the District's percentage share of total costs shall be final and binding on both parties. Each party shall bear the costs of its appointed arbitrator and the parties shall split the cost of the third arbitrator. The City's proposed rate shall be paid by the District subject to retroactive revision to April 1 by the decision of the arbitration panel.

The District's percentage share of total costs is not expected to include all Everett sewer system costs. The previous year's cost analysis may be used as a guideline wherein, after determination of the District's percentage share of total customer equivalents as of December 31, line items of the Everett sewer system expenditures were reduced or increased in accordance with the exercise of judgment and experience as to the costs to serve the District. In determining the District's percentage share of total costs, it is agreed that the following guidelines will be followed:

- (1) The District shall not be charged any cost for in-City drainage.
- (2) The District shall not be charged the costs of construction and maintenance of lateral or collector service lines to in-City customers.
- (3) Because of the District's current payments for capital facilities as stated in Article 1 hereof, the District shall not be charged for the City's 1980 bond issue, except in the event 1980 bond proceeds are utilized for payment of the costs of the sewer lagoon condemnation (approximately \$400,000) and are paid out of capital facilities account. The District will be charged in accordance with its total percentage of total customer equivalents as of December 31 each year on the 1978 bond issue. District's M & O charge shall not include future City bond issues unless said future issues are used to construct facilities of benefit to the District. The parties shall meet to discuss said benefits.
- (4) The percentage of total customer equivalents applied to all lift station maintenance and operation costs shall be multiplied by a factor of 3.
- (5) Unless actual cost analysis demonstrates a higher amount of benefit, the District shall be charged at 1% of the following costs:
 - Maintenance of manholes and lids
 - Cleaning sewer mains
 - Repair of sewer mains
 - Customer records and collection

- (6) The following general system costs will be applied in accordance with the District's December 31 percentage of total customer equivalents:
- Treatment and lagoon operations, including sewer lagoon acquisition costs in the event such costs are paid from this account.
 - Administration and supervising costs
 - Engineering and records
 - Outside services and consulting
 - Injuries and damages (insurance)
 - Future bad debts and uncollectable expenses
 - Regulatory expenses
 - Miscellaneous general expenses
 - General Plant
 - Taxes and payments in lieu of tax
 - Interest on accounts
- (7) Special programs which are not included as a capital cost under Article I herein will be analyzed by City and District according to benefits.
- (8) The 20% surcharge shall remain constant.

The City shall notify the District of all contemplated rate changes in order to allow the District to appear and present evidence. Said notice shall be the same as for citizens of the City. If the City fails to so notify, the District shall be allowed a special hearing to present evidence for the Council concerning rate modification.

III.

A. It is agreed that the District may deliver to the City sewage and industrial waste from the existing boundaries of the District or as the District boundaries may be amended provided that District service area shall exclude all areas within the existing City limits of the City and all areas of the District west of I-5 and north of 100th Street S.E. and west of 35th Avenue S.E. except the S.E. 1/4 of the S.E. 1/4 of the S.E. 1/4 of Section 17, T 28 N, R 5 EWM, as shown on the map attached hereto marked Exhibit B. The City shall accept the sewage and waste delivered for treatment and disposal as hereinafter provided up to the maximum capacity set forth in Section I hereof subject to such reasonable rules and regulations as may be adopted from time to time by the City Council provided such rules and regulations shall apply both to the City and the District, subject to capacities set forth in Section I hereof. In the event that an adjacent district obtains capability to serve certain areas of the District at less cost, then and in that event, after consultation with the City, the District may serve such areas by connections to others in a different flow direction. This will not release the District from any portion of any required payments to the City under Section I,

above.

B. The City and the District agree to meet and discuss expansion of the above service area at least once every five years following execution of this agreement.

IV.

Sewerage facilities of the District which may be required for the delivery of sewage and wastes to the City may be connected to facilities of the City sewerage system. Such connection shall be accomplished at the expense of the District and in accordance with the rules and regulations of the City. The initial point of connection of the District's system to the City's system is herewith fixed and shall be in the trunk line of the City system. The City may, as hereinafter provided, designate at its sole discretion additional or alternate points of connection for receiving the District's sewage to the City system which may include connections to other districts which in turn connect to the City system. The District and the City shall install at their respective expense flow meters at locations which will best measure incoming sewage flows to the City system and any City incoming sewage flows to the District local system.

V.

The District shall be responsible for the delivery to the City sewerage system of sewage collected by the District which is required to be delivered to the City hereunder, 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 City sewerage system. It is expressly understood that the District will be responsible for the delivery of its sewage to the City sewerage system at such points as determined under Article IV. The City may at its sole discretion construct portions of the City sewerage system located within the District and may at its sole discretion permit connection to such portion of the City sewerage system at a point, or points, in the District but shall not be obligated at any time during the life of this Agreement to construct any portion of the City sewerage system within the District. It is contemplated that the District will build local sewers or build or secure the use of other facilities to deliver its sewage to the City at the point hereinbefore described. All District local sewers or other temporary sewerage facilities carrying sewage delivered to the City shall

be constructed and maintained in accordance with the rules and regulations of the City which shall be consistent with APWA, DSHS and DOE standards. All such District local sewers or temporary facilities will be maintained by the District at no expense or risk to the City.

VI.

City may discharge sewage into District sewerage facilities within the District service areas contemplated under this Agreement; provided, that in such event, the City shall be obligated to pay its fair pro-rata share of the District facility based on the method of assessment or financing used to finance said facility and/or M & O related to such discharges, including but not limited to lift station costs. Provided, however, that the City's discharges shall not exceed 10% of the District capacity without prior approval of the District.

VII.

Permanent books and records shall be kept by the City and the District in order to establish rates, volumes of sewage delivered and discharged into the City sewerage system wherever such volumes are measured, total volumes of sewerage transmitted and treated by City facilities, and the number of Residential Customers and Residential Customer Equivalents reported by the City and the District. The records required by this paragraph shall be available for examination by either party during normal business hours for a period of seven years after five (5) days' notice.

VIII.

In the event of third party claims for injuries or damages arising out of or related to this Agreement, the City and the District shall have rights of indemnity against the other at any time after a claim is filed and for a period of three years following release or payment of a claim. Indemnification shall be determined on the basis of proportionate share of fault, if any. In the event that a lawsuit is filed against either party in which the other is not named, rights of indemnification shall be determined by binding arbitration under the procedure described in Article II hereof. This provision shall be in addition to any common law rights of indemnification claims which either party may assert under the procedure herein.

IX.

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 the City 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. Provided that the District, by agreement of the City, may sell unneeded capacity to others who are a party to agreements with the City.

X.

In the event the City annexes any of the District's area served by facilities under this Agreement, then the City at any time may elect to provide sewer service to customers served by the District in the City's annexed area. If the City so elects, the District's Capacity Requirements shall be reduced proportionately as the sewage flows in the annexed area relate to the total District sewage flows, as stated in Section I hereof, and the City shall be required to pay compensation to the District for said customers and capacity as follows:

A. Local facilities serving customers in the annexed area shall become the responsibility of the City; provided that the District shall continue to maintain and be responsible for any general District facilities, such as lift stations, or interceptors, trunk sewers and laterals serving both the annexed area and the non-annexed area. In cases where sewage from such annexed areas is transmitted through general District facilities to City facilities, the City shall pay the District the maintenance and operation (M and O charge) determined from the following general formula:

$$\frac{\text{City's \% of Share of Total Costs X District Single Family Service Rate}}{\text{City's \% of Total Customer Equivalents}} \quad X \quad 1.20 \text{ Surcharge}$$

- City's Monthly Sewer Rate to District = Monthly Sewer Rate Per Customer Equivalent

The guidelines for determining the above rates shall be consistent with those shown in Section II herein.

Pursuant to RCW 35.13A, the City shall make annual payments to the District for the annexed area's pro-rata share of the District's total outstanding sewer revenue bond obligations in accordance with annexed area's pro-rata share of the remaining annual payments schedule of said obligations at the time of election. In the event that there are any local facilities in the annexed area assumed by the City which have been constructed with District-wide funds or revenue bond funds (excluding developer or privately installed facilities or facilities constructed from assessments in the annexed area), then the City shall pay the greater of either the

total amount of the said pro-rata share of the District's outstanding bonded indebtedness or the depreciated value of said local facilities based on a 50 year straight line depreciation of actual costs. Payment of the said annexed area's share of the District's outstanding indebtedness shall be made annually thirty days prior to the District's bonded indebtedness payment schedule. Payment for the said depreciated value of District constructed local facilities shall be lump sum upon the City's election to assume said facilities unless otherwise agreed.

B. In the event that the total due under Section X (A) is not sufficient to compensate the District for the annexed area's pro-rata share of sewer system facilities, as paid to the City by the District under Section I hereof, then the City shall increase the amount due under Section X (A) by an amount equal to the annexed area's pro-rata share of sewer system facilities as provided in Section I hereof, said amount to be based on the depreciated value of said facilities on the date of the City's election to serve, as determined on a 50 year straight line depreciation formula. In the event that there is an amount due hereunder and said amount is to be added to the annexed area's share of annual payments on outstanding indebtedness, then the total due shall be amortized in equal payments on the basis of the outstanding bond issue having the least number of years remaining to be paid. In the event that the amount due hereunder relates to District-constructed facilities under Section X (A) above, then the total due hereunder shall be lump sum due on the date of the City's election.

CAPACITY

XI.

It is anticipated that the improvements currently planned to expand the City's sewer transmission and treatment facilities or add additional facilities, as set forth in Section I and Exhibit A, will serve the City's and District's requirements for transmission and treatment of sewage until at least December 31, 2010. In the event that unforeseen circumstances at any time shall affect the capability of said City facilities to continue to serve the District, the City and the District shall negotiate terms and conditions for continued sewage transmission and treatment service for the District.

*

In the event either party gives written notice to the other of its intent to continue said service at any time between January 1, 2010, and December 31, 2010, the District and the City shall be required to continue sewage transmission and treatment service for the District in the capacities described herein beyond the year 2010. Upon receipt of said notice, the other party shall propose terms and

conditions for the continuance of said service. Said proposal may be based on all conditions then existing, including but not limited to capital and operating costs of service, other alternatives for service, growth patterns of service areas, annexations and annexation policies, and state, federal and local laws, rules, regulations and policies. In the event that the parties do not reach agreement on terms and conditions for continued service, the parties hereby grant jurisdiction to an arbitration panel, established under the procedures set forth in Section II(C) hereof to establish terms and conditions for a five year period. Thereafter, the parties shall be required to continue service for additional five year periods in the event the other party gives notice of intent to continue pursuant to the above procedure until the year 2032 at which time, in the event the parties mutually agree that sewer treatment and transmission service by the City should be continued, the parties shall meet and negotiate mutually acceptable terms for continued service.

XII.

The September 16, 1970, agreement and the December 18, 1974, agreement plus amendments thereto are hereby rescinded.

DATED this 16th day of June, 1982.

SILVER LAKE WATER DISTRICT

CITY OF EVERETT

[Signature]
Rad Kessler
Leo Nelson

[Signature]
 WILLIAM E. MOORE, Mayor

ATTEST:

[Signature]
 CITY CLERK

SECRETARY:

Leo Nelson

APPROVED AS TO FORM:

[Signature]
 CITY ATTORNEY

1. 2010-NOTICE OF INTENT TO CONTINUE
2. OTHER PARTY PROPOSES TERMS AND CONDITIONS OF CONTINUING.
3. IF AGREEMENT NOT REACHED, GO TO ARBITRATION PANEL. TO ESTABLISH T&C FOR 5 YRS.
4. GIVE N.O.I. EVERY 5 YRS UNTIL 2032.
5. PARTIES NEED TO MUTUALLY AGREE ON T&C OF CONTINUING SERVICE > 2032.

EXHIBIT A

SILVER LAKE WATER DISTRICT ESTIMATED COST SHARE OF SEWER FACILITIES

Construction Year	Facility	Design Flow	Cost	SLWD Flow	% Total Flow	Cost
1980	LS #26 Force Main	9500 gpm	\$ 220,000	8500 gpm	89.5%	\$ 197,000
1981	LS #24 & Force Main	3500 gpm *	1,200,000	1500 gpm	30.0%	360,000
1982	LS #25 & #26 Interim	1800 gpm	200,000	1500 gpm	83.3%	167,000
1982-83	S. End Interceptor (North Segment)	40,300 gpm	5,000,000	8500 gpm	21.1%	1,055,000
1982-83	Treatment Plant Headworks	80,000 gpm	2,300,000	8500 gpm	10.6%	244,000
1988	LS #26 Ultimate	9500 gpm	2,200,000	8500 gpm	89.5%	1,968,000
1988	S. End Extension	9500 gpm	3,700,000	8500 gpm	89.5%	3,312,000
1988	S. End Interceptor (South Segment)	29,700 gpm	5,000,000	8500 gpm	28.6%	1,431,000
1990+	Treatment Plant Expansion	40.4 MGD	6,000,000	4.9 MGD	12.1%	728,000

* Cost shares computed based on 5000 gpm due to future removal of LS #26 flows, 10-B-81

EXHIBIT A - 1

SIGNATURE IDENTIFICATION AND NONLITIGATION CERTIFICATE

I, the duly chosen, qualified and acting Mayor and City Clerk of the City of Everett, Washington, DO HEREBY CERTIFY that we have executed the following-described water and sewer revenue bonds with our manual and facsimile signatures, respectively, and that each of the coupons attached thereto bears the true and correct facsimiles of our signatures.

Said bonds are dated August 1, 1980, are in the total principal sum of \$20,000,000, are designated "City of Everett, Washington, Water and Sewer Revenue Bonds, 1980," are in the denomination of \$5,000 each, are numbered, mature July 1, and bear interest payable on July 1, 1981, and semiannually thereafter on the first days of each January and July as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amount</u>	<u>Interest Rate</u>
1-153	1981	\$ 765,000	5.75
154-290	1982	685,000	5.75
291-436	1983	730,000	5.75
437-560	1984	620,000	6.00
561-591	1985	155,000	6.20
592-623	1986	160,000	6.40
624-657	1987	170,000	6.60
658-692	1988	175,000	6.80
693-729	1989	185,000	7.00
730-792	1990	315,000	7.15
793-891	1991	495,000	7.30
892-1000	1992	545,000	7.45
1001-1113	1993	565,000	7.60
1114-1236	1994	615,000	7.75
1237-1370	1995	670,000	7.90
1371-1513	1996	715,000	8.00
1514-1668	1997	775,000	8.10
1669-1873	1998	1,025,000	8.20
1874-2167	1999	1,470,000	8.30
2168-2478	2000	1,555,000	8.40
2479-2814	2001	1,680,000	8.45
2815-3177	2002	1,815,000	8.50
3178-3570	2003	1,965,000	8.50
3571-4000	2004	2,150,000	8.50

WE FURTHER CERTIFY that there is no litigation pending or to the best of our knowledge threatened, restraining or enjoining the issuance, sale, execution or delivery of said bonds or the fixing or collection of the revenues pledged to pay the principal thereof and interest thereon, the proceedings and authority under which said bonds are issued and said revenues pledged, the validity of said bonds or the title of the present officers of the city to their respective offices. WE FURTHER CERTIFY that the proceedings authorizing the issuance of said bonds have not been repealed, revoked or rescinded.

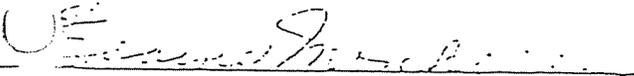
IN WITNESS WHEREOF, we have hereunto affixed our signatures this 21 day of August, 1980.

Signature

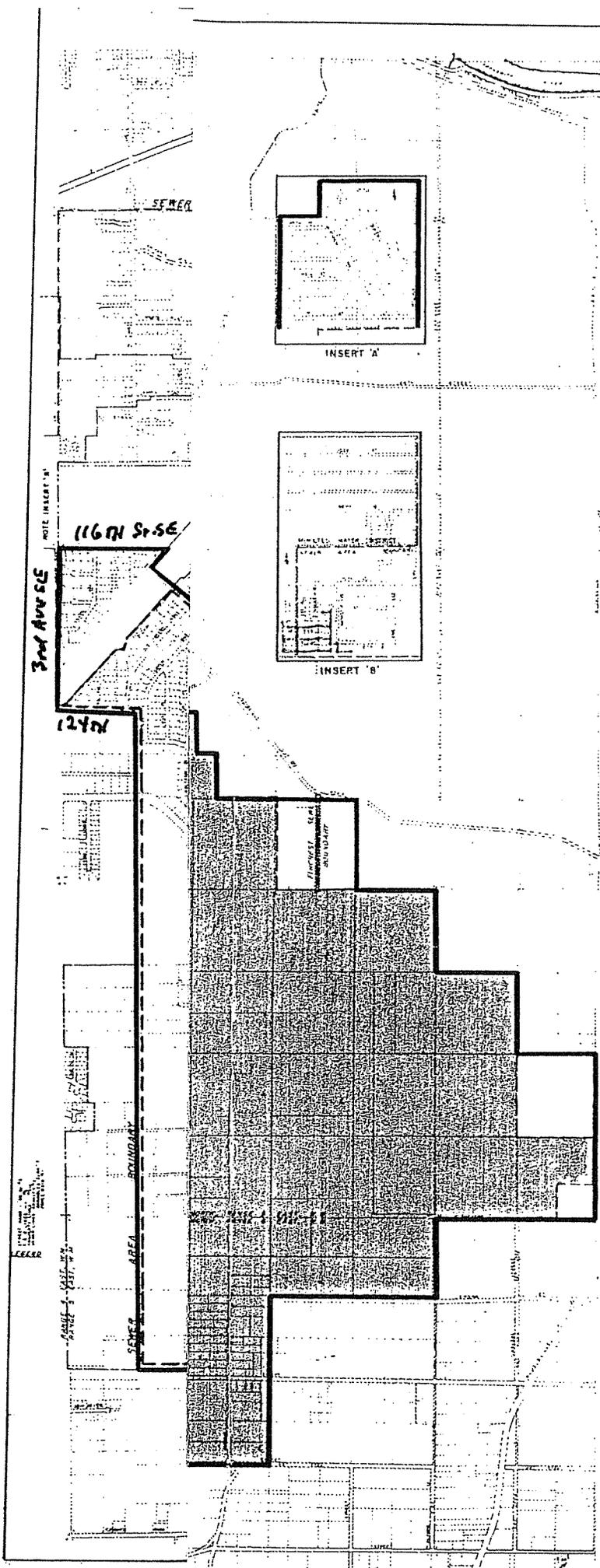
Title



Mayor



City Clerk



**SILVER
LAKE
WATER
DISTRICT**

**SEWER
SERVICE
AGREEMENT
AREAS**

Gary J. Johnson, Inc. P.S.
 CONSULTING ENGINEERS
 1000 1st Ave. S.E.
 Olympia, WA 98513

FIGURE 4