

INTER GOVERNMENTAL CONTRACT FOR WASTEWATER FACILITIES

THIS AGREEMENT made and executed this 7th day of October, 1996, between the CITY OF ILWACO, a municipal corporation of the State of Washington, hereinafter referred to as "Ilwaco", and the SEAVIEW SEWER DISTRICT, a municipal corporation of the State of Washington, hereinafter referred to as "Seaview".

W I T N E S S E T H

WHEREAS, Ilwaco and Seaview have previously jointly constructed, operated and maintained a primary treatment plant for the disposal of sanitary sewage from the individual sanitary sewage collection systems of both Ilwaco and Seaview, pursuant to a contract previously entered into between Seaview and Ilwaco dated June 10, 1963; and

WHEREAS, Ilwaco and Seaview have previously entered into a contract dated August 18, 1972, providing for the upgrade of the primary treatment plant to secondary together with modifications to the wastewater transmission facilities from the connection of Seaview to the wastewater treatment facility; and

WHEREAS, the wastewater treatment facility has been unable to consistently meet the effluent limitations as required in its existing national NPDES Pollution Discharge Elimination System (NPDES) waste discharge permit, and the State of Washington Department of Ecology issued a Compliance Order No. DE92WQ-S304. The compliance order required that the treatment facility be upgraded and expanded to comply with the NPDES waste discharge permit.

WHEREAS, Ilwaco and Seaview had prepared a Wastewater Facilities Plan dated April 1994 and approved by both parties and the State of Washington Department of Ecology. The Plan includes capacity at the Wastewater Treatment Facilities for treatment and disposal of the City of Ilwaco's and the Seaview Sewer District's wastewater. The Plan recommended wastewater system improvements to properly collect, treat and dispose of sanitary sewage collected by Ilwaco and Seaview and serve the Ilwaco and Seaview service areas to the year 2015.

WHEREAS, the best interests of the residents of Ilwaco and Seaview require that the existing sewage treatment facilities and the proposed additions and improvements continue to be jointly used by both Ilwaco and Seaview for the mutual benefit of the parties as provided herein; and

WHEREAS, to accomplish the joint disposal of sewage collected by the parties, it is necessary that a new contract be now entered into providing for upgrading the treatment plant facilities and providing for a sharing of the costs of maintenance and operation, financing, administration, and construction, and defining the rights and duties of the parties therein.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, IT IS HEREBY AGREED as follows:

Section 1: Definition of Terms

The following words and phrases as used in this contract shall have the meanings hereinafter set forth in this section: May shall be permissive, shall shall be mandatory.

(a) The term "Wastewater Treatment Facilities" shall mean the existing treatment plant and outfall owned and operated by the City of Ilwaco, and the proposed upgraded treatment facility effluent pump station and "A" jetty outfall as defined the wastewater facilities plan dated April 1994, to be constructed by Ilwaco incorporating portions of the existing plant. The Wastewater Treatment Plant is located at Elizabeth Street S.E. The current outfall is located approximately 900 feet south of the treatment plant at Baker Bay.

(b) The terms "Ilwaco Wastewater System" and "Seaview Wastewater System" shall refer to the system of Sanitary Sewage transmission, collection and appurtenant facilities serving the customers of Ilwaco or Seaview, respectively, whether lying inside or outside the respective boundaries of either the City of Ilwaco or the Seaview Sewer District as defined in the latest Department of Ecology approved wastewater planning document, dated April 1994, additional area may be added by approval of all the existing participants to include any required governmental agency. Exhibit "A" attached is taken from the April 1994 Plan and refers to the service areas for the City of Ilwaco and the Seaview Sewer District.

The Ilwaco Wastewater System consists of all sanitary sewers and pump stations within the Ilwaco City Limits with the exception of the ten (10) inch forcemain from Seaview Sewer District Pump Station No. 6 which runs from Pump Station No. 6 to the metering manhole located in First Street (Highway 101) at approximately Ash Street and the main plant pump station located at the treatment plant.

The Seaview Wastewater System consists of all sanitary sewers and pump stations located within the boundaries of the Seaview Sewer District and the ten (10) inch force main from

Pump Station No. 6 to the metering manhole located in First Street (Highway 101) at approximately Ash Street.

(c) The terms "Original Participants" shall mean City of Ilwaco and the Seaview Sewer District.

(d) The term "Sewage" shall mean sanitary sewage only and shall consist of domestic, commercial and industrial wastewater (but not industrial wastes) from which storm, surface and groundwater is excluded. The average sanitary sewage shall be defined as having a biochemical oxygen demand (5-day BOD₅) not in excess of 250 mg per liter, and a suspended solids loading not in excess of 250 mg per liter.

(e) The term "Standard Methods" shall mean the current edition of "Standard Methods for the Examination of Water and Wastewater", published jointly by the American Public Health Association, American Water Works Association and Water Environmental Federation, or successor publication.

(f) The terms "Biochemical Oxygen Demand" or "BOD" shall mean the amount of oxygen utilized in the biochemical oxidation of organic matter as measured in accordance with the appropriate procedure contained in Standard Methods and as expressed in milligrams per liter (mg/l).

(g) The term "Suspended Solids" shall mean the residue from wastewater which remains after filtration in accordance with the appropriate procedures contained in Standard Methods.

(h) The term "Industrial Wastes" shall mean the liquid wastes from industrial manufacturing processes as defined by trade or business as distinct from sanitary sewage normally derived from domestic uses.

(i) The term "Deleterious Wastes" shall mean wastes that are or may be harmful to the sewage treatment and/or transmission facilities constructed under this contract.

(j) The term "Participants" shall mean the Original Participants and any other political subdivision or municipal corporation which contracts with all the then existing Participants to be served by the joint facilities pursuant to the terms of this contract, but all Participants may agree to permit any governmental entity to use the joint facilities or portions thereof without becoming a Participant.

(k) The term "Joint Facilities" shall mean those wastewater treatment facilities constructed pursuant to this contract, including, but not limited to, wastewater pumping stations, sewage force mains, interceptor lines, pump or lift stations, wastewater treatment plant expansion, appurtenances and communication facilities related thereto, and other wastewater facilities used or designed to transport, treat and dispose of wastewater from more than one Participant, which the Participants agree in writing to be Joint Facilities and expressly including the Joint Wastewater Treatment Plant, the Joint Ilwaco-Seaview Transmission Lines, jointly used pump stations and all appurtenances related to the foregoing, all of which will be specifically identified on Exhibit "B" depicting and describing such facilities, which exhibit shall be attached hereto and incorporated herein by this reference.

(l) The term "Joint Facilities Costs" shall include all costs and expenses attributable to the design, construction inspection and installation of the Joint Facilities and financing thereof, including, but not limited to, the actual cost of construction, cost of acquisition of land, rights-of-way, franchises and permits, preliminary tests and inspections, preparation of any comprehensive plans or other plans or amendments thereto, compliance with any applicable environmental policy act or procedures, engineering fees, legal fees, financial consultant fees related to this contract, interest on and other costs of interim financing, taxes, publication costs, construction contract administration costs, costs relating to this contract, including its administration for the purpose of collecting the shares of Joint Facilities Costs from other Participants, and other costs and expenses relating to the planning, design, construction, installation and financing (other than financing the Local Share of any one Participant) of the Joint Facilities.

(m) The term "Joint Facilities Maintenance and Operation Expenses" shall mean Maintenance and Operation Expenses applicable to Joint Facilities.

(n) The term "Joint Wastewater Treatment Plant" shall mean the Wastewater Treatment Plant owned by Ilwaco and constructed and maintained to serve the City of Ilwaco and the Seaview Sewer District, and any other later admitted Participant, and shall constitute part of the Joint Facilities. The Joint Wastewater Treatment Plant shall include the facilities described in Exhibit "B". The Joint Wastewater Treatment Plant to be constructed under this agreement by the City of Ilwaco will have a capacity for 3,117 population equivalents and annual average flow of 0.51 MGD, a peak flow of 1.74 MG and a BOD₅ loading of 600 pounds per day, and suspended solids loading of 600 pounds per day.

(o) The term "Joint Transmission Lines" shall mean the interceptor lines and pump station designed to serve the City of Ilwaco and the Seaview Sewer District, from

the point of connection at the Highway 101 metering station, as described in Exhibit "B", and shall constitute part of the Joint Facilities.

(p) The term "Local Facilities" shall mean sewer facilities other than Joint Facilities owned or operated by Participants for the local collection and transmission of sewage to be delivered to Joint Facilities.

(q) The term "Local Share" shall mean that portion of the Joint Facilities Cost which is not funded by a grant from the State of Washington or other governmental agencies.

(r) The term "Project Cost" means all costs and expenses attributable to the design, construction, acquisition and installation of the Improvements as described in Exhibit "B" including, but not limited to, actual cost of construction, cost of acquisition of land, rights-of-way, franchises, and permits, preliminary tests and inspections, engineering fees, legal fees, taxes and other costs and expenses related thereto.

(s) The term "Maintenance and Operation Costs" shall mean all costs and expenses relating to power, light, water, heat, chemicals, equipment (including repair, replacement and calibration thereof), routine maintenance, labor, tools, materials, supplies, biosolids disposal, permits, testing, insurance premiums, contract services, legal fees, inspections and taxes directly and properly chargeable to the maintenance and operation of the applicable facilities, plus administrative overhead expenses chargeable to those facilities or this contract, based on actual accounting records, but shall not include depreciation. The administrative overhead costs will be equal to 5 percent of the Maintenance and Operation costs. Any additional cost of treating the City of Ilwaco and Seaview Sewer District wastewater, solely attributed to that system or entity, shall be billed separately and borne by that entity.

Section 2: Construction of Joint Facilities

The Original Participants agree to acquire their respective Local Shares to fund their portion of the project costs of the facilities. Each of the participants shall be given the opportunity to review the bids prior to award, to ascertain consistency of the bids with the financial information and financial capability of the participants. All changes during construction, which increase facility costs, will be submitted to all participants for review and concurrence. Every attempt will be made to accomplish this review prior to actual construction.

The City of Ilwaco shall be responsible for and oversee the design and construction of the Joint Facilities. The City will submit to, and review with, the Seaview Sewer District all

reports, plans and specifications and cost estimates for the project prior to submittal to the regulatory agencies. Ilwaco and Seaview shall have capacity rights in the Joint Wastewater Treatment Plant and the joint transmission facilities as set forth in the Wastewater Facility Plan and described in Exhibit "B".

Section 3: Lease of Capacity in Joint Sewage Treatment Plant or Other Joint Facilities

Either of the Original Participants may lease its capacity, or any part thereof, to any of the other Original Participants either in the Joint Wastewater Treatment Plant or in the Joint Transmission Facilities. Such lease of capacity shall be effectuated by execution of a written interlocal agreement between those Participants. Prior notice of such lease shall be given in writing to the other Participant affected by such lease so that their approval may be obtained prior to the execution of the lease.

Section 4: Maintenance and Operation of Joint Facilities:

Joint Wastewater Treatment Plant

Ilwaco shall own, maintain and operate the Joint Wastewater Treatment Plant in accordance with the then current standards and requirements established by applicable state and federal agencies having jurisdiction over such maintenance and operation. Included with such maintenance and operation shall be the carrying of fire, extended coverage, public liability and such other insurance with limits in accordance with standard practice at any such time for similar utilities. Ilwaco shall hold the other Participants harmless and defend all claims for personal injury or property damage arising out of the maintenance and operation of the Wastewater Treatment Plant which are not caused by neglect or failure of the other Participants.

Hold Harmless and Indemnification

Each Participant shall hold Ilwaco harmless and shall indemnify Ilwaco from all damage to the sewage treatment plant caused by the discharge by such Participant of deleterious wastes as defined in this Agreement. Such responsibility shall not be a joint liability with other Participants, but shall be the sole and several liability of the Participant discharging such deleterious wastes. Ilwaco shall establish appropriate monitoring equipment at the point at which the wastewater and suspended solids leave the transmission line and enter the Joint Wastewater Treatment Plant for the purpose of determining whether deleterious wastes are being received into the plant. The reasonable costs of maintaining and operating the monitoring equipment for these purposes shall be charged to the Participants in accordance with their proportionate share of the flow as hereinafter determined.

Joint Transmission Facilities

Ilwaco shall own, maintain and operate the Joint Transmission Lines in accordance with the then current standards and requirements established by applicable state and federal agencies having jurisdiction over such maintenance and operation. Included with such maintenance and operation shall be the carrying of fire, extended coverage, public liability and such other insurance with limits in accordance with standard practice at any such time for similar utilities. Ilwaco shall establish appropriate monitoring equipment at the point or points at which the wastewater from the Participants enters the joint transmission lines and is transmitted to the Joint Wastewater Treatment Plant. The monitoring shall be established to determine flow rates, and for the purpose of determining the waste strength received by the Joint Wastewater Treatment Plant and the cost of treatment to the various Participants. The reasonable costs of maintaining and operating the monitoring equipment for these purposes shall be charged to the Participants in accordance with their proportionate share of the sewerage flow into the Wastewater Treatment Plant. If a failure or error in flow recording occurs, the flow during such period shall be considered to be equal to the average daily flow recorded for the 24-hour period immediately preceding and the 24-hour period immediately following the failure or error.

Section 5: Financing Construction and Maintenance of Joint Facilities

In consideration of Ilwaco's acquiring, constructing and installing the Joint Wastewater Treatment and Transmission Facilities, and as a condition for the use thereof and service therefrom, the Original Participants and any subsequent Participant shall pay to Ilwaco, the amounts provided in this Section. All such payments shall be made at the times and in the manner specified herein.

The respective shares of the Original Participants (Ilwaco and Seaview) are based upon the population estimate contained in the Facility Plan and is as defined and formulated herein.

Payment of Joint Wastewater Treatment Plant and Local Shares

In accordance with the Facility Plan dated April 1994 and Exhibit "B" of this agreement, Ilwaco's share shall equal 50% and Seaview's share shall equal 50% of the Joint Wastewater Treatment Facility.

Payment of Joint Transmission Facilities and Local Shares

In accordance with the Facility Plan dated April 1994 and Exhibit "B" of this Agreement, Ilwaco's share shall equal 100% and Seaview's share shall equal 0% of the Joint Transmission Facilities.

The participants agree that all portions of the contract, including, but not limited, to the Joint Wastewater Treatment Plant, the Joint Transmission Facilities, and the Local Facilities, be awarded as near in time as may be practicable to each other.

Seaview (and any other Participant sharing such costs) shall pay to Ilwaco their respective share of such costs in cash in the manner and within the time provided herein. It is anticipated that the Lead Agency of the City of Ilwaco will be required to make regular, monthly progress payments during the course of construction to the various contractors. All Participants agree to reimburse Ilwaco for progress payments required to be made under the respective construction contracts. Such reimbursement shall be in accordance with the following schedule: All progress payments made by the lead agency to any contractor shall be billed to the other participants no later than ten days after payment to the contractor. Thereafter, each participant shall reimburse the lead agency for its proportionate share within 20 days after receipt of said billing.

In addition, the Joint Wastewater Facilities and Joint Transmission Facilities will be funded, in part, by a loan from Rural Development and Department of Ecology. Monthly debt service payments will be required to retire the debt. All Participants agree to reimburse Ilwaco for monthly debt service payments to be made based on their respective share of such costs in cash in the manner and within the time provided within. Such payment shall be in accordance with the following schedule: All monthly debt service payments shall be submitted to the lead agency no later than the last day of the month prior to the month for which the debt service payment is due.

In the event that additional Joint Wastewater Treatment or Joint Transmission Facilities are required to be constructed to create additional capacity, the costs of such additional capacity shall be allocated to the Participants responsible for such additional requirements.

Payment of Joint Facilities Maintenance and Operation Expenses and Local Shares

Wastewater Treatment Plant: The Joint Facilities Maintenance and Operation Expenses shall be computed and distributed based upon the usage and total Maintenance and Operation Expenses of the Wastewater Treatment Plant and Joint Transmission Facilities. All Participants shall pay the Maintenance and Operation Expenses of the Wastewater Treatment Plant based on each Participant's actual use of that facility as measured by the

parameters of flow, BOD and Suspended Solids (SS). These parameters shall be determined in accordance with the following procedures:

Flow: The sewage flow into the Wastewater Treatment Plant shall be metered at the point where Seaview discharges sewage into the Transmission Facilities and at the point where the other future Participants discharge sewage into the Transmission Facilities. The flow-metering installation at each monitoring facility shall be calibrated quarterly and equipped with a totalizer and a recorder. Daily maintenance at the facility shall include at least a check of the primary element of the flow meter for obstructions and a visual check of all other elements of the installation for normal operation. A daily log shall be kept in which all maintenance operations performed and any abnormalities observed shall be noted. The totalizer reading shall also be recorded daily in the log. At the end of each month, the average daily flow during the month shall be determined by using all the valid data collected during the month.

BOD and Suspended Solids: The monitoring facility shall contain an automatic liquid sampling device which shall be integrated with each flow-metering installation in a manner such that sewage samples can be collected and stored on a flow-weighted basis. A composite sample shall be prepared from all samples collected during a uniform 24-hour period to coincide with the treatment plant testing. The BOD and SS of each sample shall be determined and recorded in the daily log. At the end of each month, the average BOD and SS during the month shall be determined by using all the valid data collected during the month.

Once semi-annually, or as directed by the other Participants, split samples shall be taken for testing of BOD and SS; such split samples shall be sent to a certified testing lab to verify the data collected by Ilwaco. The cost for the split sample shall be borne equally by the Participants.

The data collected shall be used by Ilwaco to calculate the share of the total Maintenance and Operation Expenses which shall be charged to Seaview and any other Participants. The exact method of calculation of Maintenance and Operation Expenses to be so charged shall be as follows:

$$C_i = [K V_i / v] [a + b(BOD_{5i} / BOD_{5c}) + c(SS_i / SS_c)]$$

Where C_i = M&O Charge to user i during billing period

K = Total M&O Expense during billing period

V_i = average daily sewage flow of user i during billing period

- V = average daily flow into sewage facility during billing period
- a = fraction of K determined to be attributable to flow
- b = fraction of K determined to be attributable to BOD5
- c = fraction of K determined to be attributable to SS
- i = Seaview and any other Participant, jointly
- BOD5_i = average daily 5-day BOD concentration of sewage from user i during billing period
- BOD5_c = average daily 5-day BOD concentration of total plant sewage during billing period
- SS_i = average daily SS concentration of sewage from user i during billing period
- SS_c = average daily SS concentration of total plant sewage during billing period

Any Participant which has a nonresidential sewer user whose wastewater has a BOD and/or SS value higher than the average for domestic wastewater shall be charged and pay an additional surcharge calculated according to the formula in this subparagraph.

During any quarter Ilwaco will operate within its budget, however, should Wastewater Treatment Plant Maintenance and Operation Expenses increase over budget estimates, Ilwaco may amend its budget after first submitting the proposed budget amendment to the Participants for recommendations and comments.

Each Participant shall contribute to the Joint Facilities Maintenance and Operation Expenses of the Joint Facilities based on that Participant's actual use of the Joint Transmission Lines or other Joint Facilities. Use of the Joint Facilities shall be measured in accordance with the parameters of flow, BOD and SS as previously addressed.

Obligations of Additional Participants: At such time as any Participant other than the Original Participants contracts to use Joint Facilities, that Participant shall pay the original Participant at the time of such connection its share of the Joint Facilities Costs in the same manner prescribed above and shall agree to pay the Joint Facilities Maintenance and Operation Expense requirements described.

Adjustments in Joint Facilities Costs Shares: The allocation of Joint Facilities Costs among the Original Participants is based on the population in their respective service areas within the Facilities Plan Service Area and the design capacity of the Joint Facilities to serve the Original Participants. At such time as additional Participants agree to connect to the Joint Facilities or at such time as any Participant extends its service area by annexation or extension of its Local Facilities outside its boundaries or outside the Facilities Plan Service Area, or at such time as one Participant shall merge its sewer or water and sewer utility with that of another Participant, the shares of the Joint Facilities Costs of all affected Participants shall be adjusted in accordance with the same method of computing the original shares; those Participants whose shares are thereby reduced shall be entitled to receive from those whose shares are increased a reimbursement based on a mutually agreed value of the Local Share payments.

Covenants to Make Payments: Ilwaco and Seaview and each additional Participant irrevocable covenant, obligate and bind themselves, respectively, to pay the applicable payments and charges referred to in this section as wastewater service charges for the transportation, treatment and disposal of its wastewater of the gross sewer revenues and/or gross water and sewer revenues of that respective Participant or from such other money legally available to such Participant for such purpose as determined by the Participant.

Billings - Payments - Maintenance and Operations Charges: For the maintenance and operation charges prescribed, Ilwaco shall bill Seaview the 10th day of each calendar month for charges against that Participant accrued to the last day of the immediately preceding month. Seaview and any other applicable Participant shall pay such charges to Ilwaco by the last day of the month in which such bill is received. No interest or carrying charges shall be added to unpaid balances. Charges omitted in one month may be billed in the following months.

Section 6: Maintenance of Local Facilities and Sewage Quality - Insurance Liability

The Participants shall maintain and operate their respective Local Facilities in accordance with high engineering standards and in conformity with the standards established by the state and federal agencies having jurisdiction over the same. If there are any deficiencies in the respective Local Facilities causing excessive flow or below standard quality sewage, such deficiencies shall be corrected by the applicable Participant forthwith. Deficiencies may constitute excessive flow or quality of sewage discharge which damages the transmission facilities or the sewage treatment process of Joint Facilities, increases the Joint Facilities Maintenance and Operation Expenses per unit of sewage transported or treated, to include odors or causes the violation of any federal or state law or regulation.

The offending Participant shall pay for any additional cost or expense caused by its breach of this paragraph.

Each Participant shall either self-insure or secure and maintain with responsible insurers all such insurance as is customarily maintained with respect to Local Facilities of like character against loss of or damage to the sewerage facilities of each Participant and against public and other liability to the extent that such insurance can be secured and maintained at reasonable cost. Any liability incurred by any Participant as a result of the operation of its Local Facilities shall be the sole liability of that Participant and claims for damages arising out of the maintenance and operation of its Local Facilities shall be the sole liability of that Participant and with respect to claims for damages arising out of the maintenance and operation of a Participant's Local Facilities that Participant will indemnify, hold harmless and defend the other Participants from such claims not caused in whole or in part by action or omission of such other Participants.

Section 7: Additional Local Facilities

Any Future Facilities acquired or constructed by any Participant shall be required to be constructed in accordance with the then existing sewer construction standards and requirements of the state and federal agencies having jurisdiction over the same.

Section 8: Equitable Rates and Charges

Each Participant agrees to conform its rates and charges for sewage collection, treatment and disposal service to equitable standards consistent with the requirements of applicable federal and state agencies. Each Participant further agrees to establish similar connection charges to fund future expansion(s) of the Joint Wastewater Treatment Facility.

Section 9: Advisory Committee

The parties agree to the creation of the Joint Facilities Advisory Committee consisting of the Mayor (or delegee) of Ilwaco and one of the Commissioners (or delegee) of Seaview, together with one appointed staff member from each Participant which appointments shall be made as determined by the individual Participants. The purpose of the Advisory Committee is to review the maintenance and operation of the joint facilities, the proposed final annual budgets for the joint facilities maintenance and operation expenses, budget amendments, fostering cooperation between the Participants under this contract, and otherwise performing the duties assigned to such committee by this contract.

The Advisory Committee shall be advisory only to the Participants, respecting performance under this contract. The Advisory Committee shall meet twice a year and/or

as special needs arise. A committee chairman and secretary shall be appointed each year. Formal meeting minutes shall be kept, recorded and distributed to all participants. Ilwaco shall submit to the Committee all proposed and final budgets, contracts, grant applications, and other matters which they deem appropriate or the Advisory Committee requests, relating to joint facilities.

Section 10: Books and Records

Any member of the Advisory Committee or a representative of such member may examine the books and records of any Participant which related to the Joint Facilities, the administration thereof or of this contract. Such books and records may be examined at any reasonable time during business hours of that Participant so long as a reasonable opportunity is given to that Participant to assemble such books and records and provide for a convenient location for such examination. The Advisory Committee may appoint an auditor or accountant to review any such books or records, and the costs of such review shall be charged to Ilwaco, which, in turn, may include such costs as a Joint Facilities Maintenance and Operation Expense.

Section 11: Disputes

In the event of a dispute between any of the Participants relating to any issue arising under this contract, including but not limited to issues relating to the amount of Joint Facilities Costs, the estimates or actual Joint Facilities Maintenance and Operation Expenses, the measured flow of any Participant, the amount of industrial flow, the amount of BOD or SS, or the compliance with any maintenance, operation or construction standards or requirements, any party may submit the dispute to the Superior Court of Pacific County for arbitration proceedings as provided by Chapter 7.04 RCW. The rules of such arbitration shall be determined by the arbiter so appointed. Such arbitration shall be limited to the interpretation and application of this contract and may not impair the contract and debt obligations of any Participant or the powers of Ilwaco to fix the budget for and determine the methods used in the management of the Joint Facilities. All cost of arbitration shall be apportioned equally between the parties to the arbitration.

Section 12: Access to Joint Facilities - Cooperation

The Participants enter into this contract committing all sewage discharges into their Local Facilities within the Wastewater Facility Plan Area to be transported to the Joint Facilities for treatment and disposal.

Because this contract contemplates that all Participants will be using Joint Facilities and most, if not all, Participants will be transporting sewage collected in their Local Facilities through the political jurisdictions of one or more other Participants, the Participants

declare and agree that this contract is not intended as an instrument to permit one Participant to control the amount of sewer collection service furnished by another and that all Participants will cooperate to provide the others with reasonable access for sewage flow to the Joint Facilities either by sharing capacity, if reasonably available, through Local Facilities or by permitting the acquisition of necessary rights-of-way, franchises and permits through and under public streets and property under reasonable conditions for such access.

Section 13: Notices and Agreements

Notices required to be given to Participants shall be deemed given when served on the City Clerk of Ilwaco and the Secretary of the Board of Sewer Commissioners of Seaview. When members of the Advisory Committee must be notified, notice to one member thereof from each Participant shall be sufficient compliance but reasonable efforts shall be made to give notice to every member.

Where agreement is required of Participants, such agreement shall be by the legislative bodies thereof, unless there has been a lawful and effective legislative delegation of any such power to agree.

Section 14: Interlocal Agreement Supersedes Prior Agreements

This interlocal agreement between the Participants supersedes all prior interlocal agreements entered into by the parties to the extent they are inconsistent.

Section 15: Contract Binding - Assignment

This contract shall be binding upon each Participant and the successors to them and may not be assigned in any respect without the consent of all Participants.

Section 16: Effective Date - Term of Contract

The effective date of this contract shall be 7th October 1996. Because this contract gives all Participants rights to use and, therefore, interest in the Joint Facilities, such rights must continue until they are terminated by agreement. Commencing on the effective date specified above, this contract shall be for a term of at least forty (40) years or such longer period as any bonds issued and sold to finance part of any Joint Facilities are outstanding or the payment thereof is not fully provided for, secured and funded; this contract shall continue thereafter until terminated by the agreement of all Participants.

Any Participant may individually withdraw from the obligations of this contract with the consent of the other Participants after all such bonds are retired or payment thereof is fully provided for, secured and funded; the remaining Participants shall continue to be bound by this contract as it may be amended.

EXECUTED as of the date set forth above.

CITY OF ILWACO

By: *James D. Trisk*
Mayor

Attest: *Linda Marsh*
City Clerk

SEAVIEW SEWER DISTRICT

By: *Floyd E. Rande*
Chairman, Board of
Sewer Commissioners

Attest: *Ann Perkins*

Beverly C. Rolfe
Seaview Sewer Commissioner

Robert W. Bowen
Seaview Sewer Commission

Exhibit "B"

The Joint Transmission Facilities include the sanitary sewer system owned by the City of Ilwaco downstream of the Seaview metering station on Highway 101 consisting of approximately 800 LF of 12-inch sanitary sewer on First Street, 1,900 LF of 15-inch sanitary sewer on Lake Street and 500 LF of 18-inch sanitary sewer on Elizabeth Street to the influent pump station at the Joint Wastewater Treatment Plant.

The Joint Wastewater Treatment Plant consists of the influent pump station, headworks complete with mechanical fine screen and grit removal, two (2) sequencing batch reactors, effluent equalization basin, ultraviolet disinfection system, aerobic digester, outfall including associated pump station and force main, biosolids disposal site and facilities, appurtenances and communication facilities related thereto.

The Joint Wastewater Facility shall have average annual flow of 0.51 MGD, a peak flow of 1.74 MGD and a BOD₅ loading of 600 lbs. per day, and a suspended solids loading of 600 lbs. per day. The capacity rights for the Participants is 50% of the rated flow and loading capacity of the Wastewater Treatment Plant.