Short-Term Agreement for Wholesale Supply, for Calendar Year 2005

Regional Water Supply Agreement for Implementing Water System Interties
Under Clark County Coordinated Water System Plan

The authority for this agreement is granted by the Public Water System Coordination Act of 1977, Chapter 70.116 RCW.

WHEREAS, Such an agreement promotes efficient water resource management within the Salmon Creek Basin 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 service to properly manage the area's valuable resources; and,

WHEREAS, Water system interties are mutually beneficial as part of a cooperative effort to provide safe and adequate water supply to North Clark County; and,

WHEREAS, the following administrative procedures and management system will enable all of the water purveyors to participate in a regional program;

NOW THEREFORE, Clark Public Utilities and the City of Battle Ground having entered into this Agreement by their signature, concur with the following:

GENERAL TERMS AND OBJECTIVES

1. Clark Public Utilities and the City of Battle Ground are committed to providing potable water on a cost-of-service basis for those areas located within their respective service areas. Clark Public Utilities and the City of Battle Ground are therefore committed to water service policies consistent with recommendations of the CWSP and their Water System Plans.

2. A new intertie will be constructed by the Receiving Party (the City of Battle Ground) and water supply improvements will be implemented by the Supplying Party (Clark Public Utilities) to allow water supply, estimated at 500 gpm or more to be supplied through the intertie.
3. The intertie between Clark Public Utilities and the City of Battle Ground will be implemented under the same terms and conditions as existing intertie except for appropriate unit cost adjustments that reflect actual cost of service.

4. The existing intertie between the Parties will be closed upon completion of a new intertie. The motor-operated valve from the existing intertie will be relocated to the new intertie location, and SCADA will be installed to allow both parties to monitor the flow through the intertie.

CONDITIONS OF SERVICE

1. Interties must be metered and water utilized subject to conservation objectives and programs outlined in the CWSP and each Utility’s Water System Plan. Initially a meter will be installed capable of measuring 500 gallons per minute (gpm) at the intertie service conditions.

2. Extension of service, as well as resale to other water purveyors, must be consistent with the approved CWSP and this agreement.

3. No service will be permitted that will result in a degradation of water quality. The Supplying Party (Clark Public Utilities) will be responsible for monitoring water quality at the Intertie. The Receiving Party (City of Battle Ground) will be responsible for monitoring distribution system water quality, adding fluoride (if needed) and maintaining a backflow prevention program.

4. The Intertie Constructing Party (City of Battle Ground) will be responsible for maintaining the main extension, Intertie, and metering equipment. Construction and maintenance costs will not be included in the rates charged to the Receiving Party (City of Battle Ground).

5. Requests for water will be at the direction of the Receiving Party (City of Battle Ground).

6. Operation of the Intertie for will be at the direction of the Supplying Party (Clark Public Utilities). The Supplying Party will supply water whenever water is available, and a request is made by the receiving party.

WATER RIGHTS

With the Department of Ecology’s approval, the Receiving Party (City of Battle Ground) will transfer approximately 1,000 AF of annual, excess water rights to the Supplying Party (Clark Public Utilities) to ensure that the Supplying Party’s annual quantity is not exceed by providing water supply through the Intertie. The following water rights will be transferred:
<table>
<thead>
<tr>
<th>Well No.</th>
<th>Location</th>
<th>Source Aquifer***</th>
<th>Control No.</th>
<th>Status</th>
<th>Transfer Date</th>
<th>Speed (CI)</th>
<th>Remaining Instantaneous Quantity (CI)</th>
<th>Transfer Speed (CI)</th>
<th>Remaining Primary Annual Quantity (Ci)</th>
<th>Current Well Capacity</th>
<th>2004 Water Use at/yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well 3*</td>
<td>3N/2 E-3B</td>
<td>UT</td>
<td>2284</td>
<td>Certificate</td>
<td>10/18/1954</td>
<td>21</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Wells 7, 8 &amp; 9**</td>
<td>3N/2 E-4K</td>
<td>SGA</td>
<td>G2-29477</td>
<td>Permit</td>
<td>8/13/1986</td>
<td>1,375</td>
<td>2,000 (943 remaining)</td>
<td>943</td>
<td>1,200</td>
<td>726.8</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
<td>1,375</td>
<td>1,000</td>
<td>943</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Notes:
* Well 3 has been decommissioned as per the provisions of G2-29208.
** Capacity of Wells 7 and 8 have been diminished due to clogging by iron bacteria.
*** Source aquifers include Upper Troutdale aquifer (UT) and Sand and Gravel aquifer (SGA)

A yearly water resources use estimate will be prepared by both parties and shared among them. The water resource use estimate will include:

1. Water demand forecast, average use,
2. Water demand forecast, peak day use,
3. Water rights permits and certificates, instantaneous capacity,
4. Water rights permits and certificates, annual capacity,
5. Installed pumping capacities.

If this agreement is terminated by either party, for any reason, the Supplying Party (Clark Public Utilities) agrees to Transfer the following water rights to the Receiving Party, unless otherwise agreed to by both parties.

<table>
<thead>
<tr>
<th>Well No.</th>
<th>Location</th>
<th>Source Aquifer***</th>
<th>Control No.</th>
<th>Status</th>
<th>Transfer Date</th>
<th>Speed (CI)</th>
<th>Remaining Instantaneous Quantity (CI)</th>
<th>Transfer Speed (CI)</th>
<th>Remaining Primary Annual Quantity (Ci)</th>
<th>Current Well Capacity</th>
<th>2004 Water Use at/yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well 3*</td>
<td>3N/2 E-3B</td>
<td>UT</td>
<td>2284</td>
<td>Certificate</td>
<td>10/18/1954</td>
<td>21</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Wells 7, 8 &amp; 9**</td>
<td>3N/2 E-4K</td>
<td>SGA</td>
<td>G2-29477</td>
<td>Permit</td>
<td>8/13/1986</td>
<td>1,375</td>
<td>2,000 (943 remaining)</td>
<td>943</td>
<td>1,200</td>
<td>726.8</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000</td>
<td>1,375</td>
<td>1,000</td>
<td>943</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Notes:
* Well 3 has been decommissioned as per the provisions of G2-29208.
** Capacity of Wells 7 and 8 have been diminished due to clogging by iron bacteria.
*** Source aquifers include Upper Troutdale aquifer (UT) and Sand and Gravel aquifer (SGA)

By transferring water rights to the Supplying Party, the Receiving Party does not forfeit its rights to future financial consideration for this permanent transfer of its excess water rights, under a future agreement.
By receiving these water rights for this agreement, the Supplying Party agrees to waive the system development charge for the new intertie to be constructed by the Receiving Party.

By waiving the system development charge for the intertie for this agreement, the Supplying Party does not forfeit its right to charge a system development charge, or capital contributions under a future agreement.

COST OF WATER SUPPLY

1. Rates charged for water service will be cost-of-service based. Rates will remain in effect until a new cost-of-service study has been completed and adopted by Clark Public Utilities Commissioners. Rates will be set by resolution of the Supplying Party and will go into effect in accordance with the enacting document. The Receiving Party will be notified when an update of the Cost of Service Analysis is being initiated by the Supplying Party and prior to public review of the proposed rates.

2. Rates for Service will include the monthly customer service charge, and monthly rate volume charge identified in the Public Authority service class of the current cost-of-service study.

3. In the event the intertie meter is upsized, the Receiving Party will be responsible for the differential cost between sizes. Upsizing of intertie meters will be required when the meters exceed their rated capacity more than 50% of the time they register flow.

SUPPLY AND SERVICE TYPE

The type of service and amount of flow available for this agreement is summarized in the table below.

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The amount of flow available during peak hours is:</td>
<td>As available, limited by intertie design.</td>
</tr>
<tr>
<td>The amount of flow available during off-peak hours is:</td>
<td>As available, limited by intertie design.</td>
</tr>
<tr>
<td>The amount of non-guaranteed service flow is:</td>
<td>As available, limited by intertie design.</td>
</tr>
<tr>
<td>The Initial cost of service Rate for service is:</td>
<td>$1.25*</td>
</tr>
<tr>
<td>The capital contribution for guaranteed service is</td>
<td>Not applicable in this agreement.</td>
</tr>
</tbody>
</table>

* - current volume rate for Clark Public Utilities, 2005
Either Party may terminate this agreement by delivering a signed letter (Termination Letter) to the other Party stating the intent to terminate the agreement. The agreement will terminate not less than 120 days after receipt of the signed Termination Letter is received.

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

Supplying Agency
Clark Public Utilities

By: ___________________________
Title: Director of Water Services
Date: 5-2-05

Receiving Agency
City of Battle Ground

By: ___________________________
Title: City Mgr.
Date: 4-26-05
Water Supply Agreement between
Clark Public Utilities and the City of Battle Ground
for Calendar Years 2009 - 2029

THIS AGREEMENT is made and entered into this 4th day of August, 2009 by and between Clark Public Utilities ("Clark") and the City of Battle Ground (the "City").

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

WHEREAS, such an agreement promotes efficient water resource management within the Salmon Creek Basin 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 and to provide safe and adequate water supply to North Clark County; and

WHEREAS, Clark currently anticipates that it has the ability to provide excess water from its system to the City to help the City meet its water supply needs for next twenty years; and

WHEREAS, the City has requested water service from Clark and Clark has agreed to provide such water service subject to the terms of this Agreement.

NOW THEREFORE, the City, having entered into this Agreement by its signature, concurs with the following:

GENERAL TERMS AND OBJECTIVES

1. This Agreement shall supersede and replace the Short-Term Water Supply Agreement signed by the parties on May 2, 2005.

2. The City shall construct and maintain ownership, at its expense, a new intertie along NE 219th Street (SR 502) east of NE 92nd Avenue. Clark shall perform water supply improvements west of the current water service boundary (NE 92nd Avenue) to allow an initial water supply of 1,000 gpm. As additional water supply is developed by Clark, and future pumps are added to the system at the intertie by the City, such volume is expected to allow a maximum of 3,000 gpm to be supplied through the new intertie.
between Clark and the City will be operated by Clark using Clark’s Supervisory Control and Data Acquisition (SCADA) system to maintain mutually agreed upon set points for the City’s reservoirs. During times of emergencies or high demand Clark and the City will communicate their water needs and will manage the system to provide a minimum level of service for both purveyors. If the parties observe that demand for water exceeds the available supply and there is clear evidence that, unless limitations are imposed, water use at normal levels will lead to a rapid depletion of water source reserves, such as drought situations or when significant facility failures occur, the City agrees to impose conservation and emergency measures concurrently with Clark. The existing intertie (Maple Grove, Flow 9) between the parties will remain as an emergency backup upon completion of the new intertie and until the City no longer needs this point of connection.

3. Clark and the City will continue to serve, within their respective water service boundaries, as designated through the CWSP and as shown on the Clark County GIS mapping system. Subject to approval by both parties, minor service modifications are allowed to ensure efficient service delivery.

4. SCADA will be installed in the new booster building (intertie) to allow both parties to monitor the status of the facility in real time. Clark will oversee control of the intertie regarding ON/OFF settings and flow needs based on requests from the City and the capacity status of Clark’s water system. The City will grant access for installation of intertie appurtenances in the intertie building.

CONDITIONS OF SERVICE

Interties will be metered and the water utilized is subject to conservation objectives and programs outlined in the CWSP and each party’s Water System Plan. Initially, a meter will be installed capable of measuring 1,000 gallons per minute (gpm) at the intertie service location.

No service will be permitted that will result in a degradation of Clark’s water quality. Clark will be responsible for monitoring water quality to the intertie and maintaining the metering equipment. The City will be responsible for monitoring its distribution system water quality and adding fluoride at the intertie location (if needed).

The City will be responsible for maintaining the main extension within the city limits, the intertie, and its metering equipment.

Either party may terminate this Agreement with six (6) months prior notice to the other party of its election to terminate the Agreement, subject to approval by the Department of Health.

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 water through the intertie.
A yearly water resources use estimate will be prepared by both parties and shared among them. The water resources use estimate will include:

1. Water demand forecast, average use
2. Water demand forecast, peak day use
3. Water rights permits and certificates, instantaneous capacity
4. Water rights permits and certificates, annual capacity
5. Installed pumping capacities

COST OF WATER SUPPLY

1. Clark will charge its prevailing rate for water service (Public Authority Service class). Rates are subject to periodic updates reflecting Clark’s cost-of-service.

2. Rates, fees, and system development charges for service will be applied in accordance with the Public Authority Service class of Clark’s rate schedules for water service.

3. The intertie water meter shall be upsized at the City’s expense when the flow requested by the City exceeds the accuracy limits established by the manufacturer of the meter installed. An additional system development charge shall be paid by the City to Clark for the added capacity.

CURRENT CHARGES

The current system development charge for a 6-inch meter that can measure the 1,000 gpm flow is $211,970.

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

MONTHLY VOLUME CHARGE
$1.60 per 100 cubic feet (ccf) – Block 1
$2.08 per 100 cubic feet (ccf) – Block 2
$2.56 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

<table>
<thead>
<tr>
<th>Schedule (Suffix)</th>
<th>Meter</th>
<th>Basic Charge</th>
<th>Block 1</th>
<th>Block 2</th>
<th>Block 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6-inch</td>
<td>($509.15)</td>
<td>0 – 165,600</td>
<td>165,601 – 331,200</td>
<td>Over 331,200</td>
</tr>
</tbody>
</table>

The City will construct and maintain ownership of an intertie at its expense, which will be comprised of a booster station and pipe gallery, prior to the booster station that will be used to meter flows. Initial construction will allow 500 to 1,000 gpm flow through the booster station. As the water demand increases and water supply facilities are developed, additional pumps can be added by the City to give a maximum flow of 3,000 gpm over a 20-year time frame.
To assist Clark in the development of future supplies, the City will support Clark’s efforts in acquiring water right applications, grants, and loans.

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

Clark Public Utilities

By:  
Title:  
Date:  5-4-09

City of Battle Ground

By:  
Title:  Dennis Osbourn, City Manager
Date:  7-21-09