

PUBLIC UTILITY DISTRICT No. 1 of SNOHOMISH COUNTY
and
CITY of GOLD BAR

EMERGENCY INTERTIE AGREEMENT

This Agreement is made and entered into this 7th day of November, 2013 by and between the City of Gold Bar (hereinafter referred to as City), and Public Utility District No. 1 of Snohomish County (hereinafter referred to as District). The City and the District may each be referred to as "party" or "utility," or together referred to as "parties" or "utilities."

RECITALS

WHEREAS, both the District and City operate public water systems; and

WHEREAS, both utilities endeavor to provide highly reliable water service to customers at reasonable cost; and

WHEREAS, both utilities recognize that water resources are finite and vulnerable, and the prudent use and management of these resources requires cooperation among water utilities; and

WHEREAS, both the District and the City have water system facilities which can be interconnected to the mutual benefit of both utilities.

NOW, THEREFORE, the parties agree to maintain an emergency intertie of water mains at approximately 40721 May Creek Road, on the following terms and conditions:

TERMS

1. The line of demarcation and the point of delivery between the two systems shall be approximately five (5) feet west of (i.e., just outside of) the utility vault, to be known as the "Intertie," that contains the intertie piping, valves, and meters, located at 39216 May Creek Road, Gold Bar, Washington. The boundary between the City's and District's water service areas shall be as shown on Exhibit 1, or as may be modified by agreement in writing by both parties.
2. The District shall own, operate, and maintain the Intertie, provided that the District and the City agree to split equally the cost of any future repair, reconstruction or modification of the Intertie that both the City and the District agree are necessary or appropriate.
3. Water shall be provided from one utility to the other through the Intertie only in emergency situations where the parties agree public health and safety is at risk. The

purchasing utility agrees to put in place water use restrictions when the Intertie is in use that limit the consumption of the customers of the purchasing utility to indoor use only during the course of the emergency.

4. Water shall be made available through the Intertie from the District to the City and from the City to the District only from the supplying utility's surplus production capacity, after all needs of the customers of the supplying utility are satisfied. The District estimates that, at the point of delivery, a maximum instantaneous flow of 300 gallons per minute (gpm) and a maximum daily quantity of 300,000 gallons would be available to the City and that the total maximum flow (including fire and peak system demand) available to the City at the point of delivery during an emergency is estimated to be 800 gpm. The City shall not exceed these rates and quantities without specific written authorization by the District. The City estimates that, at the point of delivery, a maximum instantaneous flow of 300 gallons per minute (gpm) and a maximum daily quantity of 250,000 gallons would be available to the District and that the total maximum flow (including fire and peak system demand) available to the District at the point of delivery during an emergency is estimated to be 600 gpm. The District shall not exceed these rates and quantities without specific written authorization by the City. Neither party shall be liable for failure to deliver water to the other party at any time.
5. The water supplied by either utility under this agreement shall meet all state and federal drinking water standards and shall be of the same standard and quality as that normally delivered by the supplying utility to its customers. In the event that the water delivered by either utility does not meet the purchasing utility's standards, the purchasing utility's only recourse shall be to discontinue further purchases.
6. The District shall make all reasonable efforts to provide water to the City at hydraulic grade line elevations ranging from 350 to 392 feet above mean sea level ("msl") at the point of delivery. The City shall make all reasonable efforts provide water to the District at a hydraulic grade line elevation of 350 feet msl or higher.
7. The water supplied by either utility under this Agreement shall be measured through the two (2) six inch (6") master meters installed in the existing intertie vault described above. The District will own and maintain the Intertie and provide access to the City during emergency events requiring its use. The master meters shall be read at the beginning and end of each emergency use situation. For events lasting more than one month the master meters shall be read at least one time per month.
8. The unit cost of water supplied by the District shall be that which is set forth in Exhibit 2. The unit cost of water supplied by the City shall be that which is set forth in Exhibit 3. Each utility shall bill monthly for water supplied and said bills shall be payable within 30 days of receipt of the invoice. In addition, the parties agree that the supplying utility may bill for and be reimbursed for any reasonable expenses associated with use of the emergency intertie, such as labor required to open the intertie piping and flush the piping as needed in advance of delivery

9. Before water will be provided through the intertie, the utility requesting water shall submit a written request to the supplying utility and the supplying utility must give written permission before the District opens the valve between the two systems. The parties agree that if there are unusual circumstances in which the water is needed immediately, a verbal request and verbal permission shall be sufficient, so long as the parties promptly follow up with written request and permission within fourteen (14) calendar days. Each party shall designate an authorized person to evaluate such a verbal request and determine whether such a request should be granted. In the event of an emergency, the following authorized personnel should be contacted, and have the authority to make verbal requests and/or grant verbal permission:

District Brant Wood, Senior Manager, Engineering and
Water Operations & Maintenance

City John Light, Public Works Director

10. Neither utility makes any guarantee as to pressure, quantity, or continuity of service. Therefore, neither utility shall be held liable, under any circumstances, for loss or damage from a deficiency or failure to supply water, including but not limited to failures caused by shutting off of water in the case of accident, or by alterations, extensions, connections, repairs, or for any cause whatsoever, including the negligence of either party. In the event of an emergency or other necessity, the supplying utility shall restore service and make water available as soon as it can reasonably do so.
11. Payment of all invoices shall be within thirty (30) days of the date of billing. Payments not made within such period shall accrue interest at the rate of 12% per annum until paid. This agreement may be terminated upon ten (10) days written notice by the District or the City should any invoice remain unpaid after the thirty day payment period.

Payment to the District shall be sent to the District at P.O. Box 1107, Everett, WA 98206, to the attention of Zeda Williams, Senior Manager, Water Resource Administration.

Payment to the City shall be sent to 107 5th Street, Gold Bar, WA, 98251, to the attention of John Light, Public Works Director.

12. The use of the emergency intertie will be governed by the terms of this Agreement and the provisions of the applicable Exhibit.
13. The period of this Agreement shall commence on the 4th day of November, 2013 and terminate on December 31, 2026 unless extended by mutual agreement. This Agreement may be terminated by either party upon not less than twelve (12) months advance written notice, unless termination is the result of a fundamental and material breach of this Agreement, in which case this Agreement can be terminated upon sixty

(60) days advance written notice.

14. Resolution of Disputes. The parties may elect to submit any disputes to binding arbitration or other alternative dispute resolution measures agreeable to both parties. Disputes between the parties not submitted by mutual agreement to such an alternative process shall be resolved by application to the superior court of the State of Washington, with venue in Snohomish County. This Agreement shall be enforced and interpreted in accordance with the laws of the United States and the State of Washington. The prevailing party in any dispute which proceeds to judgment in superior court shall be entitled to reasonable attorney fees and costs.

15. Indemnification. The District shall protect, indemnify, and save the City harmless from and against any damage, cost or liability including reasonable attorney fees, for injuries to persons or property arising from acts or omissions of the District, its employees, agents or subcontractors, howsoever caused, except for such injury or damage caused solely by the City's negligence.

The City shall protect, indemnify, and save the District harmless from and against any damage, cost or liability including reasonable attorney fees, for injuries to persons or property arising from acts or omissions of the City, its employees, agents or subcontractors, howsoever caused, except for such injury or damage caused solely by the District's negligence.

16. This Agreement is for the benefit of the parties hereto only and does not create any benefits for third parties.

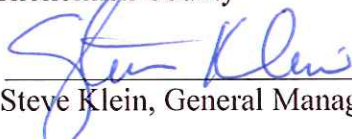
17. All notices complying with this Agreement shall be sent by registered mail as follows:

General Manager
PUD No. 1 of Snohomish County
2320 California
Everett, WA 98201

Mayor
City of Gold Bar
107 5th Street
Gold Bar, WA 98251

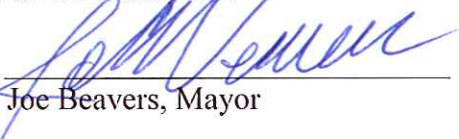
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this 4th
day of November 2013.

Public Utility District #1
Of Snohomish County

By: 
Steve Klein, General Manager

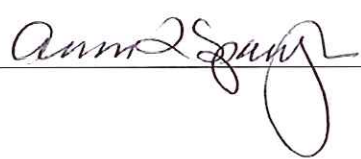
By: _____

City of Gold Bar, WA

By: 
Joe Beavers, Mayor

By: _____

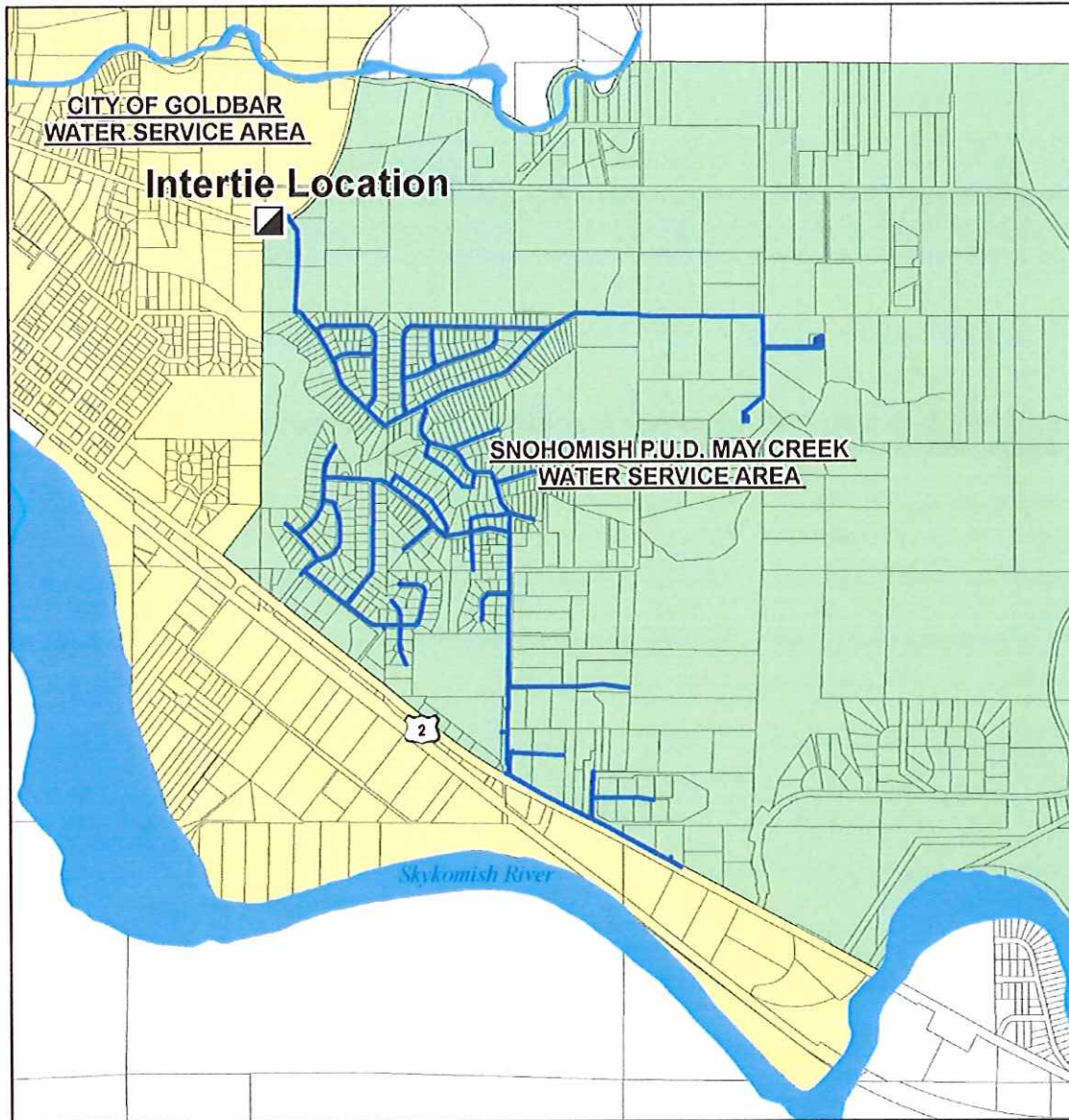
APPROVED AS TO FORM:

By: 

By: 

Emergency Intertie Agreement

EXHIBIT 1



0 1,300 2,600 Feet

This map is a graphic representation derived from the Snohomish County P.U.D. Water Resources Department's geographic information system. This map is for illustrative purposes only.



April 2013



Exhibit 2

District Water Rate

Rate

The rate for water supplied by the District under this Agreement shall be the District's current Commercial Water rate as shown on Table B-8 of the District's Policies and Procedures Manual, as that rate is amended from time to time,

2013 Commercial Water Rate (example)

\$2.75 per 100 cubic feet of water

Adjustments

This rate is subject to review and adjustment by the District's Board of Commissioners.

Exhibit 3

City Water Rate

Rate

The rate for water supplied by the City under this Agreement is

\$3.14 per 100 cubic feet of water

Adjustments

This rate is subject to annual review and adjustment.