WATER SERVICE AREA CHANGE AGREEMENT between SNOHOMISH COUNTY PUBLIC UTILITY DISTRICT NO. 1 and THREE LAKES WATER ASSOCIATION, INC.

An Agreement between the Snohomish County Public Utility District No. 1 (PUD), a public utility district, and Three Lakes Water Association, Inc, (Association), a private water system incorporated in the State of Washington:

WHEREAS, the Association and the PUD each provide retail water service to portions of unincorporated Snohomish County, per their respective water system plans; and

WHEREAS, the Association and the PUD each signed an "Agreement for Establishing Water Utility Service Area Boundaries," which are on file with Snohomish County Planning and Development Services (PDS), an example of which can be found in Appendix D of the 2010 update to the North Snohomish County Coordinated Water System Plan (CWSP); and

WHEREAS, the respective water service areas of the PUD and Association are indicated in Figure I-1 of the CWSP (June 2010 edition); and

WHEREAS, gaps and overlaps exist between the respective water service areas of the PUD and Association along the westerly and northwesterly boundary of the Association water service area; and

WHEREAS, the Association and the PUD each maintain existing water mains in the immediate vicinity of the gaps and overlaps and provide service to selected properties; and

WHEREAS, Section III 2.D. of the CWSP allows service area boundaries to be revised at any time with the signing and executing of revised service area agreements by authorized representatives of each affected purveyor; and

WHEREAS, this agreement is proposed as an amendment to the service area agreements on file with PDS;

NOW, THEREFORE, the PUD and the Association hereby agree to adjust their respective water service areas to eliminate gaps and overlaps such that there exists a single common boundary line between the two service areas from Three Lakes Road

northerly and easterly to the Everett water transmission main alignment north of Dubuque Road, depicted as the Proposed Boundary on Exhibit A attached hereto and included herein by reference. The PUD and the Association further agree to include this revised area in their next respective water system plan updates.

EFFECTIVE this 20 day of 50pt, 2010.

APPROVED:

(sign)

DONALD RICEMMIS (print)

Trustee

Three Lakes Water Association, Inc.

Kim D. Moore

Assistant General Manager Snohomish County PUD No. 1

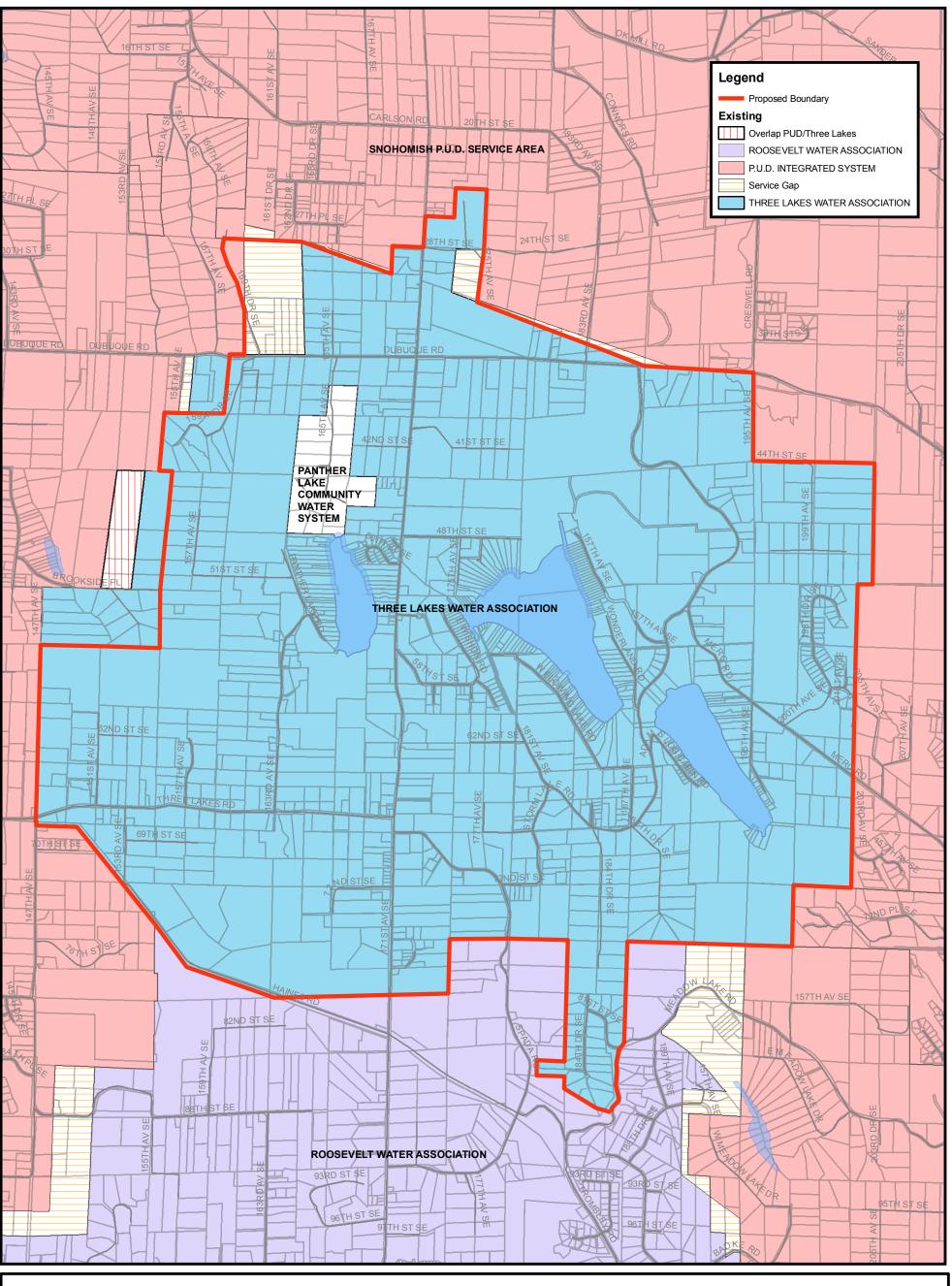






Exhibit A

1,000 2,000 4,000 Feet

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.

