

EXHIBIT A

WHOLESALE WATER AGREEMENT

THIS AGREEMENT is made and entered into this 1 day of January 2020, by and between Public Utility District No. 1 of Snohomish County, Washington (the "District"), and Iliad, Inc. d/b/a/ Sudden View Water System ("Iliad"), a Washington corporation. The District and Iliad are also referred to herein individually as "Party" and collectively as "Parties."

WHEREAS, Iliad desires to purchase water wholesale from the District for resale by Iliad to its Sudden View Water System customers and the District is willing to sell water wholesale to Iliad, for resale, under the terms of this Agreement; and

WHEREAS, the District and Iliad have previously entered into an Application/Agreement for Private Developer Water System Extension (the "Extension Agreement") whereby Iliad, at its own expense, will cause a distribution water main to be installed to connect the District's integrated water system to Iliad's Sudden View Water System, and such Extension Agreement remains fully in effect.

NOW, THEREFORE, for the mutual benefits to be derived, the Parties agree as follows:

Section 1 - Definitions

As used in this Agreement, the following words and phrases shall have the meanings indicated below unless the context shall clearly indicate that another meaning is intended.

- a) Cubic Foot: shall mean a unit of measurement of water equal to 7.48 gallons.
- b) Equivalent Residential Unit ("ERU"): shall mean the volume of water demand and use deemed and agreed by the District to be characteristic of a single-family residential unit and shall equal 0.55 gallons per minute (gpm) measured on the basis of peak day demand for purposes of residential, commercial or multi-family connections.
- c) General Facilities Charge ("GFC"): shall represent the proportionate share of the District's cost of source, storage and transmission facilities necessary to supply an ERU. The GFC shall be the same as that established for the District's Integrated Water System, except as otherwise provided herein, and shall be subject to amendment by the District's Board of Commissioners from time to time.
- d) Iliad/Sudden View Water System Service Area: shall mean that area consisting of the "Sudden View Development" described as follows.

Lots 1 through 37 of survey, recorded under Auditor's File No. 7810040163, records of Snohomish County, Washington. Being a portion of Section 20, Township 31 North, Range 6 East, W.M., Snohomish County, Washington. TOGETHER with Lots 1 through 7 of survey, recorded under Auditor's File No. 7907230156, records of Snohomish County, Washington. Being located in the Southeast quarter of the Southeast quarter of Section 18, Township 31 North, range 6 east, W.M., Snohomish County, Washington. TOGETHER with Lots 24

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and 15 of survey, recorded under Auditor's File No. 7612020124, records of Snohomish County, Washington. Being a portion of the Southwest quarter of the Southwest quarter of section 17, Township 31 North, range 6 East, W.M., Snohomish County, Washington.

- e) May: shall mean permissive.
- f) Master Meter: shall mean the water volume measuring device and appurtenances, including a rate of flow control valve placed in the District's water main at the point of connection with the Sudden View Water System. The Master Meter shall be located on 123rd Avenue NE at a site approximately 1100 feet north of the intersection of 172nd Street NE and 123rd Avenue NE. The Master Meter site marks the location of delivery between the District's water system and the Sudden View Water System.
- g) Shall: shall mean mandatory.

Section 2 - Delivery and Use of Water

- a) The District shall continue delivery of wholesale water supply to the Sudden View Water System through the Master Meter subject to the following conditions:
 - i) Iliad shall ensure that the Sudden View Water System remains disconnected from its ground-water source of supply; and
 - ii) Annually test and continually maintain a Washington State approved double check backflow assembly immediately downstream of the Master Meter, and forward all annual tests results to the District.
- b) Wholesale water supply delivered to the Sudden View Water System under this Agreement is intended for single-family residential domestic supply only, to serve up to forty-eight (48) total residential connections within the Sudden View Water System Service Area. GFCs have been established by the District based upon an assumption that each connection shall equal one ERU. Iliad shall not serve more than 48 residential connections and shall not serve any non-residential connections without prior written approval of the District. If Iliad intends to attach any non-residential customer to the Sudden View Water System, it shall notify the District at least thirty (30) days in advance of connection so the District may determine the correct ERU classification for any such connection and re-calculate the GFC amount due the District.

Section 3 - Wholesale Water Rate and Billing

- a) The wholesale water rate to be paid by Iliad to the District shall be per 100 cubic feet ("CCF") of water, delivered to the Sudden View Water System at the Master Meter.
- b) Except as otherwise provided herein, the wholesale water rate to be paid by Iliad to the District per CCF shall be as provided in the District's Water Commercial/Industrial Rate Table, as it may be amended from time-to-time.
- c) The period of billing for water supplied under this Agreement shall be monthly, beginning with the month during which the Sudden View Water System first uses water via the

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Master Meter. The Master Meter shall be read by the District and the results recorded in accordance with the District's applicable reading cycle. Billing to Iliad will be issued on or before the 10th day of each month following reading of the Master Meter. Payment to the District shall be due within 30 days of issuance of the billing invoice. Collection of delinquent amounts will be in accordance with District policy. District remedies for delinquency include but are not limited to disconnection of service.

Section 4 - General Facilities Charge: Payment of Total GFC

- a) The GFC for Iliad shall be Three Thousand Six Hundred Forty-Five dollars (\$3,645) per ERU in 2019 and shall be subject to adjustment by the Board of Commissioners from time to time.
- b) The "Total GFC" that remains unpaid to the District by Iliad for attachment of the Sudden View Water System to the District's integrated water system shall be equal to the applicable GFC amount multiplied by twenty-four (24) ERUs.
- c) The GFCs due the District hereunder for each of the remaining twenty-four (24) residential service connections shall be paid to the District by Iliad as each additional service connection to the Sudden View Water System is made.

Each GFC payment shall be delivered to the District no later than ten (10) days following hook-up by Iliad of a new service connection.

- d) Iliad shall supply the District an annual report by January 15th of each year detailing the current customer list including name, address, phone number, and date attached to the Sudden View Water System. If Iliad fails to submit the required report, a 30% (thirty percent) surcharge shall be added to its bi-monthly billing beginning with the first billing after the January 15th deadline and continuing until the completed report has been submitted.
- e) In the event that a connection is made to the Sudden View Water System without the required GFC payment detailed in Subsection d) above, Iliad shall be directly obligated to pay the sum due plus interest at the rate of 12% (twelve percent) per annum from and after the date that the new, unpaid connection was made. The District shall use the annual report supplied by Iliad and the District's electrical customer database to assist in determining whether an unpaid connection was made to the System.
- f) Should Iliad fail to produce the required annual report upon more than one occasion; or should Iliad fail to pay when due each required GFC payment, then the District may declare Iliad in default and all remaining GFC payment amounts shall become due and payable upon declaration of default.
- g) All payments due under this Agreement shall be deemed delinquent if more than ten (10) days past due. Delinquent GFC payment amounts and unpaid service billings shall accrue interest on the unpaid balance, from the date of delinquency until paid, at the rate of 1% per month, or 12% per year.
- h) Should a commercial or multi-family connection be made to the Sudden View Water System, a GFC shall be collected based upon such classification; the total number of

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GFCs due shall be adjusted accordingly.

- i) GFC payments made to the District are non-refundable.

Section 5 - Master Meter; Payment for Master Meter

- a) All water supply delivered by the District to the Sudden View Water System shall be delivered and measured through the Master Meter installed by Iliad in May, 2004. The line of demarcation and "point of delivery" between the District and Iliad shall be immediately downstream of the Master Meter and immediately upstream of the double check backflow assembly. The obligation for installation, ownership, annual testing and operation of the Washington State approved backflow assembly shall be solely that of Iliad.
- b) Access to the Master Meter and appurtenances shall be made available to Iliad at all reasonable times. The Master Meter shall be checked for accuracy on a frequency recommended by the meter manufacturer, as part of normal maintenance, and Master Meter test data shall be available to Iliad at all reasonable times, upon request.

Section 6 - Administrators

Each Party to this Agreement shall designate an individual (an "Administrator"), who may be designated by title or position, to oversee and administer such Party's participation in this Agreement. The Parties' initial Administrators shall be the following individuals:

District's Initial Administrator:

Iliad's Initial Administrator:

Brant Wood Assistant General Manager, Water Utility P.O. Box 1107 m/s LS Everett, WA 98206-1107	
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Each Party may change its Administrator at any time by delivering written notice of such Party's new Administrator to the other Party.

Section 7 - Water Quality

The water supplied by the District to Iliad under this Agreement shall meet all state and federal drinking water standards at the point of delivery to the Sudden View Water System and shall be of the same standard and quality as that normally delivered by the District to its retail customers. Iliad, to the extent allowed by law, shall be responsible for maintaining water quality beyond the point of delivery; and Iliad shall hold the District harmless from and against any claims, losses, or damages arising from or relating to the introduction into its System of water or other substances beyond the point of delivery.

Section 8 - Quantity, Pressure and Reliability

- a) The District shall use best reasonable efforts to provide water to the Sudden View Water System at hydraulic grade line elevations (in the absence of a fire flow or main break

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event) at a minimum of 600 feet above mean sea level at the point of delivery. The District's system will have sufficient storage and hydraulic capacity to supply water at the rate that meets or exceeds the water carrying capacity of Sudden View's non-fire flow distribution system, subject to conditions beyond the reasonable control of the District. Per Washington State Department of Health design standards, the maximum instantaneous demand flow for 48 residential connections is 103.1 gpm, which should minimally depress the existing grade line of the District's water system.

- b) It shall be the sole obligation of Iliad to install and maintain such pressure reducing and pressure relief valves and appurtenances as may be needed to regulate the pressure to protect and to conform to the needs of the Sudden View Water System distribution system and its water service customers. Multiple installation of both types of pressure control valves may be required at various locations in the Sudden View Water System. Failure to install and maintain proper pressure control valves may result in damage to the Sudden View Water System or customer water systems. The District shall not be responsible for any loss or damage related to failure of Iliad to install and maintain all pressure control valves required for System and customer protection.
- c) The District's system will be designed, maintained and operated by the District in a manner consistent with municipal water system standards and applicable rules and regulations in order to provide reliability of service to the Sudden View Water System. However, it is understood and agreed that the District can make no guarantee as to pressure, quantity or continuity of service because of the possibility of accidents or unforeseen failures to the District's or City of Everett's water systems. Therefore, the District shall not be held liable for losses or damage from a deficiency or failure to supply water due to accidents, acts of God, and any conditions beyond the reasonable control of the District. In the event of an emergency or other necessity that may disrupt service to the Sudden View Water System, the District shall immediately notify Iliad through verbal or telephone contact and shall restore service and make water available as soon as it can reasonably do so.
- d) In the event of scheduled maintenance, alterations, extensions or connections, the District shall provide written notification to Iliad, and schedule such work to minimize the potential impacts of disruption of service to the Sudden View Water System.

Section 9 - Notices

All written notices required to be given by any Party to the other Party under this Agreement shall be in writing and shall be delivered either in person, by United States mail, or by electronic mail (email) to the applicable Administrator or the Administrator's designee. Notice delivered in person shall be deemed given when accepted by the recipient. Notice by United States mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, and addressed to the Administrator, or their designee, at the addresses set forth in Section 6 of this Agreement. Notice delivered by email shall be deemed given as of the date and time received by the recipient.

Section 10 - 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 alternative process shall be resolved by application to

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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.

Section 11 - Waivers

Any waiver at any time by a Party of its right with respect to a default under this Agreement, or with respect to any other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter. Any Party may waive any notice or agree to accept a shorter notice than specified in this Agreement. Such waiver of notice or acceptance of shorter notice by a Party at any time regarding a notice shall not be considered a waiver with respect to any subsequent notice required under this Agreement.

Section 12 - Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.

Section 13 - Term

This Agreement shall be effective from the date of execution by authorized representatives of both Parties hereto and shall continue in effect through December 31, 2029. Upon expiration of this Agreement, the Parties may negotiate and enter a new agreement for wholesale water supply. Such agreement shall be subject to District policy in effect at such time.

This Agreement may be amended at any time upon mutual written agreement of the Parties. Notice shall be given by certified mail and addressed to the Administrator, or their designee at the addresses set forth in Section 6 of this Agreement.


IN WITNESS WHEREOF, the Parties have caused this Agreement to be

executed this 1st day of January, 2020.

Public Utility District No. 1 of Snohomish County
P.O. Box 1107
Everett, WA 98206

By: 
John Haarlow, CEO/General Manager
Date: 1-21-2020

Iliad Inc. dba Sudden View Water System
PO Box 20098
Seattle, WA 98102

By: 
David Dorland, President
Date: 1-1-2020

APPROVED AS TO FORM:

By: 
Assistant General Counsel