

Executed Copy in
Clerk's office

MUNICIPALITY OF METROPOLITAN SEATTLE

CITY OF PACIFIC

AGREEMENT FOR SEWAGE DISPOSAL

THIS AGREEMENT is made as of this _____ day of _____, 1974, between the CITY OF PACIFIC, a municipal corporation of the State of Washington (hereinafter referred to as the "City"), 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 City and the residents of the metropolitan area require the elimination of potential sources 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 City is engaged in developing and operating a sewage collection system; and

WHEREAS, the City desires to deliver sewage collected by the City to Metro for disposal; and

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

EXHIBIT "A"

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 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 the 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 of Sewage. On the first day of the month following the execution of this contract or the acceptance by Metro of a federal grant by the United States Environmental Protection Agency for construction of the "Auburn Interceptor", whichever is the later, the City shall deliver to the Metropolitan Sewerage System all of the sewage and industrial wastes collected or received by the City, and Metro shall accept the sewage and industrial wastes delivered for treatment subject to such reasonable rules and regulations as may be adopted from time to time by the Metropolitan Council. For purposes of this Agreement, the "Auburn Interceptor" shall mean the Metro interceptor which will be constructed northerly and westerly from the existing City of Auburn sewage lagoon to a connection with the existing Metro-Kent Cross Valley Interceptor. 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 City without the written consent of the City. The City shall not deliver sewage to any other agency for disposal without the written consent of Metro.

The treatment and disposal by Metro of the sewage and industrial waste delivered by the City to Metro shall comply with all applicable federal and state standards and requirements.

Section 3. Construction of Metro Facilities. Metro shall construct, acquire or otherwise secure the right to use all facilities within King County 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 improve-

ment of the Metropolitan Sewerage System, including any additions and betterments thereto. Metro shall in its sole discretion determine the nature, location and the time of construction of facilities of the Metropolitan Sewerage System.

Section 4. Connection of Local Sewerage Facilities to Permanent Facilities of the Metropolitan Sewerage System. Local Sewerage Facilities of the City shall be connected to the Metropolitan Sewerage System at such time as any of the permanent facilities of such Metropolitan Sewerage System shall be available to receive sewage collected by such local facilities. The initial connection of all such local facilities existing at the time of this Agreement shall be accomplished at the expense of Metro. Subsequent connections shall be accomplished at the expense of the City in accordance with the rules and regulations of Metro and at such point or points of connection as shall be determined by Metro, except that the City shall have the right to connect any of its local facilities into any manhole of the Metropolitan Sewerage System. The City shall secure and pay for the right to use all Local Sewerage Facilities of another Participant which may be required to deliver the City's sewage to the Metropolitan Sewerage System.

Section 5. Payment of Sewage Disposal. For the disposal of sewage hereafter collected by the City and delivered to Metro the City shall pay to Metro, on or before the last day of each month during the term of this Agreement, commencing on the first day of the month next following the date of execution of this contract or the acceptance by Metro of a federal grant by the United States Environmental Protection Agency for the construction of the "Auburn Interceptor", whichever is the later, 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 of the City shall be taken from water meter records and may be adjusted to exclude water which, under the rules and regulations of Metro, needs not and in fact does not enter the sanitary facilities of a customer. Where actual sewage flow from an individual customer is metered, the metered sewage flow 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 City's first quarter report shall cover the period from the date when sewage is first delivered to Metro to the end of the quarter in which such delivery occurs and shall be submitted within thirty days thereafter. 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. The number thus determined is hereinafter called the "basic reported number".

b) For the initial period until the City shall have submitted six consecutive quarterly reports, the basic reported number of Residential Customers and Residential Customer equivalents of the City 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 City is first delivered to Metro, the City shall submit a written statement of the number of Residential Customers and Residential Customer equivalents estimated to be billed by the City during the next succeeding month. For the purpose of determining the basic reported number of Residential Customers or Residential Customer equivalents of the City 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 City as of the last day of the next to the last preceding reported quarter. After the City shall have furnished six consecutive quarterly reports, the basic reported number of Residential Customers and Residential Customer equivalents of the City shall be determined as provided in the immediately preceding subparagraph (a).

c) If the City 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 City and such estimate shall constitute the basic reported number for the purpose of determining sewage disposal charges.

d) The basic reported number of Residential Customers and Residential Customer equivalents of the City shall be further adjusted by adding thereto twenty-five percent (25%) of the number of Residential Customers or Residential Customer equivalents of the City located outside the boundaries of Metro. The sum thus determined is hereinafter called the "adjusted reported number". If all of the area located within the City or any area located outside the City and served into its Local Sewerage Facilities shall be annexed to Metro at any time after the date of this agreement or if the twenty-five percent additive adjustment shall have been paid by the City for a period of ten years, said additive adjustment shall be eliminated effective as of the first day of the month following such annexation as to the number of Residential Customers or Residential Customer equivalents located within such annexed area and in any event shall be eliminated entirely upon the tenth anniversary of the date when sewage disposal charges shall have first been paid to Metro by the City. If the additive adjustment described above shall not be applied to the Residential Customers or Residential Customer equivalents of any other Participant located outside of the present boundaries of Metro under any future agreement between Metro and such Participant or shall be applied in a lesser amount, then the additive adjustment described in this paragraph (d) shall be correspondingly reduced or deleted. The adjusted reported number of Residential Customers and Residential Customer equivalents of the City shall be the number of Residential Customers and Residential Customer equivalents reported by the City for the purpose of determining sewage disposal charges pursuant to Paragraph 3 of this section.

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 the 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 charges 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 the failure of any Participant to pay such amount, enforce payment by any remedy available at law or equity.

5. The City irrevocably obligates and binds itself to pay its sewage disposal charge out of the gross revenues from sewage collected or received by the City. The City 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 City, including the sewage disposal charge payable to Metro hereunder and sufficient to pay the principal of and interest on any revenue bonds of the City which shall constitute a charge upon such gross revenues. It is recognized by Metro and the City that the sewage disposal charge paid by the City to Metro shall constitute an expense of maintenance and operation of the sewer system of the City. The City shall provide in the issuance of future sewer revenue bonds of the City that expenses of maintenance and operation of the sewer system of the City shall be paid before payment of principal and interest of such bonds. The City 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 City. The City shall be responsible for the delivery to the Metropolitan Sewerage System of sewage collected by the City, for the construction, maintenance, and operation of Local Sewerage Facilities, for the prompt connection of all premises served by such facilities, and for the payment of all

costs incident to the collection of such sewage and its delivery to the Metropolitan Sewerage System.

Section 7. Records. Permanent books and records shall be kept by Metro and the City of the respective rates established, the volumes of sewage delivered and discharged into the Metropolitan Sewerage System wherever 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 City 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, except as provided in Section 9 hereof, the nature of all facilities of the Metropolitan Sewerage System to be constructed, acquired or used and the time of such construction, acquisition or use shall be determined in the sole discretion of Metro, it being contemplated that Metro shall ultimately provide sewage disposal for the entire Metropolitan Area and such adjacent areas as may feasibly be served into the Metropolitan Sewerage System.

Section 9. Use by Metro of City Sewerage Facilities. Certain existing sewerage facilities of the City shall serve as "permanent" Metropolitan Sewerage System facilities. Effective on the date sewage disposal charges shall first be chargeable hereunder, or such earlier date as may be mutually agreed upon (hereinafter called "takeover date"), Metro shall have the right to use and the duty to maintain, operate,

repair and replace the facilities owned by the City which are described on Exhibit A attached hereto and by this reference made a part hereof. The City shall have the right to jointly use the interceptor sewers described on Exhibit A as City trunk sewers for the delivery of any sewage collected by the City, but the making of any additional lateral and side sewer connections shall be subject to approval by Metro of the manner such connections are to be made, based on adopted Metro standards. If the City shall construct improvements or additions to the permanent facilities shown on Exhibit A with the approval of Metro after the date of this Agreement and prior to the takeover date, the City shall be reimbursed for the actual cost thereof in cash within thirty (30) days following the said takeover date in addition to the amount of reimbursement set forth below. The City shall continue to own the facilities shown on Exhibit A and shall continue to pay the principal of and interest on any bonds issued to pay in whole or in part the cost of acquisition and construction of such facilities, provided that facilities which are designated as "permanent" shall be conveyed by the City to Metro by quit claim deed upon payment of all presently outstanding revenue bonds or general obligation bonds of the City secured by or issued to acquire or construct said facilities.

For the privilege of using the permanent facilities described in Exhibit A Metro shall pay to the City the total amount of \$62,200.00 (hereinafter called "amount of reimbursement"). Said amount of reimbursement shall be subject to reduction and reimbursement to Metro for any grant hereafter received by the City applicable to such facilities

It is the understanding of the parties that the City desires to provide local sewerage service to areas adjacent to the City.

At such time as the City receives approval for an extension to its existing sewerage service area from state and local regulatory agencies, Metro shall acquire from the City certain additional Local Sewerage Facilities which then qualify as permanent Metropolitan Sewerage Facilities. Metro acquisition of and reimbursement for such additional Local Sewerage Facilities shall be agreed upon by the parties through a supplemental agreement hereto. Metro shall not, in any case, be required or obligated to acquire Local Sewerage Facilities or to construct Metropolitan Sewerage Facilities outside of the Metropolitan Area.

The City shall give written notice to Metro prior to the takeover date, setting forth the manner in which the amount of reimbursement shall be paid. The City may elect to receive all or any portion of said amount in cash within thirty (30) days following the date when sewage disposal charges shall first be chargeable hereunder (hereinafter called "cash payment date") and may elect to receive any portion which is not paid on said cash payment date together with interest thereon at the rate of four percent (4%) per annum from said date, in the form of a credit against the City's monthly sewage disposal charge in equal monthly amounts sufficient to amortize such unpaid amount of reimbursement and interest thereon prior to July 1, 1980. The City may at any time after the cash payment date elect to receive any unpaid portion of the amount of reimbursement in cash with interest at the rate of four percent (4%) per annum to date of final payment by giving written notice to Metro at least one year prior to the date such final payment is to be made.

Section 10. Operation and Maintenance of Certain Permanent Facilities. The City may operate and maintain certain of the permanent facilities as are described on Exhibit A for and on behalf of Metro upon Metro's request and Metro shall reimburse the City for costs of operation and maintenance as provided in this Section 10. For the purpose of this Agreement maintenance shall include inspection, cleaning and repair. The City shall exercise reasonable care, diligence and judgment in performing the work and shall in particular undertake preventative maintenance precautions wherever practicable. Except in emergencies when the City shall take immediate appropriate action, repairs costing more than \$1500.00 or any additions and betterments shall be undertaken only after approval by Metro. In the case of emergencies, notice of action taken shall be given to Metro as soon as practicable considering the seriousness of the emergency.

Statements of amounts due for work performed pursuant to this Section 10 shall be presented to Metro at intervals considered by the City to be appropriate but not more frequently than monthly nor less frequently than quarterly. Costs to be paid by Metro shall include actual direct wages and salary paid by the City for labor performed on such work plus the overhead charge equal to forty-two percent (42%) thereof, actual cost of materials used plus all materials handling charges equal to twenty percent (20%) thereof, and an agreed upon rental rate for necessary equipment furnished by ~~and an agreed upon rental rate for necessary equipment furnished by~~ the City. Said overhead and handling charges may be renegotiated at the request of either party after this Agreement has been in effect for two years. Bills for electric power and water service shall be forwarded to Metro for payment directly by Metro. Metro shall hold the City harmless and defend all suits for personal in-

jury or property damage arising out of the operation and maintenance of said sewerage facilities provided that the operation and maintenance was requested by Metro and that the injury or damage was not caused by neglect, failure or negligence of the City in the performance of operation and maintenance work as herein contemplated.

The City shall perform operation and maintenance work on permanent facilities described in Exhibit A as requested by Metro for a period of two years from the effective date of this Agreement unless the period is extended by mutual written agreement of the parties hereto. Either party may terminate the obligation to provide maintenance and operation work as described in this Section 10 upon thirty days written notice to the other party.

Section 11. Infiltration and Inflow City System. The City shall prepare and deliver to Metro on or before April 15, 1974, an inflow and infiltration analysis and survey of the existing City Sewer System which shall comply with applicable regulations of the United States Environmental Protection Agency. Metro shall include in the Auburn Interceptor grant application the grant eligible portions of the cost of any improvements or corrections to City Sewer System facilities which are tributary to the Auburn Interceptor, which are recommended by the evaluation studies and which comply with applicable United States Environmental Protection Agency regulations.

Metro shall reimburse the City 100% for the City's eligible portions of the evaluation studies and improvements or corrections as grant funds are received by Metro for such purposes.

Section 12. Construction and Maintenance of Local Sewerage

Facilities. The City shall either construct, operate and maintain at its expense or cause others to construct, operate and maintain at their expense in a proper fashion, any Local Sewerage Facilities other than joint use facilities connected to permanent facilities of the Metropolitan Sewerage System up to and including tee connections. Metro shall have no responsibility for either construction, operation or maintenance of such Local Sewerage Facilities.

Section 13. Insurance and Liability for Damages. The City and Metro shall respectively 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 City and Metro respectively and against public and other liability to the extent that such insurance can be secured and maintained at a reasonable cost. Any damage or loss occurring as a result of the operation by Metro of the Metropolitan Sewerage System shall be the sole liability of Metro and any liability incurred by the City as a result of the operation of the Local Sewerage Facilities of the City shall be the sole liability of the City.

Section 14. Assignment. The City 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 City should be dissolved or should no longer be authorized to operate sewer facilities, the Local Sewerage Facilities owned and operated by the City shall be assigned and transferred to Metro

subject to any outstanding debts of the City which had been incurred for the specific purpose of constructing or acquiring such facilities and subject to the acceptance by Metro of the obligations 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 15. 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 16. Termination of Auburn - Algona - Pacific Agreement. Upon execution of this Agreement and the execution of sewage disposal agreements between Metro and the Cities of Auburn and Algona, that certain sewage disposal contract dated August 18, 1970 between the Cities of Auburn, Algona, and Pacific shall be terminated by the City. This same paragraph shall be included in the above referenced contracts for sewage disposal entered into between Metro and the Cities of Auburn and Algona.

Section 17. 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

City of Pacific
133 Third Avenue South East
Pacific, Washington 98047

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 18. Execution of Documents. This Agreement shall be executed in six (6) counterparts, any of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents and resolutions or ordinances necessary to give effect to the terms of this agreement.

Section 19. 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 20. Remedies. In addition to the remedies provided by law, this Agreement shall be specifically enforceable by either party.

Section 21. Entirety. This Agreement merges and supersedes all prior negotiations, representations and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire contract between the parties.

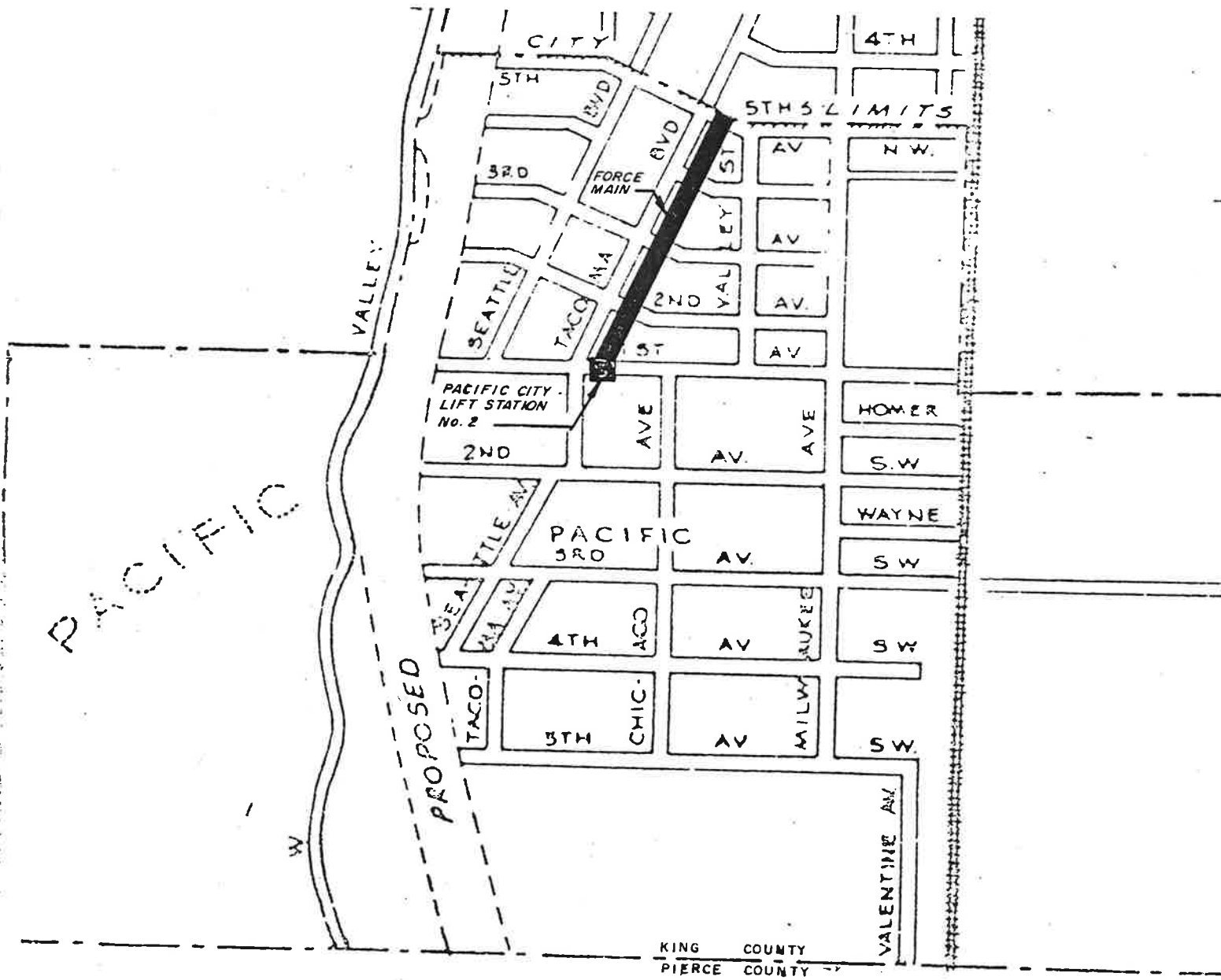
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

EXHIBIT "A"

PERMANENT FACILITIES



1000 500 0
SCALE IN FEET



CITY OF PACIFIC, WASHINGTON

By Jack W. Johnson, Mayor

ATTEST:

Margaret J. Bradley, City Clerk

MUNICIPALITY OF METROPOLITAN SEATTLE

By C. Carey Donworth
Chairman of the Council

ATTEST:

B. J. Carol
Clerk of the Council

CITY OF PACIFIC
MUNICIPALITY OF METROPOLITAN SEATTLE

EXTENSION OF AGREEMENT FOR SEWAGE DISPOSAL

WHEREAS, the City of Pacific (the "City") 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 City 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 City 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 the City of Pacific 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 19th day of March, 1987
~~12th~~ day of ~~November~~, 1985

CITY OF PACIFIC

BY Wesley H. Bergquist

ATTEST:

Margaret J. Dalley
City Clerk

MUNICIPALITY OF METROPOLITAN
SEATTLE

BY Gary A. Zimmerman
Gary Zimmerman
Chairman of the Council

ATTEST:

Bonnie Mattson
Bonnie Mattson
Clerk of the Council

CITY OF PACIFIC
MUNICIPALITY OF METROPOLITAN SEATTLE
AMENDMENT TO AGREEMENT
FOR SEWAGE DISPOSAL

THIS AMENDMENT made as of the 14^{2nd} day
of ~~may~~ October, ~~1990~~¹⁹⁹² between the City of
Pacific, a municipal corporation of the State of Washington
(hereinafter referred to as the "City") 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 City and delivered to Metro the City 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 City'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 City shall have submitted six consecutive quarterly reports, the reported number of Residential Customers and Residential Customer equivalents of the City 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 City is first delivered to Metro, the City shall submit a written statement of the number of Residential Customers and Residential Customer equivalents estimated to be billed by the City during the next succeeding month. For the purpose of determining the basic reported number of Residential Customers and

Residential Customer equivalents of the City 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 City as of the last day of the next to the last preceding reported quarter. After the City shall have furnished six consecutive quarterly reports the reported number of Residential Customers and Residential Customer equivalents of the City shall be determined as provided in the immediately preceding subparagraph (a).

(c) If the City 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 City 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 City 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 City irrevocably obligates and binds itself to pay its sewage disposal charge out of the gross revenues of the sewer system of the City. The City 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 City, including the sewage disposal charge payable to Metro hereunder and sufficient to pay the principal of and interest on any revenue bonds of the City which shall constitute a charge upon such gross revenues. It is recognized by Metro and the City that the sewage disposal charge paid by the City to Metro shall constitute an expense of the maintenance and operation of the sewer system of the City. The City shall provide in the issuance of future sewer revenue bonds of the City that expenses of maintenance and operations of the sewer system of the City shall be paid before payment of principal and interest of such bonds. The City 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.

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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.

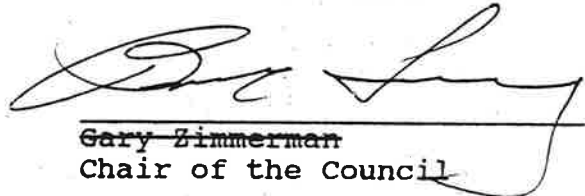
CITY OF PACIFIC



ATTEST:



MUNICIPALITY OF
METROPOLITAN SEATTLE



Gary Zimmerman
Chair of the Council

ATTEST:

