

MAR 05 2007

COMMUNITY DEVELOPMENT
PUBLIC WORKS DEPARTMENT

CITY OF PACIFIC

KING COUNTY

AMENDMENT TO AGREEMENT FOR SEWAGE DISPOSAL

THIS AGREEMENT made as of the 2nd day of February, 200~~6~~⁷ between the City of Pacific, a municipal corporation of the State of Washington (hereinafter referred to as "the City") and King County, a political subdivision of the State of Washington (hereinafter referred to as "the County");

WITNESSETH:

WHEREAS, the City and the County have entered into a long term agreement for sewage disposal dated October 3, 1974 as amended and previously extended (hereinafter referred to as the "Basic Agreement") and the County has proposed certain changes to, and a second extension of, the Basic Agreement; and

WHEREAS, the extension of the Basic Agreement will ensure that the County is able to obtain the most favorable bond financing terms for necessary improvements to the region's wastewater treatment system and will therefore ensure the lowest possible sewer rates and sewage treatment capacity charges for the system's ratepayers, and

WHEREAS, the City concurs that said proposed changes and extension are in the best interest of the parties and the citizens of the Metropolitan Area;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Amendment of Basic Agreement—Section 5.3. Section 5.3 of the Basic Agreement is hereby amended by adding the following new subparagraph d).

"d) An additional charge may be made to recover unforeseen costs to operate and maintain the metropolitan sewerage system or meet debt requirements if the county executive declares and the county council by a supermajority vote (two thirds of members) finds that an emergency exists and the system cannot be adequately maintained, and debt requirements or debt

policies met, without such additional charge. The additional charge shall then be effective no earlier than the first day of the fourth month following the emergency declaration described in this subparagraph 3.d) and shall be billed and collected in the same manner as the monthly rate referenced in subparagraph 3.c). The additional charge described in this paragraph 3.d) may be incorporated into the next rate setting cycle but will otherwise terminate within twelve months of the date approved. The additional charge described in this subparagraph 3.d) shall not be made until and unless it also conforms to the sewage disposal agreements with all remaining Participants.”

Section 2. Amendment of Basic Agreement—Section 5.4. Section 5.4 of the Basic Agreement is hereby amended to read as follows:

“4. The County shall impose a charge or charges (hereinafter the capacity charge) directly on the future customers of a Participant for purposes of paying for capacity in Metropolitan Sewerage Facilities. The proceeds of the capacity charge shall be used only for capital expenditures or defeasance of outstanding revenue bonds prior to maturity. The capacity charge shall be set at a level to ensure that, in combination with the monthly sewer rate described in subsection 3 above, 95% of the costs incurred to provide the wastewater conveyance, treatment and biosolids capacity to serve new customers are recovered from new customers.

The City shall, at the County’s request, provide such information regarding new Residential Customers and Residential Customer Equivalents as may be reasonable and appropriate for purposes of implementing the capacity charge.”

Section 3. Amendment of the Basic Agreement—New Section 22. A new Section 22 is added to the Basic Agreement as follows:

“Section 22. Future Amendments. The City agrees to amend and hereby concurs in any amendment to this agreement which incorporates any changes in the terms for sewage disposal and payment therefor as may be proposed by the County and agreed to by those Participants that

shall represent, in total, not less than 90% of the residential customers and residential customer equivalents then served by the Metropolitan Sewerage System and 90% of the Participants.”

Section 4. Amendment of Basic Agreements with other Participants. If the Basic Agreements with any other Participants are amended or otherwise modified to include terms, conditions, or provisions not included in this amendment, the City shall have the option of incorporating said terms, conditions or provisions into its Basic Agreement. The County shall then expedite and approve any amendments to the Basic Agreement as may be necessary and appropriate for such purpose.

Section 5. Extension of Basic Agreement. The Agreement for Sewage Disposal between the City of Pacific and King County dated October 3, 1974, as amended, is hereby extended for a period of twenty years and shall continue in full force and effect until July 1, 2056. The agreement dated October 3, 1974, as subsequently amended and extended shall constitute the entire Agreement for Sewage Disposal between the parties.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first written above; said agreement to be effective upon execution.

City of Pacific


By 

Title Mayor

Attest:


City Clerk

King County

By  2/2/07

Title Director, Dept. of Natural Resources and Parks

Attest:

