

AFTER RECORDING PLEASE RETURN TO:
SNOHOMISH COUNTY PUD WATER UTILITY
P. O. BOX 1107, M/S LS
EVERETT, WASHINGTON 98206-1107

**WATER SERVICE AREA AGREEMENT BETWEEN
PUD NO. 1 of SNOHOMISH COUNTY – MAY CREEK WATER SYSTEM
AND THE CITY OF GOLD BAR**

THIS AGREEMENT is made and entered into this _____ day of _____, 2021, by and between the Public Utility District No. 1 of Snohomish County, a Washington municipal corporation (the "District"), and the City of Gold Bar, a Washington municipal corporation (the "City"). The District and the City are also referred to herein individually as "Party" and collectively as "Parties."

WHEREAS, the **District's** May Creek water system provides retail water service to incorporated portions of the City and to portions of unincorporated Snohomish County; and

WHEREAS, on January 29, 1997, the District signed an "Agreement for Establishing Water Utility Service Area Boundaries," on file with Snohomish County Planning and Development Services (PDS), that established service area boundaries for the District's May Creek water system consistent with the North Snohomish County Coordinated Water System Plan; and

WHEREAS, the District and the City entered into a Settlement and Release Agreement, on June 18, 2001 (2001 Agreement), whereby the District transferred a portion of its May Creek future water service area to the City; and

WHEREAS, in addition to providing for the transfer of a portion of the District's May Creek future water service area, the 2001 Agreement also, as shown in Exhibit A, depicted: (1) the District's current May Creek retail and adjusted future water service area boundaries; and (2) the City's retail and adjusted future water service area boundaries; and

WHEREAS, the 2001 Agreement expired on January 1, 2020, but has remained in effect based on mutual agreement of the Parties pending the execution of a new Agreement and Exhibits that maintain the District's May Creek water service boundaries; and

WHEREAS, Washington Administrative Code (WAC)246-293-250(1) establishes that the future service area boundaries of public water systems shall be determined by written agreement among respective existing purveyors and incorporated into a coordinated water system plan. Such future service area boundaries related to the Parties are depicted in this Agreement; and

WHEREAS, prior to the 2001 agreement, the City connected two residential properties located at 40617 State Route 2 and 40818 May Creek Road located within the District's retail water service area as depicted within the 2001 Agreement Exhibit A. Those properties were incorrectly identified in the 2001 Agreement Exhibit A; and

WHEREAS, the District is willing to make a one-time voluntary retail boundary line adjustment to its retail water service area pursuant to this new Agreement that transfers the two aforementioned residential properties to the City's retail water service area for water system planning purposes.

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

Section 1: 2021 Agreement Superseding

It is agreed to by the Parties that this new Agreement, hereafter referred to as the “2021 Agreement” and Exhibit A attached hereto fully and accurately reflects the Parties’ current retail and future water service areas. The Parties further agree that the 2021 Agreement and Exhibit A shall replace and supersede the expired 2001 Agreement, related Exhibit A, and all prior negotiations, representations and exhibits for the purpose of describing and maintaining the District’s current May Creek water service area boundaries and City’s current water service area boundaries.

Section 2: Service Area Boundaries Reflected in Water System Plans

The Parties agree that the 2021 Agreement and related Exhibit A shall be fully incorporated and appropriately referenced within their respective water system plans, either by amendment or by inclusion in a water system plan update, whichever occurs sooner but under any circumstance shall occur no later than June 30, 2022.

Section 3: Unauthorized Service Area Connections

The City agrees that it shall take no unilateral action to connect any properties within the District’s retail or future water service area beyond those depicted in Exhibit A to this Agreement and located at 40617 State Route 2 and 40818 May Creek Road, absent securing a written amendment to this Agreement as provided for Section 4 of this Agreement. The City and District further agree that any unilateral and/or unauthorized connection of properties located within the other Party’s respective retail and future water service areas as depicted by Exhibit A shall constitute a violation of this Agreement subject to resolution under Section 7 of this Agreement.

Section 4: Amendment

No change, amendment, or modification of any provision or exhibit to this Agreement shall be valid or authorized unless set forth in a written amendment to this Agreement signed by both Parties.

Section 5: Term

This Agreement shall be effective from the date of execution by authorized representatives of both Parties hereto. This Agreement shall remain in effect unless amended or terminated by written mutual agreement of the Parties or upon one (1) year written notice by either Party; PROVIDED, that the term of the Agreement may be affected by third party legal action or order.

Section 6: Agreement Filed and Recorded

The 2021 Agreement has been filed and recorded with Snohomish County Planning and Development Services.

Section 7: Resolution of Disputes

The Parties may elect to submit any disputes to binding arbitration or other alternative dispute resolution measures agreeable to both Parties. Each Party agrees to bear its own costs, and any common costs of arbitration or alternative dispute resolution measure shall be borne by the 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective on the _____ day of _____, 2021.

PUBLIC UTILITY DISTRICT NO. 1 OF SNOHOMISH COUNTY:

By: _____
John Haarlow, CEO/General Manager

Date: _____

APPROVED AS TO FORM:

Assistant General Counsel

Date: _____

CITY OF GOLD BAR:

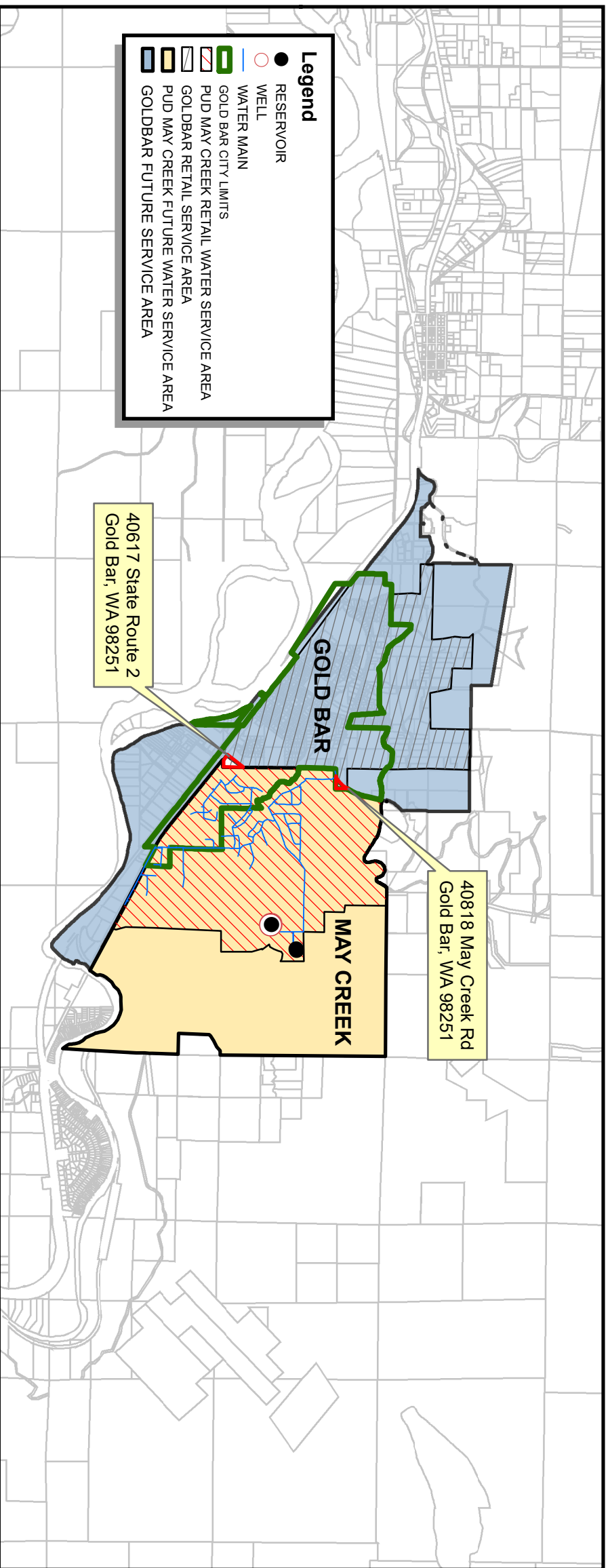
By: _____
William Clem, Mayor

Date: _____

APPROVED AS TO FORM:

City Attorney

Date: _____



**EXHIBIT A - CITY OF GOLD BAR / SNOHOMISH PUD
 MAY CREEK WATER SERVICE AREA BOUNDARIES**

Note: This map is provided as a courtesy only. The Snohomish County PUD in no way guarantees the accuracy or completeness of the digital data portrayed on this map. Furthermore, the Snohomish County PUD assumes no liability for any errors or omissions in the digital data.