AGREEMENT FOR OPERATION OF THE CLEARVIEW PUMP STATION

BETWEEN

ALDERWOOD WATER & WASTEWATER DISTRICT
AND
THE CITY OF EVERETT

This Agreement is made and entered into this 2nd of June, 2013, by and between the Alderwood Water & Wastewater District, a Washington special purpose municipal corporation (the "District") and the City of Everett, a Washington municipal corporation (the "City").

WHEREAS, the District and the City provide water service to residents in Southwest Snohomish County; and

WHEREAS, the District, the Silver Lake Water and Sewer District, and the Cross Valley Water District formed an interlocal organization known as the Clearview Group to construct facilities to convey water from the City's water system to the Clearview Reservoir for the purpose of providing water in Southwest Snohomish County, including construction of a pump station located at the 8200 block of 64th Street SE (the "Clearview Pump Station"), and a transmission pipeline (the “Clearview Pipeline”) from the City's Water Transmission Line No. 5 to the Clearview Reservoir; and

WHEREAS, after the new facilities were constructed, the District, the Silver Lake Water and Sewer District and the Cross Valley Water District formed a new administrative interlocal organization known as the Clearview Water Supply Agency ("the Agency") to govern the Clearview Pump Station and Clearview Pipeline (together being the "Clearview Facilities"); and

WHEREAS, the District has the technical staff to operate the Clearview Facilities; and

WHEREAS, the District and the City have concluded that an Agreement for Operation of the Clearview Pump Station between the District and the City is in the public interest; and

WHEREAS, the City operates Transmission Line No. 5 via gravity from either the Clearwell (elevation 619) or from the Surge Tank (max elevation 698) that are located at the City's Water Treatment Facility; and

WHEREAS, the District wants to assure that the City's facilities can deliver water to the Clearview Facilities during such times when the City closes the isolation valve located immediately downstream of the Clearview connection with Transmission Line
WHEREAS, the District and the City are authorized to enter into agreements by the Interlocal Cooperation Act, Chapter 39.34 RCW; and

WHEREAS, this Agreement replaces the January 28, 2005 Agreement for Operation of the Clearview Pump Station between the District and City in its entirety.

NOW, THEREFORE, in consideration of the premises, the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the District and the City agree as follows:

1. PREVIOUS AGREEMENT
The Agreement for Operation of the Clearview Pump Station between the District and City dated January 28, 2005 is replaced in its entirety by and upon execution of this agreement.

2. PURPOSE
This Agreement establishes the terms and conditions under which the District shall operate the Clearview Facilities, how the Clearview Facilities and Transmission Line No. 5 operations shall be coordinated, and the conditions under which the City meters the flow from the City’s Transmission Line No. 5 to the Clearview Pump Station. The District, as the lead agency, shall act on behalf of the Agency during the term of this Agreement.

3. PUMP STATION OPERATION
The District shall provide qualified personnel, experienced in pump station operation, to operate the Clearview Pump Station. For the purpose of this Agreement, the term operation shall mean “any operational change of any pump in the Clearview Pump Station.”

4. RESPONSIBILITIES OF THE DISTRICT
A. The District shall maintain and repair all Clearview Facilities starting at the point of connection to the City’s Water Transmission Line No. 5 downstream of the City’s valve except for the current Clearview billing meter as described in this agreement.

B. The District previously agreed to, and has disabled the bypass butterfly valve that is part of the surge system located in the Clearview Pump Station. In the event the District determines this surge system butterfly valve is needed, the parties shall work together to amend this agreement.

C. The District agrees to not operate the pumps in the Clearview Pump Station when the City closes the isolation valve that is located immediately
downstream of the Clearview Pipeline connection with Transmission Line No. 5.

D. The District shall provide the City advance oral or written notice of any proposed pumping change that will result in a flow change (increase or decrease) as follows:

1) For flow changes less than 3 million gallons per day (MGD), no notification is necessary.
2) For flow changes equal to or greater than 3 MGD, at least one (1) hour notice.

5. RESPONSIBILITIES OF THE CITY

A. The City shall notify the District's Operations Contact, as listed in Section 10 of this Agreement, 24-hours prior to any significant operational changes, construction or shutdown of key City facilities that could impact operations of the Clearview Pump Station except for an emergency shutdown. Significant operational changes shall include but not be limited to:

1) Closure of valves on the City’s Transmission Line No. 5.
2) Removal of both of the City’s clearwells located at the City’s Water Treatment Facility from service.
3) Removal of the City’s Reservoir 3 from service for any period of time.

B. The City shall immediately notify the District's Operations Contact whenever it experiences or initiates an operational change outside the normal operating parameters of the City’s supply system or the City’s Water Transmission Line No. 5.

C. The City shall own, maintain, and operate the District-supplied insertion meter described in Section 8.A of this Agreement, including arranging and paying for annual calibration by the manufacturer or other acceptable service provider.

D. The City shall respond to the District’s pumping change notifications by managing flows on the City’s Water Transmission Line No. 5 in a manner that is consistent with the “Everett and Alderwood Water and Wastewater District Water Supply Contract” Continuity of Service provision [effective date January 28, 2005].

E. The City shall own and maintain the current Clearview billing meter as described in this Agreement.

6. TRANSMISSION LINE NO. 5 AND CLEARVIEW FACILITIES EVALUATION AND IMPROVEMENTS

A. Following execution of this Agreement, the City will evaluate operating Transmission Line No. 5 and its direct connections and appurtenances under a static head of maximum surge tank elevation in cases when the Clearview isolation valve must be closed. The evaluation will look at all connections and appurtenances and determine the impacts of the static head pressures on these
facilities, and determine what improvements or mitigation measures are necessary to avoid damages due to this operating condition. Within one year of the date of this agreement, the City will report to the District the cost and effort necessary to protect Transmission Line 5, and the connections to the first appurtenance (meter and/or PRV) or to the limit of the Right-of-Way under this operating condition.

B. The District will evaluate the Clearview Facilities for operating under surge tank elevations and pumped operations when the isolation valve immediately downstream of the Clearview Connection is closed, with Transmission Line No. 5 operating at the Clearwell elevation, and with the Clearview Pump Station bypass butterfly valve in either the open or closed position.

C. Within one year of the date of this Agreement, the District and the City will meet to discuss the results of Sections A. and B. and mutually select the best solution for operation of the Clearview Facilities when the City isolation valve downstream of the Clearview connection is closed, and determine how to pay for implementation of that solution.

7. SHUTDOWNs

A. For any planned shutdowns that impact the Clearview Pump Station, the City shall:

1) Communicate with the District's Operations Contact listed in Section 10 and the District General Manager about plans that may impact Clearview Facilities and the Clearview Pump Station at least four months in advance to allow for coordination of planned shutdowns.

2) Provide written and verbal notice to the District’s Operations Contact listed in Section 10 and the District General Manager at least 30 calendar days prior to the shutdown.

3) Strive to avoid planned shutdowns on Fridays through Sundays, and during the period from May 15 to September 15.

B. The City shall immediately inform the District’s Operations Contact if an emergency shutdown of City’s Water Transmission Line No. 5 or the Clearview Pump Station is necessary.

8. METERING

A. Insertion Meter

1) The District or Agency shall purchase and the City will install a uni-directional McCrometer FPI full profile insertion meter at the agreed-upon location at the City’s Water Transmission Line 5 and the Clearview Pipeline by a mutually agreed upon date.

2) The insertion meter shall be capable of detecting reverse flow and provide an indicator for when reverse flows occurs. Per Section 8.D. of this
Agreement, both parties will receive this indicator. Reverse flow durations of one hour or less will be considered de minimus and not recoverable for cost or credit. For reverse flow durations greater than an hour, both parties agree to determine a mutually agreeable credit to the District.

3) Following installation of the insertion meter, the District or Agency shall provide to the City a Bill of Sale for the meter at no cost to the City. The City shall then own and maintain the meter, vault, and City’s communication system. The City shall maintain the meter, and arrange and pay for annual calibration by the manufacturer or other acceptable service provider. Copies of the manufacturer’s test reports shall be provided to the District upon receipt by the City. Parties may mutually agree to modify the calibration schedule.

4) To facilitate future calibration processes, the City shall purchase a second uni-directional McCrometer FPI full profile insertion meter at its own expense. This second meter would be installed and operated each time the installed meter is removed for calibration.

5) Once installed to each party’s satisfaction, the insertion meter shall be used as the billing meter for the Clearview Pump Station connection per the “Everett and Alderwood Water and Wastewater District Water Supply Contract” [effective date January 28, 2005].

6) Signals from this meter will be shared with the District per the insertion meter design and the Operating Agreement.

B. Existing Propeller Meter located at Clearview Pump Station

1) As part of assessing its accuracy and past performance, the existing propeller meter will be left in place at least six (6) months after the new insertion meter has been installed so as to allow time for comparing the two meter readings “in situ”.

2) The District General Manager or his designee and the City’s Public Works Director or his designee shall be provided written notice when the insertion meter is accepted as the billing meter. The City will then transfer the existing propeller meter, vault, and appurtenances to the District at no cost and in accordance with this Agreement.

3) As provided for in paragraph 8C. below, the District shall provide a new meter at its own expense so that the propeller meter can be removed and sent to the manufacturer for calibration.

4) Upon written authorization by the District, the City will be provided the existing propeller meter to send to the meter manufacturer for calibration at the City’s expense. Copies of the manufacturer’s test reports shall be provided to the District upon receipt by the City. The earliest this meter can be removed is during the low flow period is March, 2014.
5) The calibration and the “in situ” data will be used to determine the existing propeller meter accuracy and start discussions on any possible cost remedies for past invoices.

C. Agency's Meter

1) The District will determine the Agency's meter needs at the existing meter vault at the Clearview Pump Station during the above-referenced in-situ meter comparison period. The District will determine if the propeller meter is to be replaced in-kind or replaced with a different type of meter, e.g. an insertion meter. The District will install the Agency's new Clearview meter at the Clearview Pump Station within ten (10) months after the six month comparison period per Section 8.B.1, or forfeit the provision of Section 8.B.5.

2) The City will be provided a signal from this meter; however this meter shall be owned and maintained by the District or Agency. This new meter shall be ready for installation prior to removal of the propeller meter for calibration.

D. Data Sharing

1) As the City and District mutually agree, each party shall provide the other party their system’s digital communications as described below. Modifications to Exhibit A can be made by mutual agreement of the agreement oversight personnel per Section 10.

2) The City shall provide a continuous signal from the in-line meter indicating flows to the District’s power box located adjacent to Everett’s meter located at 3300 Bickford Ave., Snohomish, WA. The City shall also provide a power source to the District’s power box.

3) The City shall provide to the District active data from the City’s Three Lakes valve indicating the position of the valve and pressures upstream and downstream of the valve to the Clearview Pump Station. The City shall provide to the District other active data, including but not limited to, that shown in Exhibit A.

4) The District shall provide to the City active data from the Clearview Pump Station, including, but is not limited to, that shown in Exhibit A.

5) The District and City agree to share signals from the insertion meter, the Clearview Pump Station, and the Three Lakes valve throughout the life of this agreement.

9. **EMERGENCIES**

A. The City shall immediately notify the District's Operations Contact whenever it experiences or initiates an operational change outside the normal operating parameters of the City’s supply system or the City’s Water Transmission Line.
No. 5. The City shall inform the District’s operational contact if it believes that an emergency shutdown is necessary, including any closure of the isolation valve on the City’s Water Transmission Line No. 5 immediately downstream of the Clearview connection.

B. The District shall be responsible for shutting down the Clearview Pump Station during a shutdown emergency as defined in Section A. above. Any required emergency shutdown shall be in accordance with the standard operating procedures (SOP) for emergency shutdown. The District shall not be responsible for the emergency shutdown of any facilities that are not within the Clearview Pump Station.

C. Whenever the District believes an emergency shutdown of the Clearview Pump Station is necessary, the District’s operational contact shall immediately inform the City’s Operations Contact of the pending emergency shutdown.

D. The District shall be responsible for contacting the City’s Operations Contact and coordinating the re-start of the Clearview Pump Station following any emergency shutdown.

E. The District shall be responsible for any damage to the City’s Water Transmission Line No. 5 caused by the negligent operation of the Clearview Pump Station by the District. The City shall be responsible for any damage to the Clearview Facilities caused by the negligent operation of the City’s water supply system.

10. OPERATIONS CONTACTS
The following persons shall serve as the points of contact for notification of all changes that impact the operation of the Clearview Pump Station or the flow in the City’s Water Transmission Line No. 5 under normal and emergency conditions, and oversight of this Agreement:

Everett Senior Operator (for emergency conditions)
City of Everett Water Filtration Plant
(425) 257-8200
After Hours: (425) 257-8821 or (425)-568-6650

Everett Maintenance Superintendent (for agreement oversight)
(425) 257-8967(office) or (425) 210-0103 (mobile)

Alderwood M&O Superintendent
(425) 787-0250
After Hours: (425) 672-4111

11. PUMP STATION OPERATION REVIEW
Designated City and District operations staff will conduct annual Clearview
Facilities operation review meetings. The written operating procedures provided for in this Agreement may be modified in writing with the consent and agreement of the District and City. Whenever modifications to the written operating procedures are requested by the District or City, District and City staff shall work together to determine whether a modification is necessary, and if so, to update the written operations procedures prior to the next quarterly meeting.

12. FEES AND CHARGES
Neither the City nor the District shall charge each other for any service provided under this Agreement, including performance of pump operational changes.

13. LEGAL RELATIONS -- HOLD HARMLESS
This is an Agreement for the operation of the Clearview Pump Station and neither party shall acquire by virtue of this Agreement any proprietary or governmental interest in the water system of the other party. The parties are neither partners nor joint venturers; and neither is the agent of the other. The officers and employees of each party shall be deemed to act only on behalf of the party they represent or who employs them. Each party agrees to defend, indemnify and hold the other party harmless from any claim, liability, damage, or judgment, including reasonable attorney's fees, arising from or in any way related to the performance of this Agreement, but only to the extent of the indemnifying party's negligence. For purposes of this indemnification only, each party waives its immunity under Washington's Workmen's Compensation Laws and any other employee benefit statutes. This waiver has been specifically negotiated.

14. INSURANCE
The City and District shall maintain comprehensive personal liability and property damage insurance or self-insurance at present levels and scope of coverage, provided that each party's insurance or self-insurance shall be sufficient to cover the indemnification of this Agreement. A party, upon request, shall provide the other party with a certificate of insurance or letter of self-insurance.

15. TERM
This Agreement shall be effective on the date that this Agreement is executed by the parties and the District shall commence to operate the Clearview Pump Station under its terms as of that date. This Agreement shall be in effect until December 31, 2054. The parties may renew this contract by mutual written agreement upon such terms and conditions as the parties may later agree.

16. DISPUTE RESOLUTION
Any dispute under or in connection with this Agreement may, upon the mutual agreement of the parties, be submitted for resolution by mediation. Disputes not
resolved in such manner shall be resolved in Superior Court for Snohomish County, Washington.

17. MISCELLANEOUS

A. Entire Agreement. This Agreement, together with all attachments, sets forth the entire agreement of the parties regarding operation of the Clearview Pump Station.

B. Interpretation. The headings used herein are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

C. No Third Party Beneficiaries. Except as expressly set forth in this Agreement, none of the provisions of this Agreement shall inure to the benefit of or be enforceable by any third party.

D. 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. Either 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.

E. Invalid Provision. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

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

G. Assignment and Subcontracts; Binding Agreement. Either party may assign this Agreement, or assign or subcontract all or any part of such party's rights or obligations under this Agreement, without the prior written consent of the other party. Without in any way limiting the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

H. Construction. No provision of the Agreement shall be construed in favor of or against either of the parties by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which such provision or any other provision or provisions of this Agreement is or are inconsistent with any prior draft thereof.
DATED this 2nd day of June 2014

CITY OF EVERETT
Ray Stephanson, Mayor

ATTEST:
Sharon Marks, City Clerk

APPROVED AS TO FORM:
Jim Iles, City Attorney

ALDERWOOD WATER & WASTEWATER DISTRICT
Jeff Clarke, General Manager
PROJECT TITLE:
Operations Agreement for the Clearview Pump Station with Alderwood Water and Wastewater District

<table>
<thead>
<tr>
<th>Location</th>
<th>Preceding Action</th>
<th>Attachments</th>
<th>Department(s) Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Authorized the Mayor to sign the original agreement, January 2005</td>
<td>Agreement</td>
<td>Public Works, Legal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount Budgeted</th>
<th>ExpenditureRequired</th>
<th>Budget Remaining</th>
<th>Additional Required</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Within annual budget</td>
<td></td>
</tr>
</tbody>
</table>

DETAILED SUMMARY STATEMENT:
In 2005 the City entered into an operations agreement with Alderwood Water and Wastewater District to operate the Clearview Pump Station. Since 2005 several operational issues and operational scenarios have occurred where both parties agreed to renegotiate a new agreement. Issues renegotiated within the new agreement include improved metering, shutdowns, emergency operations, and data sharing.

RECOMMENDATION (Exact action requested of Council):
Authorize the Mayor to sign the Agreement for Operation of the Clearview Pump Station with the Alderwood Water and Wastewater District.