

APPENDIX C

DATE: 08 AUG 70

INTERLOCAL AGREEMENT

BETWEEN THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON
AND
SOOS CREEK WATER & SEWER DISTRICT, KING COUNTY, WASHINGTON
REGARDING CONVEYANCE OF BLACK DIAMOND WASTEWATER FLOWS

THIS AGREEMENT IS MADE AND ENTERED INTO BY AND BETWEEN THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON, A MUNICIPAL CORPORATION, HEREIN REFERRED TO AS THE CITY, AND THE SOOS CREEK WATER & SEWER DISTRICT, KING COUNTY, WASHINGTON, A MUNICIPAL CORPORATION, HEREIN REFERRED TO AS THE DISTRICT.

WHEREAS, THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, HEREINAFTER EPA, HAS DETERMINED THAT THE CITY'S INNOVATIVE AND ALTERNATIVE WASTEWATER TREATMENT FACILITY, HEREINAFTER I&A WWTF, IS A FAILED SYSTEM AND IS ELIGIBLE FOR AN EPA MODIFICATION AND/OR REPLACEMENT GRANT, HEREINAFTER M/R GRANT, TO MODIFY OR REPLACE THE EXISTING I&A WWTF.

WHEREAS, THE WASHINGTON STATE DEPARTMENT OF ECOLOGY, HEREINAFTER WDOE, AND EPA HAVE FORMALLY APPROVED THE CITY'S FACILITY PLAN STUDY CONCLUSION TO REPLACE THE CITY'S FAILED I&A WWTF WITH A CITY PUMP STATION AND PIPELINE SYSTEM TO THE DISTRICT, AND WITH CONVEYANCE PROVIDED THROUGH DISTRICT FACILITIES AND THROUGH KENT AND MILL CREEK FACILITIES UNDER THE DISTRICT'S JOINT USE AGREEMENTS, AND THROUGH THE METRO SYSTEM, TO CONVEY THE CITY'S WASTEWATER TO THE RENTON WASTEWATER TREATMENT FACILITY, WHICH IS OWNED AND OPERATED BY THE METROPOLITAN MUNICIPALITY OF SEATTLE, HEREINAFTER METRO.

WHEREAS, THE CITY AND THE DISTRICT DESIRE AN INTERLOCAL AGREEMENT WHEREIN THE DISTRICT WILL PROVIDE FOR CONVEYANCE OF BLACK DIAMOND WASTEWATER FLOWS THROUGH DISTRICT, KENT, AND MILL CREEK FACILITIES TO METRO.

WHEREAS, THE CITY DESIRES TO PROVIDE SEWER SERVICE ONLY TO CUSTOMERS WITHIN THE CITY.

WHEREAS, AN INTERLOCAL AGREEMENT BETWEEN THE CITY AND THE DISTRICT FOR CONVEYANCE OF CITY WASTEWATER FLOWS TO METRO MUST BE FORMALLY CONCLUDED BETWEEN THE CITY AND THE DISTRICT AND THEN APPROVED BY BOTH WDOE AND EPA, PRIOR TO THESE AGENCIES PROVIDING FUNDING FOR THE CONSTRUCTION OR PURCHASE OF ANY CITY WASTEWATER

CONVEYANCE FACILITIES OR CAPACITY WITHIN THE CITY, DISTRICT, KENT, OR MILL CREEK SYSTEMS.

WHEREAS, UNDER THE CITY'S EPA M/R GRANT TO REPLACE THE CITY'S FAILED I&A WWTF, THE EPA ELIGIBLE COSTS FOR DESIGN AND CONSTRUCTION OF ANY DISTRICT CONVEYANCE CAPACITY FOR CITY WASTEWATER FLOWS WITHIN THE DISTRICT, KENT, OR MILL CREEK SYSTEMS WOULD OCCUR WELL AFTER THE EPA FUNDING SUNSET DATE FOR THE CITY TO OBTAIN EPA GRANT FUNDING FOR THAT PURPOSE.

WHEREAS, CERTAIN MONIES MUST BE MADE AVAILABLE TO THE DISTRICT BY THE CITY TO ENABLE THE DISTRICT TO PROVIDE CONVEYANCE CAPACITY TO THE CITY.

WHEREAS, THE CITY WILL OBTAIN WDOE GRANT FUNDING, WHICH MUST BE CHARACTERIZED AS BUY-IN COST FUNDING TO COMPLY WITH WDOE GRANT REQUIREMENTS, TO BE PLACED INTO A BUY-IN INVESTMENT ACCOUNT WHICH SHALL BE JOINTLY CONTROLLED BY THE CITY AND THE DISTRICT. THIS BUY-IN FUNDING SHALL BE UTILIZED TO COMPENSATE THE DISTRICT FOR INCREASES IN DISTRICT PRESENT WORTH COSTS OF FUTURE CONVEYANCE CAPACITY UPGRADES, DUE TO CITY FLOW IMPACTS WHICH ACCELERATE THE DISTRICT'S SCHEDULE FOR THOSE FUTURE CAPACITY UPGRADES, AND TO ASSURE CITY FINANCING FOR THE CITY'S PROPORTIONAL COST SHARE IN FUTURE DISTRICT, KENT, AND MILL CREEK CAPITAL COST CONVEYANCE CAPACITY UPGRADES WHICH THE DISTRICT WILL PROVIDE FOR CITY CONVEYANCE CAPACITY.

NOW THEREFORE, IT IS HEREBY MUTUALLY COVENANTED AND AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

SECTION 1. ACCEPTANCE AND CONVEYANCE OF WASTEWATER.

THE CITY SHALL DELIVER TO THE DISTRICT'S PUMP STATION NUMBER 11 ALL OF THE SEWAGE AND INDUSTRIAL WASTES COLLECTED BY THE CITY, AND THE DISTRICT SHALL ACCEPT AND PROVIDE FOR PUMPED CONVEYANCE OF THE CITY'S WASTEWATER FLOWS THROUGH EXISTING DISTRICT CONVEYANCE FACILITIES, BOTH THOSE FACILITIES SOLELY OF THE DISTRICT AND THOSE KENT AND MILL CREEK FACILITIES UNDER OTHER JOINT USE AGREEMENTS WITH THE DISTRICT, TO THE METRO SYSTEM, AND TO PROVIDE WASTEWATER CONVEYANCE THROUGH THESE EXISTING FACILITIES FOR A MAXIMUM CITY POPULATION EQUIVALENT OF 3600, EXCEPT AS MAY BE MODIFIED BY

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SUBSEQUENT AGREEMENT BETWEEN THE PARTIES.

THE DISTRICT SHALL ALSO PROVIDE FOR PUMPED CONVEYANCE OF THE CITY'S WASTEWATER FLOWS THROUGH FUTURE DISTRICT CONSTRUCTED CAPACITY UPGRADES OF DISTRICT, KENT, AND MILL CREEK CONVEYANCE FACILITIES IN WHICH THE DISTRICT AND THE CITY HEREBY AGREE TO JOINTLY FUND DESIGN AND CONSTRUCTION AND TO DESIGN AND CONSTRUCT CONVEYANCE CAPACITY UPGRADES OF THE DISTRICT, KENT, AND MILL CREEK CONVEYANCE FACILITIES TO THE METRO SYSTEM, WITH CITY AND DISTRICT COST SHARING TO BE PROPORTIONALLY BASED ON A DESIGNED CONVEYANCE CAPACITY SHARE BASIS AND TO SUPPORT A MINIMUM CITY POPULATION OF 3600, OR GREATER, AS THE CITY MAY CHOOSE TO FUND.

THE CITY SHALL COMPENSATE THE DISTRICT FOR THE OPERATION AND MAINTENANCE COSTS OF PROVIDING PUMPED CONVEYANCE OF CITY WASTEWATER FLOWS, SHALL PROVIDE PROPORTIONAL CAPITAL COST FUNDING FOR FUTURE CONVEYANCE CAPACITY UPGRADES, AS NEW CONVEYANCE SYSTEMS, WITHIN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS, AND SHALL LIMIT THE CITY'S LOCAL SEWER SERVICE AREA TO WITHIN CITY LIMITS, TO THE EXCLUSION OF SEWER SERVICE TO LAKE SAWYER (WATER DISTRICT B6), AND TO COVINGTON CREEK WATER DISTRICT.

SECTION 2. CITY RELATIONSHIP WITH THE DISTRICT. THE CITY SHALL BE AS A CUSTOMER OF THE DISTRICT SOLELY FOR THE PURPOSE OF THE DISTRICT PROVIDING PUMPED CONVEYANCE OF CITY WASTEWATER FLOWS THROUGH DISTRICT, KENT, AND MILL CREEK CONVEYANCE FACILITIES, TO THE METRO SYSTEM.

UNDER OTHER INTERLOCAL AGREEMENTS, THE DISTRICT JOINTLY UTILIZES CERTAIN FACILITIES WITH THE CITY OF KENT AND WITH KENT/METRO (MILL CREEK INTERCEPTOR) FOR PURPOSES OF CONVEYANCE OF THE DISTRICT'S WASTEWATER FLOWS TO THE METRO SYSTEM. WITH RESPECT TO THOSE INTERLOCAL AGREEMENTS, AND FOR THE USE OF THOSE EXISTING FACILITIES, CITY WASTEWATER FLOWS SHALL BE CONSIDERED AS INTEGRAL TO DISTRICT FLOWS WHERE WASTEWATER FLOW CAPACITY ALLOCATIONS ARE ADDRESSED IN THOSE OTHER INTERLOCAL AGREEMENTS.

FOR ANY NEW PUMPED CONVEYANCE FACILITIES CONSTRUCTED WITHIN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS, WHERE THE CITY PARTICIPATES IN THE CAPITAL COST AND THEREBY RESERVES A PROPORTIONAL SHARE OF DESIGN FLOW CAPACITY IN THOSE CONVEYANCE

CAPACITY UPGRADES, THE DISTRICT SHALL REMAIN AS OWNER AND OPERATOR FOR PURPOSES OF THIS AGREEMENT AND IN THE DISTRICT'S RELATIONSHIP WITH THE CITY.

THE CITY'S LOCAL SEWER SERVICE AREA FACILITIES AND THE CITY'S PUMP STATION AND PIPELINE SYSTEM TO THE DISTRICT'S PUMP STATION NUMBER 11 SHALL REMAIN UNDER THE OWNERSHIP AND OPERATION OF THE CITY, SEPARATE AND APART FROM THE DISTRICT.

SHOULD METRO CONSTRUCT FUTURE CONVEYANCE CAPACITY WHICH REPLACES SEGMENTS OF THE DISTRICT, KENT, OR MILL CREEK SYSTEMS, THEN FOR THAT SEGMENT OF THE CONVEYANCE SYSTEM, THE CITY'S RELATIONSHIP WITH THE DISTRICT SHALL BE REPLACED WITH A DIRECT CITY/METRO RELATIONSHIP, INCLUDING FOR PURPOSES OF THE CITY PROVIDING CAPITAL COST FUNDING FROM THE CITY AND DISTRICT JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT, AND FOR THE PURPOSES OF CITY PAYING OPERATIONS AND MAINTENANCE COSTS DIRECTLY TO METRO. IT IS INTENDED THAT THE DISTRICT MAY ULTIMATELY BE ABLE TO DISPENSE WITH PROVIDING PUMPED CONVEYANCE FOR CITY WASTEWATER FLOWS WHEN THE METRO SYSTEM IS EXTENDED THROUGH MILL CREEK, KENT, AND DISTRICT SYSTEMS.

SECTION 3. SEPARATE AGREEMENT BETWEEN THE CITY AND METRO. THE CITY SHALL EXECUTE A SEPARATE INTERLOCAL AGREEMENT WITH METRO FOR METRO'S CONVEYANCE AND TREATMENT OF THE CITY'S WASTEWATER FLOWS WITHIN THE METRO SYSTEM.

METRO CHARGES FOR CITY WASTEWATER FLOWS SHALL BE PAID DIRECTLY FROM THE CITY TO METRO. THE CITY WILL COPY THE DISTRICT ON THE MONTHLY METRO SERVICE CHARGE TO THE CITY.

WHILE THE CITY SHALL REMAIN AS OWNER AND OPERATOR OF THE CITY'S PUMP STATION AND PIPELINE CONVEYANCE SYSTEM TO THE DISTRICT, METRO MAY PROVIDE ASSISTANCE TO THE CITY IN THE OPERATION AND MAINTENANCE OF THAT SYSTEM, UNDER A SEPARATE AGREEMENT BETWEEN THE CITY AND METRO.

SECTION 4. LIMITATIONS ON DISTRICT SERVICE PROVIDED FOR CITY WASTEWATER FLOWS. THE CITY AGREES TO LIMIT THE CITY'S LOCAL SERVICE AREA FOR SEWER CONNECTIONS TO WITHIN CITY LIMITS, AND AS THE CITY LIMITS MAY BE MODIFIED BY ANNEXATION. THE CITY FURTHER AGREES NOT TO PROVIDE SEWER SERVICE TO EITHER LAKE SAWYER (WATER

DISTRICT B6) OR COVINGTON CREEK WATER DISTRICT.

THE DISTRICT SHALL PROVIDE CONVEYANCE OF CITY WASTEWATER FLOWS THROUGH EXISTING DISTRICT, KENT, AND MILL CREEK FACILITIES UP TO A MAXIMUM CITY SEWER SERVICE POPULATION LIMIT OF 3600.

THE DISTRICT'S FLOW LIMITATION UPON THE CITY FOR A MAXIMUM SEWER SERVICE POPULATION OF 3600 MAY BE MODIFIED BY SUBSEQUENT AGREEMENT BETWEEN THE CITY AND THE DISTRICT FOR THE USE OF EXISTING DISTRICT, KENT, AND MILL CREEK CONVEYANCE FACILITIES; AND/OR, IN THE FUTURE, BY THE CITY INCREASING THE CITY'S DESIGN VOLUME OF FLOW AND CAPITAL COST FUNDING SHARE IN THE FUTURE CAPACITY UPGRADES FOR THE DISTRICT, KENT, AND MILL CREEK SYSTEMS ABOVE THAT REQUIRED TO SUPPORT A CITY SEWER SERVICE POPULATION OF 3600.

SECTION 5. OPERATIONAL & MAINTENANCE RELATIONSHIP. THE CITY'S LOCAL SEWER SERVICE AREA FACILITIES AND THE CITY'S PUMP STATION AND PIPELINE SYSTEM TO THE DISTRICT'S PUMP STATION NUMBER 11 SHALL REMAIN UNDER THE OWNERSHIP AND OPERATION OF THE CITY, SEPARATE AND APART FROM THE DISTRICT.

CITY WASTEWATER FLOWS SHALL BE MAINTAINED WITHIN EPA STANDARDS FOR VOLUME OF FLOW AS RECEIVED AT THE DISTRICT'S PUMP STATION NUMBER 11, AND THE CITY SHALL PROVIDE FOR FLOW MONITORING AT THAT POINT. WHERE CITY VOLUME OF FLOW EXCEEDS THOSE EPA STANDARDS, THE CITY SHALL:

1. MAKE ADDITIONAL MONTHLY OPERATIONS AND MAINTENANCE PAYMENTS TO THE DISTRICT IN ACCORDANCE WITH "SECTION 7. DISTRICT PUMPED CONVEYANCE CHARGES TO THE CITY".
2. TAKE IMMEDIATE CORRECTIVE ACTION TO REDUCE ANY EXCESSIVE WASTEWATER VOLUMES OF FLOW, AND/OR
3. IF AVAILABLE, RESTRICT THE REMAINING AVAILABLE CITY SEWER SERVICE CONNECTIONS, AS PROVIDED UNDER THE ALLOWABLE MAXIMUM TOTAL NUMBER OF POPULATION EQUIVALENTS FOR WHICH THE DISTRICT HAS COMMITTED TO PROVIDE CONVEYANCE, SUCH THAT THE THEN CALCULATED CITY ULTIMATE MAXIMUM TOTAL FLOW VOLUME WILL NOT EXCEED THAT WHICH WOULD RESULT FROM THE ORIGINAL MAXIMUM CITY SEWER SERVICE POPULATION COMMITMENT OF THE DISTRICT AT THE MAXIMUM ALLOWABLE EPA VOLUME OF FLOW STANDARD. UNDER THIS

ALTERNATIVE, THE CITY MAY RESTORE THE REMAINING CITY SEWER SERVICE CONNECTIONS WHEN THE EXCESSIVE FLOW CONDITION HAS BEEN CORRECTED.

THE CITY AGREES TO MINIMIZE SULFIDE GENERATION IN THE CITY'S WASTEWATER THROUGH THE DESIGN OF THE CITY'S PUMP STATION AND PIPELINE SYSTEM TO THE DISTRICT'S PUMP STATION NUMBER 11 AND BY PROVIDING FOR CHEMICAL ADDITION AT THE CITY'S PUMP STATION. THE CITY SHALL SPECIFY OPERATING PROCEDURES IN THE SYSTEM OPERATIONS AND MAINTENANCE MANUAL, AND SHALL MODIFY THOSE PROCEDURES AS NEEDED DURING THE ONE YEAR COMMISSIONING PERIOD, TO MAINTAIN THE LEVEL OF SOLUBLE HYDROGEN SULFIDE IN THE CITY'S WASTEWATER TO BELOW 1/2 PART PER MILLION ON A SIX HOUR AVERAGE. IN ADDITION, THE CITY SHALL REQUIRE PRE-TREATMENT OF INDUSTRIAL WASTES IN ACCORDANCE WITH METRO REQUIREMENTS AND SHALL REQUIRE GREASE TRAPS TO BE INSTALLED ON ALL RESTAURANTS.

FOR PURPOSES OF THIS AGREEMENT AND IN THE DISTRICT'S RELATIONSHIP WITH THE CITY, THE DISTRICT SHALL BE AS OWNER AND OPERATOR AND SHALL PROVIDE FOR OPERATION AND MAINTENANCE OF THE EXISTING DISTRICT, KENT, AND MILL CREEK SYSTEMS IN PROVIDING PUMPED CONVEYANCE SERVICES TO THE CITY.

FOR PURPOSES OF THIS AGREEMENT AND IN THE DISTRICT'S RELATIONSHIP WITH THE CITY, FOR ANY FUTURE CONVEYANCE CAPACITY UPGRADES CONSTRUCTED WITHIN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS, WHERE THE CITY PARTICIPATES IN THE CAPITAL COST AND RESERVES A PROPORTIONAL SHARE OF DESIGN FLOW CAPACITY IN ANY DISTRICT CONVEYANCE CAPACITY UPGRADE, THE DISTRICT SHALL REMAIN AS OWNER AND OPERATOR AND SHALL PROVIDE FOR THE OPERATION AND MAINTENANCE OF THOSE SYSTEMS.

SECTION 6: RESPONSIBILITY FOR DAMAGES:

1. CONCERNING CITY USE OF DISTRICT FACILITIES:

ALL CITY FACILITIES AS DESCRIBED HEREIN SHALL BE CONSTRUCTED, OPERATED AND MAINTAINED BY THE CITY. WHERE THE CITY UTILIZES ANY DISTRICT FACILITIES, THE CITY SHALL BE RESPONSIBLE FOR ANY DAMAGE TO DISTRICT FACILITIES RESULTING FROM THE CITY'S USE, OR USE BY ITS CUSTOMERS. REPAIRS TO DISTRICT FACILITIES MADE NECESSARY BY SUCH DAMAGE SHALL BE PERFORMED BY THE DISTRICT. THE REASONABLE

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COST FOR SUCH REPAIRS WILL BE BILLED TO THE CITY, AND SHALL BEAR INTEREST, AT THE THEN EXISTENT NINETY (90) DAY TREASURY BILL RATE, AFTER THIRTY (30) DAYS FROM THE DATE OF BILLING.

THE DISTRICT SHALL NOT BE LIABLE FOR ANY CLAIMS BY THIRD PARTIES ARISING FROM ACTS OR DAMAGES BY THE CITY OR ITS CUSTOMERS IN USING DISTRICT FACILITIES PURSUANT TO THIS AGREEMENT.

SECTION 7. CITY PAYMENT FOR DISTRICT PUMPED CONVEYANCE CHARGES. COMMENCING WITH THE FIRST MONTH IN WHICH SEWAGE COLLECTED BY THE CITY IS CONVEYED TO THE DISTRICT, THE CITY SHALL PAY TO THE DISTRICT, NO LATER THAN 10 CALENDAR DAYS AFTER THE LAST DAY OF EACH MONTH DURING THE TERM OF THIS AGREEMENT, A SEWAGE CONVEYANCE CHARGE DETERMINED AS PROVIDED IN THIS SECTION 7.

FOR EACH MONTHLY PERIOD, THE CITY SHALL SUBMIT A WRITTEN REPORT TO THE DISTRICT SETTING FORTH:

1. THE TOTAL NUMBER OF ALL CUSTOMERS BILLED FOR LOCAL SEWERAGE CHARGES BY THE CITY AS OF THE LAST DAY OF THE MONTH,
2. THE TOTAL NUMBER OF SINGLE FAMILY RESIDENTIAL CUSTOMERS BILLED BY THE CITY FOR SEWERAGE CHARGES AS OF THE LAST DAY OF THE MONTH, EACH OF WHICH SHALL COUNT AS ONE EQUIVALENT RESIDENTIAL USER,
3. THE ADJUSTED TOTAL WATER CONSUMPTION DURING SUCH MONTH FOR ALL CUSTOMERS BILLED FOR LOCAL SEWERAGE CHARGES BY THE CITY OTHER THAN SINGLE FAMILY RESIDENTIAL CUSTOMERS. SUCH WATER CONSUMPTION 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 MONTHLY ADJUSTED WATER CONSUMPTION REPORT IN CUBIC FEET SHALL BE DIVIDED BY 900 TO DETERMINE THE NUMBER OF EQUIVALENT RESIDENTIAL USERS REPRESENTED BY EACH CITY CUSTOMER OTHER THAN SINGLE FAMILY RESIDENCES,
4. THE CITY SHALL REPORT THE TOTAL CALCULATED NUMBER OF EQUIVALENT RESIDENTIAL USERS AGAINST WHICH THE DISTRICT'S EQUIVALENT RESIDENTIAL USER PUMPED CONVEYANCE CHARGE SHALL BE APPLIED TO DETERMINE THE MONTHLY AMOUNT DUE TO THE DISTRICT,

5. THIS METHOD FOR DETERMINING THE NUMBER OF EQUIVALENT RESIDENTIAL USERS SHALL BE MODIFIED AS REQUIRED OVER TIME TO REFLECT THE THEN IN-PLACE METRO METHODOLOGY.

THE DISTRICT'S PUMPED CONVEYANCE CHARGES TO THE CITY, WHICH SHALL COMMENCE IMMEDIATELY UPON THE CITY INITIATING CONVEYANCE OF WASTEWATER FLOW TO THE DISTRICT, SHALL NOT EXCEED ONE DOLLAR AND EIGHTY FIVE CENTS (\$1.85) PER MONTH (1990 DOLLARS) PER EQUIVALENT RESIDENTIAL USER. THE DISTRICT AGREES THAT THIS CONVEYANCE CHARGE SHALL NOT INCREASE AT MORE THAN FOUR PERCENT (4%) PER YEAR FOR A PERIOD OF TWENTY (20) YEARS FOR USE OF EXISTING DISTRICT, KENT, AND MILL CREEK FACILITIES. THE DISTRICT FURTHER AGREES TO NOTIFY THE CITY SIXTY (60) CALENDAR DAYS IN ADVANCE OF ANY DISTRICT EQUIVALENT RESIDENTIAL USER CONVEYANCE CHARGE CHANGES TO ALLOW THE CITY TIME FOR ANY FORMAL MODIFICATION OF THE CITY'S SEWER ORDINANCE.

THE DISTRICT PUMPED CONVEYANCE CHARGES TO THE CITY, FOR CONVEYANCE OF CITY WASTEWATER FLOWS THROUGH THE DISTRICT, KENT, AND MILL CREEK SYSTEMS TO THE METRO SYSTEM, SHALL INCLUDE DISTRICT OPERATION AND MAINTENANCE COSTS, INCLUDING REPLACEMENT PARTS COSTS, ONLY FOR THE PUMPED CONVEYANCE FACILITIES UTILIZED BY THE CITY AND SHALL ALSO INCLUDE DISTRICT OVERHEAD COSTS APPROPRIATELY AND ONLY ASSOCIATED WITH PROVIDING PUMPED CONVEYANCE TO THE CITY.

AFTER TWENTY (20) YEARS HAVE EXPIRED FOR UTILIZATION OF EXISTING DISTRICT, KENT, AND MILL CREEK CONVEYANCE SYSTEMS FOR CITY FLOWS, OR IMMEDIATELY UPON COMMENCEMENT OF OPERATION FOR THOSE SEGMENTS OF THE DISTRICT, KENT, AND MILL CREEK SYSTEMS WHICH HAVE UNDERGONE A CONVEYANCE CAPACITY UPGRADE, THE CITY SHALL COMMENCE PAYING THE DISTRICT ON THE BASIS OF A STRICT APPROPRIATE SHARE OF DISTRICT OPERATION AND MAINTENANCE COSTS, INCLUDING REPLACEMENT PARTS COSTS, AND A STRICT APPROPRIATE SHARE OF DISTRICT OVERHEAD COSTS, RELATED ONLY TO THE DISTRICT'S PUMPED CONVEYANCE FACILITIES UTILIZED BY THE CITY.

SHOULD THE CITY'S VOLUME OF WASTEWATER FLOW RECEIVED AT THE DISTRICT'S PUMP STATION NUMBER 11 EXCEED THE EPA STANDARDS FOR NUMBER OF CONNECTIONS, INCLUDING EPA SERVICE AREA AND PIPELINE ALLOWANCES FOR INFILTRATION AND INFLOW (I&I), THEN THE CITY SHALL

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PAY THE DISTRICT AN ADDITIONAL MONTHLY SERVICE CHARGE BASED ON THE ADDITIONAL MINIMUM NUMBER OF EQUIVALENT RESIDENTIAL USERS AS WOULD BE REQUIRED TO GENERATE THE EXCESSIVE FLOW MEASURED, IF THE CITY WERE MEETING THE EPA MAXIMUM VOLUME OF FLOW STANDARDS, AND AT THE EQUIVALENT RESIDENTIAL USER RATES AS DEFINED IN THIS SECTION 7.

FOR AS LONG AS THE EXISTING DISTRICT, KENT, AND HILL CREEK CONVEYANCE FACILITIES REMAIN OPERATIONAL, AND FOR AS LONG AS FUTURE CAPITAL COST CONVEYANCE CAPACITY UPGRADES REMAIN OPERATIONAL IN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS, WHERE THE CITY PROVIDES CAPITAL COST FUNDING FOR THE CITY'S SHARE OF DESIGN AND CONSTRUCTION COSTS, THE DISTRICT SHALL NOT INCLUDE ANY CAPITAL COST OR BOND OR OTHER INDEBTEDNESS IN ITS CONVEYANCE CHARGES TO THE CITY. WHERE PORTIONS OF THE ABOVE CONVEYANCE CAPACITY UPGRADES MUST BE REPLACED, AT SOME TIME IN THE DISTANT FUTURE, THE CITY SHALL BE OBLIGATED TO PROVIDE FUNDING FOR SUCH REPLACEMENT BASED ON THE CITY'S PROPORTIONAL SHARE OF CONVEYANCE CAPACITY IN SUCH REPLACEMENT SYSTEMS.

THE DISTRICT SHALL NOT INVOICE THE CITY FOR ANY METRO CHARGES TO THE DISTRICT. THE CITY SHALL EXECUTE A SEPARATE AGREEMENT WITH METRO AND ALL METRO SERVICE CHARGES RELATED TO CITY WASTEWATER FLOWS SHALL BE PAID BY THE CITY DIRECTLY TO METRO. THE DISTRICT SHALL BE COPIED WITH THE CITY'S METRO INVOICES.

THE CITY SHALL TAKE SUCH STEPS AS NECESSARY AND AGREES TO MODIFY THE CITY'S SEWER RATE ORDINANCE AS REQUIRED TO INSURE THAT THE CITY FULFILLS ITS PAYMENT OBLIGATIONS TO THE DISTRICT IN A TIMELY MANNER, REGARDLESS OF THE STATUS OF PAYMENTS MADE TO THE CITY BY ITS CUSTOMERS.

SECTION 8. CAPITAL COST FUNDING FOR FUTURE DISTRICT, KENT, AND MILL CREEK CONVEYANCE CAPACITY UPGRADES. WHEN IT BECOMES NECESSARY FOR THE DISTRICT TO PROVIDE FOR CONVEYANCE CAPACITY UPGRADES, AS NEW CONSTRUCTED CONVEYANCE FACILITIES, IN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS, THE CITY SHALL PARTICIPATE IN FUNDING THE DISTRICT'S CAPITAL COSTS OF DESIGN AND CONSTRUCTION OF THOSE NEW CONVEYANCE FACILITIES BASED ON THE RATIO OF THE DESIGNED PEAK CONVEYANCE CAPACITY RESERVED FOR CITY FLOWS TO THE TOTAL DESIGNED PEAK CONVEYANCE CAPACITY OF THE NEW

CONVEYANCE FACILITIES. THE CITY SHALL PROVIDE CAPITAL COST FUNDING FROM THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT FOR SUCH NEW DISTRICT CONVEYANCE FACILITIES TO PROVIDE CONVEYANCE FOR A MINIMUM CITY DESIGN POPULATION OF 3600; HOWEVER, THE CITY MAY UNILATERALLY DETERMINE TO INCREASE THE PEAK CONVEYANCE CAPACITY RESERVED FOR CITY FLOWS ON THE CONDITION THAT THE CITY PROVIDE ADDITIONAL CAPITAL COST FUNDING TO COMPLY WITH THE FUNDING RATIO REQUIREMENT.

IT HAS BEEN DETERMINED THAT WDOE WILL PROVIDE GRANT FUNDING IN THE AMOUNT OF \$1,983,000 (1 SEP 90 DOLLARS) TO THE CITY TO SUPPORT FUTURE CONVEYANCE CAPACITY UPGRADES WITHIN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS TO PROVIDE FOR CONVEYANCE OF CITY FLOWS OF 3600 POPULATION, UNDER THE WDOE/EPA REPLACEMENT GRANT PROCESS. IN ADDITION, INCREASES IN THE PRESENT WORTH COSTS OF THE DISTRICT'S FUTURE CONVEYANCE CAPACITY UPGRADES, DUE TO THE IMPACT OF CITY WASTEWATER FLOWS ACCELERATING IMPLEMENTATION OF THESE CONVEYANCE CAPACITY UPGRADES, IS ALSO IDENTIFIED AND FUNDED UNDER THIS WDOE GRANT. AS A RESULT OF WDOE REGULATIONS, THIS GRANT FUNDING MUST BE IDENTIFIED AND TRANSACTED BETWEEN THE DISTRICT AND CITY AS WDOE GRANT FUNDING REIMBURSEMENT PAYMENTS FOR A CITY CAPITAL COST BUY-IN TO THE DISTRICT FACILITIES.

THE \$1,983,000 (1 SEP 90 DOLLARS) IN WDOE FUNDING RESULTS FROM A PRESENT WORTH CALCULATION OF THE CITY'S COST SHARE TO PROVIDE FOR CITY CONVEYANCE CAPACITY IN THE DISTRICT'S FUTURE CONVEYANCE CAPACITY UPGRADES CAPITAL COSTS AND HAS BEEN ESTIMATED BY REDUCING THE ESTIMATED FUTURE DISTRICT, KENT, AND MILL CREEK CONVEYANCE CAPACITY UPGRADES CAPITAL COSTS, AT THE ESTIMATED ACTUAL TIMES OF CONSTRUCTION, AT THE EPA MANDATED DISCOUNT RATE OF EIGHT AND FIVE EIGHTHS PERCENT (8.625%) PER YEAR TO 1 SEP 90. TO PROVIDE ADEQUATE MONIES FOR THE FUTURE CONSTRUCTION AND TO PROTECT THE INTERESTS OF BOTH PARTIES, THE WDOE \$1,983,000 PRESENT WORTH BUY-IN GRANT REIMBURSEMENT PAYMENT SHALL BE MADE PAYABLE TO A CITY AND DISTRICT JOINTLY CONTROLLED INTEREST BEARING BUY-IN INVESTMENT ACCOUNT.

PRIOR TO ACTUAL RECEIPT OF THE WDOE BUY-IN GRANT PAYMENT, THE DISTRICT AND CITY GOVERNING BODIES SHALL ACT FORMALLY

TO SELECT AND ENACT A JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT. THESE JOINTLY CONTROLLED MONIES SHALL BE UTILIZED TO FUND BOTH THE DISTRICT'S INCREASED PRESENT WORTH COSTS AND THE CITY'S PROPORTIONAL SHARE OF THE CAPITAL COSTS OF DESIGN AND CONSTRUCTION OF FUTURE CONVEYANCE CAPACITY UPGRADES IN THE DISTRICT, KENT, AND MILL CREEK SYSTEMS. SUCH MONIES SHALL BE RELEASED FROM THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT ONLY UPON FORMAL AUTHORIZATION AND JOINT SIGNATURE BY BOTH DISTRICT AND CITY GOVERNING BODIES.

IN ANY CASE, AND REGARDLESS OF THE FISCAL STATUS OF THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT, THE CITY SHALL BE FULLY AND UNILATERALLY RESPONSIBLE FOR OBTAINING AND/OR PROVIDING ADEQUATE AND TIMELY CAPITAL COST FUNDING TO THAT JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT TO FULFILL THE CITY'S FINANCIAL OBLIGATIONS TO THE DISTRICT TO SUPPORT THE CITY'S PROPORTIONAL SHARE OF CAPITAL COSTS FOR FUTURE CONVEYANCE CAPACITY UPGRADES FOR THE CONVEYANCE OF CITY FLOWS THROUGH THE DISTRICT, KENT, AND MILL CREEK SYSTEMS. ANY MONIES REMAINING IN THIS JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT AFTER COMPLETION OF ALL CONVEYANCE CAPACITY UPGRADES SHALL BE RETURNED TO THE CITY UNDER JOINT SIGNATURE OF THE CITY AND DISTRICT.

IN LIEU OF NORMAL DISTRICT NEW SERVICE AREA CHARGES, AND IN RECOGNITION OF THE SPECIAL CASE OF THE CITY WHICH IS A SEPARATE LOCAL SEWER SERVICE AREA ENTITY WHICH ONLY REQUIRES WASTEWATER CONVEYANCE (NOT COLLECTION) THROUGH THE DISTRICT, KENT, AND MILL CREEK SYSTEMS TO THE METRO SYSTEM, THE DISTRICT SHALL INVOICE THE \$1,983,000 (1 SEP 90 DOLLARS) BUY-IN AMOUNT TO THE CITY, TO BE MADE PAYABLE TO THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT; AND THE DISTRICT SHALL ACCEPT THE RECEIPT OF AND MAKE DEPOSIT OF A WDOE FUNDED BUY-IN GRANT REIMBURSEMENT PAYMENT OF \$1,983,000 TO THE CITY AND DISTRICT JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT.

SHOULD THE CITY FAIL TO COMPLETE CONSTRUCTION AND COMMENCE OPERATION OF THE CITY'S PUMP STATION AND PIPELINE TO THE DISTRICT, THEN ALL WDOE GRANT FUNDED MONIES DEPOSITED TO THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT SHALL BE RETURNED TO THE CITY, UNDER DISTRICT AND CITY JOINT SIGNATURE, FOR THE CITY'S

RETURN TO WDOE.

SECTION 9. CITY FUNDING OF INCREASED PRESENT WORTH.

COSTS FOR FUTURE DISTRICT CONVEYANCE CAPACITY UPGRADES. THE CITY RECOGNIZES THAT THE INCLUSION OF CITY WASTEWATER FLOWS INTO THE DISTRICT'S EXISTING SYSTEM TO METRO WILL ACCELERATE THE NEED FOR THE DISTRICT TO EMBARK UPON FUTURE PLANNED CONVEYANCE CAPACITY UPGRADES. THE DISTRICT AND THE CITY AGREE THAT THIS ACCELERATION INCREASES THE PRESENT WORTH COSTS OF THE DISTRICT'S CONVEYANCE CAPACITY UPGRADES AS FOLLOWS:

DISTRICT CONVEYANCE CAPACITY UPGRADE	RESERVED FUNDS
1. DISTRICT PUMP STATION #11 PUMP REPLACEMENT	\$ 12,977
2. DISTRICT CONVEYANCE PS #11 TO PS #10	\$ 282,593
3. DISTRICT PUMP STATION #10 PUMP REPLACEMENT	\$ 12,977
4. DISTRICT CONVEYANCE PS #10 TO KENT	\$ 146,754
5. KENT PIPELINE (NEW PIPELINE)	\$ 0
(ESTIMATED AS SERVING ONLY CITY CAPACITY NEEDS)	
6. MILL CREEK INTERCEPTOR	\$ 0
(CONSTRUCTION NOT ACCELERATED BY CITY FLOWS)	=====
TOTAL	\$ 455,301

THESE AMOUNTS ARE CALCULATED IN 1 SEP 90 DOLLARS, AND SHALL BE RESERVED IN THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT AND SHALL ACCRUE INTEREST, AS WILL ALL INVESTMENT FUNDS. THE INDIVIDUAL AMOUNTS ACCRUED, AT THE ACTUAL TIME OF CONSTRUCTION OF THE INDIVIDUAL CONVEYANCE CAPACITY UPGRADES INDICATED, SHALL BE APPLIED TO THE COST OF CONSTRUCTION FOR THAT INDIVIDUAL CONVEYANCE CAPACITY UPGRADE TO REDUCE THE RESULTING PROPORTIONAL COST SHARES OF THE DISTRICT AND THE CITY IN THAT INDIVIDUAL CONVEYANCE CAPACITY UPGRADE PROJECT COST. THESE MONIES SHALL BE RELEASED FROM THE JOINTLY CONTROLLED BUY-IN INVESTMENT ACCOUNT ONLY IN ACCORDANCE WITH "SECTION B. CAPITAL COST FUNDING FOR FUTURE DISTRICT/KENT/MILL CREEK CONVEYANCE CAPACITY UPGRADES".

SECTION 10. WDOE/EPA GRANT CONDITIONS. THIS INTERLOCAL AGREEMENT IS SUBJECT TO WDOE/EPA APPROVAL, PRIOR TO WDOE/EPA AUTHORIZING CONSTRUCTION OF THE CITY'S PUMP STATION AND PIPELINE TO THE DISTRICT.

THE CITY/DISTRICT INTERLOCAL AGREEMENT SHALL COMPLY WITH WDOE/EPA GRANT CONDITIONS WHICH ARE HEREBY INCORPORATED INTO THIS AGREEMENT BY ATTACHMENT AS EXHIBIT A (EPA GRANT CONDITIONS) AND EXHIBIT B (WDOE GRANT CONDITIONS).

PRR 00064

SECTION 11. INSURANCE AND LIABILITY FOR DAMAGES. BOTH

PARTIES TO THIS AGREEMENT SHALL SECURE AND MAINTAIN WITH RESPONSIBLE INSURERS ALL SUCH INSURANCE AS IS CUSTOMARILY MAINTAINED WITH RESPECT TO SEWAGE SYSTEMS OF LIKE CHARACTER AGAINST LOSS OF OR DAMAGE TO THE SEWERAGE FACILITIES OF THE PARTIES AND AGAINST PUBLIC AND OTHER LIABILITY TO THE EXTENT THAT SUCH INSURANCE CAN BE SECURED AND MAINTAINED AT A REASONABLE COST. ANY LIABILITY INCURRED BY THE DISTRICT AS A RESULT OF THE OPERATION OF OR DESIGN AND CONSTRUCTION OF CONVEYANCE FACILITIES TO PROVIDE FOR CONVEYANCE OF CITY WASTEWATER FLOWS SHALL BE THE SOLE LIABILITY OF THE DISTRICT AND ANY LIABILITY INCURRED BY THE CITY AS A RESULT OF THE OPERATION OR DESIGN AND CONSTRUCTION OF LOCAL SEWERAGE COLLECTION AND CONVEYANCE FACILITIES OF THE CITY SHALL BE THE SOLE RESPONSIBILITY OF THE CITY.

SECTION 12. NOTICE. WHENEVER IN THIS AGREEMENT NOTICE IS REQUIRED TO BE GIVEN, THE SAME SHALL BE GIVEN BY REGISTERED MAIL ADDRESSED TO THE RESPECTIVE PARTIES AT THE FOLLOWING ADDRESSES:

CITY OF BLACK DIAMOND
25510 LAWSON STREET
BLACK DIAMOND, WASHINGTON 98010

SOOS CREEK WATER AND SEWER DISTRICT
14616 SE 192ND
RENTON, WASHINGTON 98058

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 WASTEWATER CONVEYANCE CHARGES MAY BE MADE BY REGULAR MAIL.

SECTION 13. EFFECTIVE DATE. THIS AGREEMENT SHALL BE IN FULL FORCE AND EFFECT AND BINDING UPON THE PARTIES HERETO UPON EXECUTION OF THIS AGREEMENT.

SECTION 14. EXECUTION OF DOCUMENTS. THIS AGREEMENT SHALL BE EXECUTED IN TWO 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 AND CONDITIONS OF THIS AGREEMENT.

SECTION 15. 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 16. SEVERABILITY. IF ANY PORTION OR PROVISION OF THIS AGREEMENT IS HELD INVALID, THE REMAINDER OF THE AGREEMENT SHALL NOT BE AFFECTED AND WILL CONTINUE IN FULL FORCE AND EFFECT.

SECTION 17. REMEDIES. IN ADDITION TO THE REMEDIES PROVIDED BY LAW, THIS AGREEMENT SHALL BE SPECIFICALLY ENFORCEABLE BY EITHER PARTY.

SECTION 18. ASSIGNMENT. THE PARTIES 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 OTHER PARTY AND NEITHER 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 THERETO.

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 UNDER A SEPARATE AGREEMENT BETWEEN THE CITY AND METRO.

SECTION 19. 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 AGREEMENT BETWEEN THE PARTIES. NO SUBSEQUENT MODIFICATION OR AMENDMENT OF THIS AGREEMENT SHALL BE OF ANY FORCE OR EFFECT UNLESS IN WRITING, FORMALLY ACTED UPON AND EXECUTED BY THE GOVERNING BODIES OF THE PARTIES THERETO.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE HEREUNTO SET THEIR
HANDS AND SEALS.

CITY OF BLACK DIAMOND

ACCEPTED AND EXECUTED THIS 5TH DAY OF SEPTEMBER, 1990
BY AND FOR THE CITY, SIGNED: Howard Botts
HOWARD BOTTS, MAYOR

ATTEST:

Karen Giesen
KAREN GIESEN, CITY CLERK
CITY OF BLACK DIAMOND

SOOS CREEK WATER & SEWER DISTRICT

ACCEPTED AND EXECUTED THIS 23 DAY OF August, 1990
BY AND FOR THE DISTRICT, SIGNED: Emilio Pierotto
BY AND FOR THE DISTRICT, SIGNED: Donna
BY AND FOR THE DISTRICT, SIGNED: Donna
BY AND FOR THE DISTRICT, SIGNED: Donna
BY AND FOR THE DISTRICT, SIGNED: Emilio Pierotto

ATTEST:

Karen Webster
SECRETARY, BOARD OF COMMISSIONERS
SOOS CREEK WATER & SEWER DISTRICT

AMENDMENT TO INTERLOCAL AGREEMENT
BETWEEN THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON,
AND
SOOS CREEK WATER AND SEWER DISTRICT, KING COUNTY, WASHINGTON,
REGARDING CONVEYANCE OF BLACK DIAMOND WASTEWATER FLOWS

THIS AMENDMENT TO AGREEMENT is made and entered into by and between the City of Black Diamond, King County, Washington, a municipal corporation, herein referred to as the City, and Soos Creek Water and Sewer District, King County, Washington, a municipal corporation, herein referred to as the District.

WHEREAS, the City and the District entered into the following agreement by execution by the City on the 5th day of September, 1990:

INTERLOCAL AGREEMENT
BETWEEN THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON
AND
SOOS CREEK WATER AND SEWER DISTRICT, KING COUNTY, WASHINGTON,
REGARDING CONVEYANCE OF BLACK DIAMOND WASTEWATER FLOWS

herein referred to as the Agreement; and

WHEREAS, the Agreement provided that the City's relationship with the District would be as a customer of the District for the purpose of the District providing pumped conveyance of City wastewater flows through the District (Section 2.); and

WHEREAS, the Agreement provided that City payment for conveyance would be no later than 10 days after the last day of each month during the term of the Agreement (Section 7.); and

WHEREAS, over time it has been the City's and the District's experience that the City's receipts from its own customers do not coincide with the payment due date of the Agreement, preventing timely payment of charges to the District on several occasions; and

WHEREAS, the City and the District now desire to modify and clarify the Agreement as to the due date of payments for conveyance, and as to procedures and consequences in the event of late payments.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

SECTION 1: That the first paragraph of Section 7. of the Agreement shall be amended to the following:

SECTION 7. CITY PAYMENT FOR DISTRICT PUMPED CONVEYANCE CHARGES. Commencing with the first month in which sewage collected by the City is conveyed to the District, the City shall pay to the District, no later than thirty calendar days after the last day of each month during the term of this agreement, a sewage conveyance charge determined as provided in this section.

SECTION 2: That the City and the District herein confirm that in the event of late payment the District may provide that where such charges are delinquent, penalties and interest shall be added thereto in the same amounts as the District utilizes generally for its other customers, and may file liens and enforce collection, all in accordance with RCW 57.08.081.

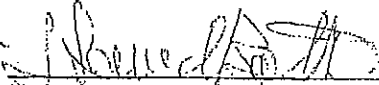
SECTION 3: That except as amended hereby, the terms of the Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.


CITY OF BLACK DIAMOND

ACCEPTED AND EXECUTED this 8TH day of April, 1999.

By and for the City, signed


HOWARD BOTTS, Mayor

ATTEST:

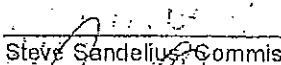

CITY CLERK

CITY OF BLACK DIAMOND


SOOS CREEK WATER AND SEWER DISTRICT

ACCEPTED AND EXECUTED this 21 day of April, 1999.

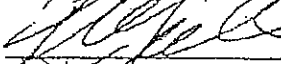
By and for the District, signed


Steve Sandelius, Commissioner

By and for the District, signed


Clement Quenrud, Commissioner

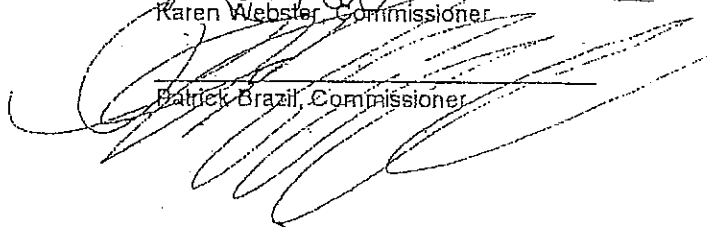
By and for the District, signed


Philip Sullivan, Commissioner

By and for the District, signed


Karen Webster, Commissioner

By and for the District, signed


Patrick Brazil, Commissioner