DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

Water Supply and Aid to Construction Agreement between Clark Public Utilities and the City of Battle Ground for Calendar Years 2021 - 2040

THIS AGREEMENT is made and entered into this day 2nd day of March, 2021 by and between Clark Public Utilities ("Clark") and the City of Battle Ground (the "City"), collectively the "Parties."

WHEREAS, the authority for this Agreement is granted by the Public Water System Coordination Act of 1977, Chapter 70.116 RCW; and

WHEREAS, such an agreement promotes efficient water resource management within Salmon Creek and Lewis River Basins by utilizing existing water rights permits; and

WHEREAS, such an agreement is consistent with the Clark County Coordinated Water System Plan ("CWSP") to meet regional supply needs; and

WHEREAS, water service areas for each party and responsibilities for water supply service are designated in the CWSP to help assure that time, effort, and money are best used by avoiding unnecessary duplication of infrastructure to properly manage the areas' valuable resources; and

WHEREAS, water system interties are mutually beneficial as part of a cooperative effort to better manage groundwater resources, protect in-stream flows and to provide safe and adequate water supply to North Clark County; and

WHEREAS, during certain times of the year, Clark provides the City with a significant portion of its water supply that is needed to serve the City's residents; and

WHEREAS, Clark currently provides water service to the City through an intertie; and

WHEREAS, based on certain additional improvements to its water system, as requested by the City, Clark anticipates that it will have the ability to provide excess water from its system to the City to help the City meet its water supply needs for the next twenty (20) years; and

WHEREAS, the City of Ridgefield has entered a separate agreement with Clark to receive additional water from Clark's system; and

WHEREAS, the system improvements requested by the City and separately by the City of Ridgefield would not have been performed by Clark at this time, but for this Agreement;

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

and

WHEREAS, the City has agreed to share the cost of the improvements to Clark's system with the City of Ridgefield as provided herein; and

WHEREAS, except for the shared costs of the improvements to Clark's system, the agreement between the City of Ridgefield and Clark has no impact on the terms and conditions of this Agreement and the water supply to be provided by Clark to the City as contemplated herein; and

WHEREAS, the City is relying on the water provided under this Agreement to meet its requirements under its water system plan; and

WHEREAS, the Parties recognize that Clark has a legal duty to service its customers equally.

NOW, THEREFORE, the Parties, having entered into this Agreement by their signature, agree with the following:

I. GENERAL TERMS AND OBJECTIVES

1. This Agreement shall replace the Short-Term Water Supply Agreement executed by Parties on May 2, 2005, and amended on August 4, 2009, and the Water Supply and Aid to Construction Agreement executed July 7, 2020.

2. Clark owns and maintains the intertie along NE 219th Street (SR 502) east of NE 92nd Avenue (the "Intertie"). The City owns and maintains a booster pump station (the "Booster Station") near the Intertie that houses a static water meter (the "Meter") that measures the volume of water Clark provides the City through the Intertie.

3. Clark is currently supplying up to 1,000 gallons of water per minute (gpm) to the City through the Intertie, which volume is measured by the City's Meter. As additional water supply becomes available through Clark's development of the new Paradise Point Regional Water Supply System ("PPWSS"), which includes the Paradise Point Wellfield and Paradise Treatment Plant, Clark will be able to provide the City with an additional 1,000 gpm (for a total of maximum of 2,000 gpm) except in such circumstances when Clark may be unable to provide up to the full 1,000 gpm as outlined in Section 6 herein. In order to enable Clark to provide this additional water supply, the City has agreed to pay Clark an aid to construction charge for work associated with certain improvement to the PPWSS, as outlined herein.

   The City will pay Clark an amount equal to one-half (50%) of the total costs associated with installing an additional production well (plus associated equipment) at the Paradise Point Wellfield, designated as Well #4. In addition, the City will also pay Clark for one-half (50%) of the cost one (1) filter bank at the Paradise

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

Treatment Plant. The other one-half (50%) of the total costs associated with these improvements shall be paid for by the City of Ridgefield. Clark will design, construct, own, and operate these additional facilities in the PPWSS.

The total costs of Well #4 (plus associated equipment) and the one (1) filter bank is $1,184,128. The City shall be responsible for one-half (50%) of the total cost for a total payment owed of $592,064. Construction of these facilities is complete, and the City will pay Clark its share of the actual material and construction costs ($592,064.00), which will be invoiced by Clark and payable by June 30, 2021.

When the City later contributes to the construction of a new water transmission line, described in Section I (5), upon terms to be agreed upon separately in a new agreement between the Parties, Clark will make an additional 2,000 gpm available to the City, except in such circumstances where Clark may be unable to provide up to the full 2,000 gpm as outlined in Section 6 herein, for cumulative total water supply that will not exceed 4,000 gpm unless otherwise mutually agreed between the Parties.

4. The Intertie will need to be upgraded by the City before it will be able to use the additional 1,000 gpm described in Section I (3). This work includes, but is not limited to, installing additional pumps at the City's Booster Station and associated control systems. This work will be performed by the City, at its expense, and the City will own and operate these new facilities.

5. At some point in the future, the Parties intend to construct a new large diameter waterline between the City's Intertie and the Paradise Point Water Treatment Plant, which will be known as the "Pioneer to Cherry Grove Transmission Line." Once this line is completed it will have a capacity of up to 4,000 gpm. The design and construction costs of this new line shall be shared equally between Clark and the City. The Parties will work together to develop the planning and construction schedule for the Pioneer to Cherry Grove Transmission Line, which work is expected to start no later than January 1, 2030.

6. Clark acknowledges that during certain times of the year, the City will depend on this additional water capacity to serve its residents. Clark agrees that it will use its best efforts to meet the City's water supply needs, as outlined in this Agreement, and provide uninterrupted service. But the Parties recognize that Clark must treat all of its water customers equally and that it cannot guarantee that it will be able to meet any specific customer's water demand when Clark experiences water shortages as a result of drought, equipment failure, or other causes outside of Clark's control.

7. Once Clark completes construction of its facilities, it shall maintain them at its expense.

8. Clark will continue to operate the Intertie using its Supervisory Control and Data Acquisition (SCADA) system. Clark will also maintain water levels in the City's

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

reservoirs at agreed set points. If curtailment becomes necessary due to an emergency or limited water supply, Clark and the City will coordinate to minimize the impact to the City's customers. During such event, Clark will provide the City with as much advanced notice as possible.

9. Clark and the City will continue to provide service within their respective water service boundaries, as designated through the CWSP and as shown on the Clark County GIS mapping system.

10. The City and Clark shall periodically review the City's population and demand projections to insure that the planning documents are up to date.

II. CONDITIONS OF SERVICE

1. All interties with the City will be metered.

2. Clark will be responsible for monitoring water quality serving the Intertie. The City will be responsible for monitoring its distribution system's water quality and adding fluoride (if needed). Water quality testing at the Intertie will be coordinated by the Parties.

3. The City will be responsible for maintaining the Booster Station, the Meter, and the main extension within the City.

III. WATER RIGHTS

The City previously transferred excess water rights of 1,000 AF of annual and 1,000 gpm instantaneous flow to Clark in 2005. This was to facilitate Clark's installation of a water supply well capable of meeting the City's first stage demand and to ensure that Clark's annual quantity limit was not exceeded by supplying the City water through the Intertie.

IV. COST OF WATER SUPPLY

1. Clark will charge the City its prevailing rate for water service (Public Authority Service rate class), which rate is subject to change by Clark's Board of Commissioners. Attached as Exhibit "A" is Clark's current water rates. Clark agrees to meet with the City and review any information provided by the City to reevaluate the City's appropriate water rate class.

2. Other rates, fees, and System Development Charges (SDC) for services under this Agreement will also be applied in accordance with the Public Authority Service rate class.

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

3. The capacity of the water meter at the Intertie will be increased as needed to meet the City's water demand. If the meter capacity is adjusted, the City will be responsible for the applicable SDC.

4. Payments made by the City for one-half (50%) of the construction of Well #4, its associated facilities, and the one (1) filter bank at the Paradise Point Treatment Plant, the total amount of which is $592,064, will be treated as payments in lieu of the City's future SDCs for increased meter capacity on the Intertie, up to the amount paid by the City under this Agreement. The opportunity to use these in lieu payments for SDCs on the Intertie will expire on December 31, 2030.

V. SYSTEM DEVELOPMENT CHARGES

Presently, the City uses the equivalent of a six-inch (6") meter for its water service through the Intertie, which has a current SDC of $271,030. Once Well # 4 is operational and the City increases its use to more than 1,000 gpm, the City will be responsible for a SDC for the equivalent of an eight-inch (8") meter that can measure up to 2,400 gpm. Once this occurs, the value of the City's current six-inch (6") SDC will be credited to the then applicable eight-inch (8") SDC and the available in lieu payment described under Section IV (4) will also be applied.

VI. COOPERATION FOR FUTURE WATER RIGHTS

To assist Clark in the development of future water supply sources, the City will support Clark's efforts to acquire additional water rights and its pursuit of any water system development grants or loans.

VII. ASSIGNMENT/SUBCONTRACTING

No party to this Agreement shall transfer or assign, in whole or in part, its respective rights or obligations under this Agreement without the prior written consent of the other parties. Consent for assignment or transfer shall not be unreasonably withheld.

VIII. INDEPENDENT CAPACITY

Employees or agents of a Party engaged in the performance of projects under this Agreement shall continue to be employees or agents of that Party and shall not be considered employees or agents of any other Party to this Agreement.

IX. ALTERATIONS AND AMENDMENTS

This Agreement may only be amended by written agreement between the Parties that is signed by personnel authorized to bind each Party.

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

X. DISPUTES

The principal executive or their designee of each Party shall attempt to resolve all disputes regarding the terms of this Agreement in good faith. In the event the dispute is not resolved by the Parties, the matter will be referred to the Superior Court of the State of Washington in and for Clark County.

Parties shall bear their own legal fees, costs, and expenses related to enforcing rights and responsibilities of this Agreement.

XI. RECORDS MAINTENANCE

The Parties shall retain project records that sufficiently and properly reflect all direct and indirect costs incurred for the performance of services in this Agreement. Records shall be subject to inspection, review, or audit by each Party and the Office of the Washington State Auditor. All records shall be retained in accordance with the State of Washington records retention schedule.

XII. GOVERNANCE

This Agreement is entered into under the authority granted by the State of Washington and provisions of the Agreement shall be construed to conform to Washington State laws.

XIII. WAIVER AND SEVERABILITY

Failure by any Party to this Agreement to exercise rights under this Agreement shall not preclude that Party from subsequent exercise of those rights and shall not constitute a waiver of those rights or any other right under this Agreement. Waiver of any rights under this Agreement requires a written statement signed by an authorized representative of the Party waiving such rights.

If any provision of this Agreement or provision of a document incorporated by reference to this Agreement is found invalid, the invalidity shall not affect other provisions of this Agreement if the other provisions can be given effect without the invalid provision. The provisions of this Agreement are declared severable. In the event that certain language or a section of this Agreement is invalidated, the Parties will negotiate alternative terms to effectuate the Parties' intent. If the Parties are unable to reach agreement on alternative terms within 30 days of the invalidity determination, this Agreement will terminate.

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

XIV. ENTIRE AGREEMENT

This Agreement contains all the terms and conditions agreed upon by the parties on the subject of this Agreement. No other understandings, oral or otherwise, exist or bind the Parties.

XV. INDIRECT OR THIRD-PARTY BENEFICIARIES

The Parties do not intend, by this Agreement, to assume contractual obligations to any other party than the Parties named in this Agreement. There are no indirect or third-party beneficiaries to this Agreement.

XVI. NOTICES

Any notices given under this Agreement shall be delivered and addressed to:

Clark Public Utilities
Attn: Director of Water
PO Box 8900
Vancouver, WA 98668

City of Battle Ground
Attn: City Manager
109 SW 1st Street, Suite 221
Battle Ground, WA 98604

The undersigned Parties agree to all of the terms and conditions contained in this Agreement.

IN WITNESS WHEREOF, the Parties execute this Agreement by their duly authorized officers as of the 2nd day of March, 2021.

CLARK PUBLIC UTILITIES

DocuSigned by:
BY: Lena Kittler
B954A3862E8849F...

TITLE: CEO/General Manager

CITY OF BATTLE GROUND

DocuSigned by:
BY: Erin Erdman
8212D866B3BB448...

TITLE: City Manager

Approved as to form:

DocuSigned by:
John Eldridge
7F643C7B4B14441...

John Eldridge/General Counsel

Approved as to form:

DocuSigned by:
Christine Hayes
[illegible]

Christine Hayes/City Attorney

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

Exhibit A

CLARK'S CURRENT WATER RATES

Rate Class (per Resolution No, 6974)

PUBLIC AUTHORITIES SERVICE
REVENUE CLASS 0

APPLICABILITY

This revenue class applies to schools, municipalities, political subdivisions, or agencies of county, state, or federal governments.

MONTHLY CHARGE

The sum of the basic charge per meter and the volume charge for water used.

MONTHLY VOLUME CHARGE

$1.85 per 100 cubic feet (ccf) – Block 1
$2.40 per 100 cubic feet (ccf) – Block 2
$2.95 per 100 cubic feet (ccf) – Block 3

These rates will be applied on a daily basis using a 30-day average.

MONTHLY BASIC CHARGE AND VOLUME PER BLOCK

Schedule (Suffix)	Meter	Basic Charge	Block 1 (Cubic Feet)	Block 2 (Cubic Feet)	Block 3 (Cubic Feet)
53 (A or A/B Meter)	5/8" x ¾"	$9.00	0 - 1,800	1,801 - 3,600	Over 3,600
54 (B Meter)	1"	$16.10	0 - 4,500	4,501 - 9,000	Over 9,000
55 (C Meter)	1 ½"	$36.00	0 - 9,000	9,001 - 18,000	Over 18,000
56 (D Meter)	2"	$64.15	0 - 18,000	18,001 - 36,000	Over 36,000
57 (E Meter)	3"	$144.00	0 - 41,400	41,401 - 82,800	Over 82,800
58 (F Meter)	4"	$256.05	0 - 73,800	73,801 - 147,600	Over 147,600
59 (G Meter)	6"	$572.80	0 - 165,600	165,601 - 331,200	Over 331,200
60 (H Meter)	8"	$1018.15	0 - 295,200	295,201 - 590,400	Over 590,400

TERMS OF SERVICE

Service under this rate is subject to the District's general terms and conditions for water service. The District reserves the right to regulate at all times the hours when customers will be permitted to use District water for any nonessential household purposes.

DocuSign Envelope ID: 3F69B358-1BB6-446F-AF8E-1C1C2D4217FC

SERVICE INSTALLATION FEES (per Resolution No. 7196)

Service Size	**Fee**
Up to 1"	$2,200
1 ½" and larger	Time and Materials

Customers requesting services larger than one inch will be billed for time and material costs for the installation of the service.

Meter Set Only
(Lots in subdivisions that currently have boxes)

Size	Current Charge	(Breakdown)
5/8 x ¾	$3,255	$355 meter + $2,900 SD
¾"	$4,540	$370 meter + $4,170 SD
1"	$7,890	$460 meter + $7,430 SD
1 ½"	$17,380	$670 meter + $16,710 SD
2" Meter	$30,820	$1,130 meter + $29,690 SD
3" Meter	$68,290	$1,480 meter + $66,810 SD
4" Meter	$121,110	$2,320 meter + $118,790 SD
6" Meter	$271,030	$3,760 meter + $267,270 SD

Meter Set and Service
(Land without meter box but water main in the street)

Size	**Total Charge**
5/8 x ¾ Meter	$5,455 total cost
¾" Meter	$6,740 total cost
1" Meter	$10,090 total cost
1 ½" Meter	$19,580*
2" Meter	$33,020*
3" Meter	$70,490*
4" Meter	$123,310*
6" Meter	$273,230*

*Meter sizes greater than 1 ½" are subject to an additional time & material charge.