AGREEMENT FOR JOINT OPERATION AND UTILIZATION
OF SEWAGE DISPOSAL FACILITIES

AGREEMENT, dated as of January 1, 1975, by and between
THE TOWN OF COULEE DUN, WASHINGTON, a municipal corporation, herein
referred to as "Coulee Dun", and THE TOWN OF ELMER CITY, WASHINGTON,
a municipal corporation, herein referred to as "Elmer City".

By authority granted under RCW 39.34.080 and by authority
granted to Towns under the Statutes and Constitution of the State
of Washington, the parties agree as follows:

ARTICLE I.

Duration of Agreement.

The duration of this agreement shall be fifty (50) years, commencing January 1, 1975, and such additional time
as the parties may jointly agree.

ARTICLE II.

The Organization for Carrying Out Joint Construction
and Operation of Sewage Disposal Facilities

A. During the phase of design and construction of improvements
to the Coulee Dun Sewage Disposal Plant, the following organizational
plan shall be in effect:

(1) Elmer City has prepared a Sewage Facilities Plan
(September, 1974, by Stevens, Thompson & Runyan, Inc., Engineers and
Planners) which proposes a plan for modification of said sewage disposal
facilities for the joint use by the two towns. The Plan proposes that
said facilities shall be enlarged to accommodate the additional load
resulting from disposing of the sewage from Elmer City and the intervening
area, and for the modification of said facilities to better meet
environmental and water quality standards. It is proposed that the cost
of construction shall be financed by grant funds equal to approximately
ninety per cent (90%) of the cost, and the balance by funds to be
obtained by the respective towns as hereinafter provided.

(2) Elmer City shall be the grant recipient of all funds
to be acquired from the United States and State of Washington to implement

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said plan and will arrange for interim financing.

(3) Elmer City shall enter into and be the contractor for the engineering and design work for said project; provided, however, the design of the sewage disposal facilities shall be subject to approval by Coulee Dam prior to bid call and construction, and the planners and engineers shall have equal responsibility to Coulee Dam for design and engineering applicable to said facilities.

(4) Upon approval of plans and specifications by both towns, Elmer City shall call for bids for construction of the project.

The parties agree that said call for bids and contract may include calling for bids for the entire plan, which includes construction of sewage gathering system for Elmer City and the area between the two towns, as well as modification of the sewage disposal facilities.

(5) Award of Contract shall be subject to approval of Coulee Dam. Supervision and inspection during construction to the disposal facilities shall be by mutual approval of the parties.

(6) There shall be no separate entity formed to implement this agreement but each town shall be represented by its mayor where joint action is required.

B. Upon completion of construction the following organizational plan shall be in effect:

(1) Each town shall be solely responsible for operation and maintenance of its sewage gathering facilities and the delivery of sewage in a closed pipe system to the sewage disposal plant.

(2) Coulee Dam shall operate and maintain the sewage disposal facilities as herein provided.

(3) Ownership of all sewage disposal facilities shall remain in Coulee Dam.

C. Additional area participation: The plan calls for participation in sewage facilities by the intervening unincorporated area of Okanogan County which may form a Local Improvement District or

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other legal entity. Such entity would be formed for the purpose
of gathering sewage and contracting for disposal. The responsibility
for contracting such service shall remain solely with Elmer City
and for the purpose of this agreement any sewage delivered by Elmer
City through its system to the Coulee Dam Sewage Disposal Facilities
shall be and will remain the obligation of Elmer City and all
obligations relating to volume of sewage, charges to be assessed,
and any related matters with respect to sewage disposal of the
quantities delivered to the Coulee Dam Sewage Disposal Plant by
the Elmer City force main shall be and shall remain the responsibility
of Elmer City, and Coulee Dam shall need to deal only with Elmer
City for such disposal and the cost thereof.

ARTICLE III.

Purpose of Joint Agreement

The purpose of this agreement is to provide for the improvement
and modification of Coulee Dam sewage disposal plant to accomplish
the following:

A. To provide sewage disposal facilities for both
town as well as the intervening area, by increasing the
capacity of such facilities;
B. To update and improve the sewage disposal facilities
to meet Federal and State environmental and water quality
standards;
C. To provide for the financing of such improvements
and modifications and for the joint use, operation, and
maintenance thereof.

ARTICLE IV.

The Manner of Financing the Cooperative Undertaking and
of Establishing and Maintaining a Budget Therefor

A. Elmer City has made application for grant funds to
provide ninety per cent (90%) of the cost of the enlargement,
noification and improvement of Coulee Dam’s sewage disposal
facilities. The Cooperative project provided for by this
agreement is contingent upon approval of such grant funds. In event
grant approval is not obtained, then Coulee Dam shall have no
liability or obligation hereunder, including any expense incurred
for planning, design, engineering or work performed.

B. Upon approval of plan and grant by Federal and State
Agencies, Elmer City shall pay:

(1) The balance of the costs of engineering and
construction of its sewage gathering facilities,
including the intervening area, and transmission
facilities to the Coulee Dam sewage disposal plant;

(2) All costs attributable to the enlargement of
the Coulee Dam sewage disposal plant. The engineering
firm retained by Elmer City shall keep completely
separate accounting of the costs of enlargement
and modification of the sewage disposal facilities to
accommodate the additional load created by Elmer City
and the intervening area as distinguished from those
costs incidental to the updating and modifications of
the sewage disposal facilities to meet environmental
and water quality standards;

(3) The proportion of engineering and construction
costs for the updating and modification of Coulee Dam
sewage disposal plant to meet new environmental and water
standards equal to the ratio of the population served by
Elmer City and the intervening area sewage gathering
facilities as compared to the total population served
by the sewage disposal facilities;

(4) All costs of interim financing caused by any
delay in receipt of grant funds, except that Coulee Dam
shall participate in the proportion of interim financing costs attributable to its share of costs of updating its disposal facilities.

E. Coulee Dam shall pay the proportion of engineering and construction costs for the updating and modification of Coulee Dam sewage disposal plant to meet new environmental and water standards equal to the ratio of the population served by Coulee Dam sewage gathering facilities as compared to the total population served by the sewage disposal facilities.

C. Operation and Maintenance:

1. The following shall be considered operation and maintenance costs for the sewage disposal facilities:

   (a) All labor incidental to operating the sewage disposal facilities, including, but not limited to, supervision, laboratory testing, sludge removal, maintenance, and fringe benefits.

   (b) Repair and replacement parts, machinery, and equipment for such facilities.

   (c) Chlorine and all other chemicals and products needed for operation and testing.

   (d) Utilities, including heat, electricity, water, and communications.

   (e) Operator and Supervisor Training and manuals.

   (f) Depreciation and replacement according to approved municipal accounting standards.

   (g) Amortization of debts, including interest.

   (h) Overhead, including, but not limited to, transportation, insurance, office expense, and taxes.
7. Flow measuring devices shall be maintained to record
the flows generated by each town. All of the costs of operation and
maintenance shall be paid by each town in proportion to the flows
generated by each town. Coulee Dam shall administer the facilities
and shall keep all records pertaining thereto and shall bill Elmer
City its share thereof at intervals of once each three (3) months.
Each town, respectively, shall establish rates for the gathering
and disposal of sewage which shall be adequate to pay its share of
costs provided for herein and to amortize any debt incurred for the
construction of the planned facilities.

D. Subsequent Improvements and Modifications:
In event it becomes necessary to make subsequent
enlargements, improvements, replacements and modifications to
Coulee Dam sewage disposal facilities during the period of this
agreement, the respective towns shall pay the costs thereof in
proportion to the flows generated by each town for the year prior to
the determination to incur such costs; provided, however, if
such construction is required by anticipated changed requirements
by either or both of the towns, then consideration shall be
given to the proportion of use anticipated by such new requirements.

E. Budget and Funds for Operation and Maintenance of
Facilities:
Coulee Dam shall establish and maintain a separate
accounting for the cost of operation and maintenance of the sewage
disposal facilities. Coulee Dam shall make a budget each year
covering the anticipated receipts and expenditures related thereto
and shall furnish Elmer City a copy thereof as well as an annual
statement of actual receipts and expenditures incidental thereto.

ARTICLE V.

Methods of Termination of Agreement
This agreement may only be terminated by the mutual
ARTICLE VI.

Provision for Administration

A. Each town will administer and operate its own sewer gathering facilities and be responsible for transmitting its sewage to the disposal facilities where the same shall be metered. Each town shall use its best efforts to restrict and prevent inflows into the system other than sanitary sewage flows. In event industrial use other than now existing is contemplated in such plant, then the parties shall negotiate to the end that equitable adjustment shall be made to reflect a proper allocation of the cost for such use, both as to operation and maintenance and cost of plant modifications.

Coulee Dam shall operate and maintain the sewage disposal plant and shall administer the funds necessary therefor. Elmer City shall be the grant recipient and administrator of grant funds during the construction phase. It is intended that the same engineering firm will do the engineering for the entire project but shall be responsible to Elmer City for its sewage gathering facilities and shall be responsible to both parties for the sewage disposal plant. The towns may establish a joint committee to oversee administrative details.

B. During the construction phase Elmer City shall make payment for all of the costs incurred and shall render a detailed breakdown thereof to Coulee Dam. The proportion of costs to be made by Coulee Dam in excess of the ninety per cent (90%) grant funds as above provided shall be paid by Coulee Dam to Elmer City monthly as incurred.

ARTICLE VII.

Manner of Acquiring, Holding, and Disposing of Property

Title to the jointly used sewage disposal facilities shall be and remain in Coulee Dam. All real and personal property and easements incidental thereto shall be in the name of Coulee Dam.
Any reserves or excess funds generated as a result of the operation and maintenance of said facilities shall be applied to future replacements and improvements; provided that in event of termination of this agreement by mutual agreement, consideration shall be given to division thereof in proportion to the amounts contributed by each town.

DATED, the 8th day of January, 1975.

TOWN OF COOLIE DAM, WASHINGTON, a municipal corporation

By

Mayor

Attest:

Town Clerk

TOWN OF ELMER CITY, WASHINGTON, a municipal corporation

By

Mayor

Attest:

Town Clerk

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ATTORNEYS AT LAW
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SUPPLEMENTAL AGREEMENT

THIS AGREEMENT Made and entered into this 10th day of March, 1976, by and between THE TOWN OF COULEE DAM, WASHINGTON, a municipal corporation, hereinafter called Coulee Dam and THE TOWN OF ELMER CITY, WASHINGTON, a municipal corporation, hereinafter called Elmer City, WITNESSETH:

WHEREAS, an Agreement was entered into on the first day of January, 1975 by the Town of Couver Dam, Washington hereinafter called Coulee Dam and the Town of Elmer City, Washington hereinafter called Elmer City relative to the construction of sewage facilities. A copy of this Agreement is attached hereto marked Exhibit "A" and made a part hereto as though set out in full herein.

The parties desire to add to said agreement and Amendment as hereinafter provided. For the consideration of the original Agreement of the first of January, 1975 and the covenants and conditions therein contained and for the consideration and covenants contained in this Supplemental Agreement, IT IS AGREED AS FOLLOWS:

1. There is hereby added to the Agreement of January 1, 1975, being marked Exhibit "A" and made a part hereto as though set out in full herein, the following clause:

(a) The parties agree that for the construction of the facilities and all costs relative thereto that Elmer City is obtaining a loan from the U.S. Department of Agriculture, Farmers Home Administration for ten (10%) percent thereof. The parties further agree that this ten (10%) percent of monies obtained by Elmer City from the Farmers Home Administration shall be designated as a connection charge but it is understood that such monies shall be used to assist in the updating of the Coulee Dam Sewer Plant as per attached Agreement Exhibit "A.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

TOWN OF COULEE DAM, WASHINGTON, a municipal corporation

By

Mayor

KELLY MANNIX, P.S.
ATTORNEY AT LAW
P.O. BOX 10
HANCOCK BUILDING
DEKL, WASHINGTON 98841
PHONE 225-0100

TOWN OF ELMER CITY, a municipal corporation

By

Mayor

Attest:

Town Clerk

Attest:

Town Clerk

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