

**AMENDED AND RESTATED AGREEMENT FOR
MAINTENANCE, OPERATION, REPAIR, EMERGENCY RESPONSE, AND CAPITAL
IMPROVEMENT OF THE DISTRICT PIPELINE SEGMENT
OF THE CASCADE WATER ALLIANCE PIPELINE**

This Amended and Restated Agreement for Maintenance, Operation, Repair, Emergency Response, and Capital Improvement of the District Pipeline Segment of the Cascade Water Alliance Pipeline ("Agreement") between CASCADE WATER ALLIANCE, a Washington municipal corporation ("Cascade"), and the SAMMAMISH PLATEAU WATER AND SEWER DISTRICT, a Washington municipal corporation ("District") (individually a "Party" and collectively the "Parties") is made this 26th day of January, 2023.

WHEREAS, Cascade Water Alliance is a Washington Municipal Corporation composed of seven Members, which are municipal corporations and special purpose districts that are party to the JOINT MUNICIPAL UTILITIES SERVICES AGREEMENT ("2012 Agreement") under the authority of Chapter 39.106 RCW for the purpose of providing water supply to meet the growing demands of its Members; and

WHEREAS, Issaquah previously transferred ownership to Cascade of a 24-inch water transmission main and appurtenances located from the point of connection with the City of Bellevue's 24-inch water main at the intersection of 161st and SE Newport Way in Bellevue, Washington to its end located at, and including, the first meter vault(s) north of the "pigging" station on 1st Avenue NE in Issaquah, Washington ("Issaquah Pipeline") which is a part of water transmission facilities commonly known as the Bellevue-Issaquah Pipeline ("Pipeline"); and

WHEREAS, the District constructed a 24-inch extension of water transmission main approximately 1345 feet in length with related valves, fittings, thrust restraints, blow-offs and appurtenances located from the point of connection to the twelve (12) inch gate valve on the south side of a meter vault existing at the District's corrosion control facility and Well 9 located on Tax Lot No. 8843500120 to a point of connection to the Pipeline owned by Cascade located in the right-of-way of First Avenue N.E. and west of address 670 First Avenue N.E. in Issaquah, Washington ("District Pipeline"); and

WHEREAS, the District transferred ownership of the District Pipeline to Cascade in 2008, and collectively the District Pipeline and Issaquah Pipeline are known as Cascade's District Pipeline Segment; and

WHEREAS, Cascade provides water supply via the Pipeline to the District, the City of Bellevue, and the City of Issaquah, which are Members of Cascade; and

WHEREAS, Cascade and the District entered into an AGREEMENT FOR OPERATIONS AND MAINTENANCE, effective March 15, 2010 ("2010 Operations and Maintenance Agreement"), whereby the Parties agreed that the District would perform maintenance and operations of Cascade's District Pipeline Segment, subject to the terms and conditions stated therein; and

WHEREAS, pursuant to the 2010 Operations and Maintenance Agreement, the District has performed such maintenance, operations, repair, and emergency response services of the

District Pipeline Segment on behalf of Cascade, is willing to continue to perform such services, and further willing to accept the right of first offer to perform capital improvements; and

WHEREAS, the 2010 Operations and Maintenance Agreement addressed responsibility for operations and maintenance of the Pipeline but did not address responsibility for capital project delivery for expansion, renovation, replacement, or improvement of the Pipeline; and

WHEREAS, Cascade wishes to continue contracting with the District for the maintenance, operation, repair, emergency response, and capital improvement of the District Pipeline Segment; and

WHEREAS, Cascade and the District now wish to amend and restate the 2010 Operations and Maintenance Agreement to incorporate minor modifications to the original terms, to clarify roles, responsibilities and expectations between each Party regarding maintenance, operations, repair, emergency response, and to address future expansion, renovation, replacement, or improvement of the District Pipeline Segment requiring a capital project;

NOW, THEREFORE, the Parties hereby agree that the 2010 Operations and Maintenance Agreement is hereby amended and restated in its entirety by this Agreement, as follows:

1. DISTRICT PIPELINE SEGMENT

Every five (5) years Cascade and the District shall review the geographic scope of the District Pipeline Segment, and upon mutual agreement, the Parties may modify the District Pipeline Segment's geographic scope.

2. MAINTENANCE, OPERATIONS, REPAIR, EMERGENCY RESPONSE, AND CAPITAL IMPROVEMENTS

Cascade and the District shall develop a District Pipeline Segment memorandum of understanding ("Pipeline MOU") between the two Parties to determine how best to implement this Agreement to ensure adequate water supply and water quality. The Pipeline MOU:

- i. Shall include information on Cascade's and the District's respective responsibilities for maintenance, operation, repair, emergency response, and capital improvement on the District Pipeline Segment and cost reimbursement; and
- ii. May be modified as needed through each Party's designee as long as the Pipeline MOU complies with the terms of this Agreement.

3. CASCADE

- A. Cascade is responsible for the maintenance, operation, repair, emergency response, and capital improvement of the Pipeline facilities and is contracting out the maintenance, operation, repair, and emergency response work for the District Pipeline Segment to the District.
- B. Cascade is responsible for the expansion, renovation, replacement, and/or improvement of the Pipeline facilities that must be solicited by competitive bid processes under Washington law ("Capital Improvement Project") and will provide the District with the right of first offer for capital improvement projects on the District Pipeline Segment.
- C. This Agreement does not delegate Cascade's responsibility under the Cascade 2012 Agreement for the delivery of water supply and the water quality of such supply to any of its Members.

4. THE DISTRICT

- A. The District shall maintain, operate, repair, and respond to emergencies on the District Pipeline Segment, on behalf of Cascade, in accordance with the Pipeline MOU described in Section 2 of this Agreement.
- B. Pursuant to Section 3.B of this Agreement, the District shall have first right of offer to provide Capital Improvement Project services for expansion, renovation, replacement, and/or improvement of the District Pipeline Segment, should these services be needed by Cascade.
- C. The District may utilize contractors, consultants, vendors, and other third parties to maintain, operate, repair, respond to emergencies, and perform capital improvements on the District Pipeline Segment.
- D. The District agrees to coordinate and cooperate with Cascade on the maintenance, operation, repair and emergency response of Cascade's District Pipeline Segment to help Cascade ensure the delivery of water supply of quality and quantity in accordance with the Cascade 2012 Agreement.

5. COST REIMBURSEMENT

- A. Maintenance, Operation, Repair, and Emergency Response: Cascade shall reimburse the District for all time and materials and third party expenditures/billables (e.g. power bills) used to perform the required maintenance, operation, repair, and emergency response of the District Pipeline Segment in accordance with this Agreement. The District shall charge and Cascade shall pay for the services provided in accordance with the District's current labor bill out rates. The labor bill out rates are updated annually by the District and Cascade shall pay the current hourly charge per the current District labor bill out rates.
- B. The District shall provide Cascade with regular invoices for all costs associated with providing maintenance, operations, repair, and emergency response services. The

frequency of invoicing and the information required in the invoices for maintenance, operations, repair, and emergency response shall be established in the Pipeline MOU.

- C. Cascade shall pay invoices within 30 days of receipt. Invoices not timely paid shall bear interest at the rate of one (1) percent per month until the amount of such invoice, plus any interest thereon, shall be paid in full.

6. LIABILITY/HOLD HARMLESS

The Parties shall mutually indemnify, defend, and hold the other Party, its officers, agents and employees harmless from and against any and all claims, losses, or liability, including attorneys' fees, arising from injury or death to persons or damage to property occasioned by any act, omission or failure of each Party, its officers, agents and employees, in the performance of this Agreement. As to claims against either Party, its officers, agents and employees, each Party expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of said Party. In the event of concurrent negligence, this obligation to mutually indemnify, defend and hold the other Party harmless is valid and enforceable only to the extent of the negligence of each Party, its officers, agents and employees.

7. DISPUTE RESOLUTION

Both Parties to this Agreement shall use every reasonable effort to resolve any issue arising under this Agreement or any dispute regarding the eligibility of costs for reimbursement by Cascade. In the event the Parties are not able to resolve a dispute arising under this Agreement, the issue shall be directed to the Chief Executive Officer ("CEO") of Cascade and the General Manager or other designee of the District for resolution. In the event that resolution is still not reached, the Parties shall hire an independent, trained, and mutually acceptable mediator to mediate the dispute. If the Parties cannot agree upon a mediator within ten (10) business days, either Party may petition a judge of the Superior Court of King County appoint such a mediator. The cost of the mediator will be shared equally by the Parties. In the event that resolution cannot be reached through mediation, the Parties make take the necessary steps to resolve the matter in the Superior Court of King County.

8. AUTHORITY

By signing this Agreement, each Party certifies that it has the authority to bind its respective governing bodies to all of the terms and conditions of this Agreement.

9. MODIFICATION

This Agreement may only be modified by written instrument signed by both Parties. Modifications to the Pipeline MOU or agreements for the District to provide Capital Improvement Project delivery services to Cascade on the District Pipeline Segment do not require modifying or amending this Agreement.

10. TERMINATION

This Agreement may be terminated by either Party upon giving the other party six (6) months prior written notice. The provisions of Section 6 of this Agreement shall survive termination of this Agreement.

11. PRIOR AGREEMENTS

As of the Effective Date, this Agreement shall supersede and replace the 2010 Operations and Maintenance Agreement.

12. EFFECTIVE DATE

This Agreement is effective upon the date of last signature below.

[Signature pages follows]

CASCADE:

CASCADE WATER ALLIANCE,
a Washington municipal corporation

By: _____

Name: Ray Hoffman

Its: Chief Executive Officer

Date: 1-26-2023

SAMMAMISH PLATEAU WATER AND SEWER DISTRICT:

SAMMAMISH PLATEAU WATER AND SEWER DISTRICT,
a Washington municipal corporation

By:  _____

Name: John C. Krauss

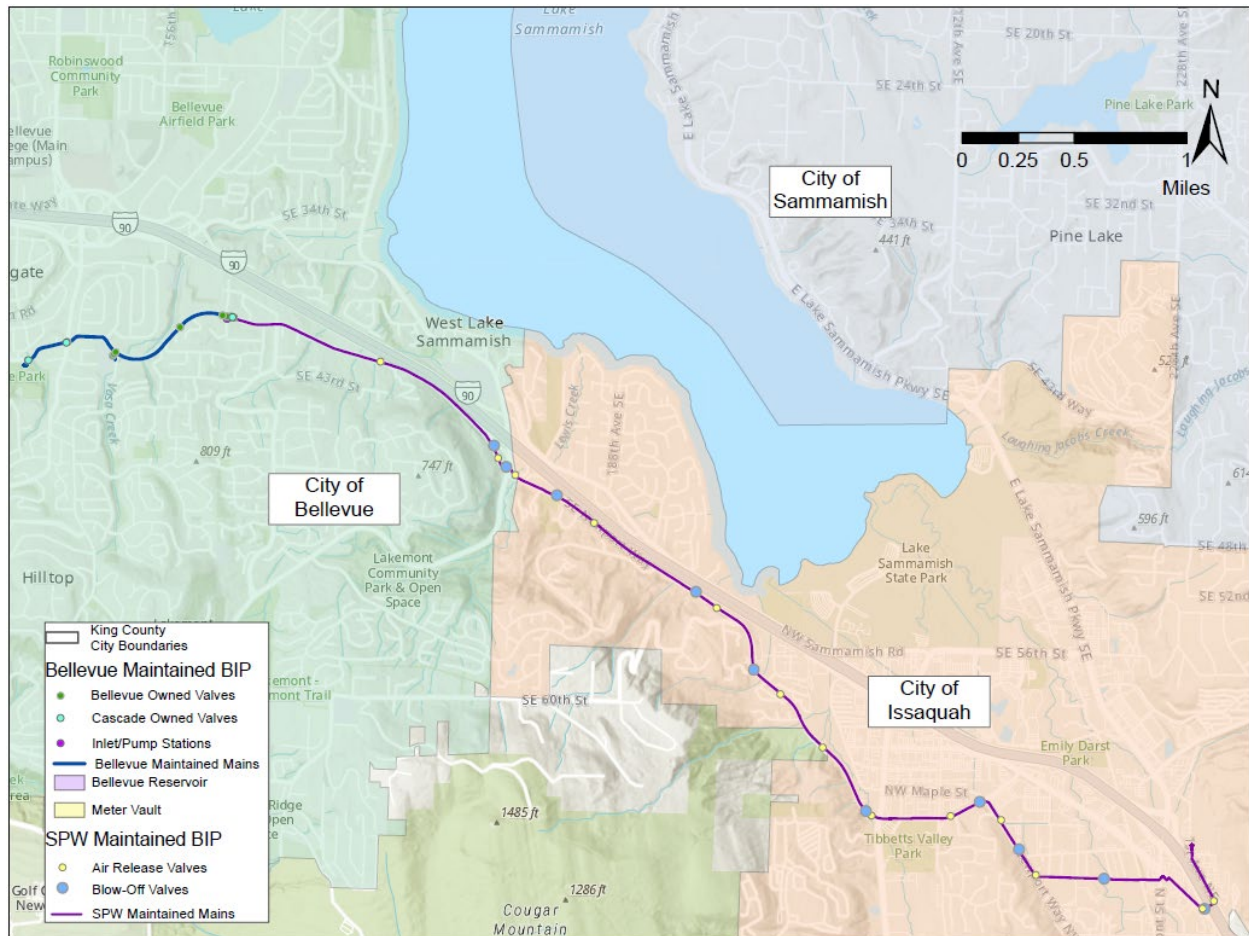
Its: General Manager

Date: 02/07/2023

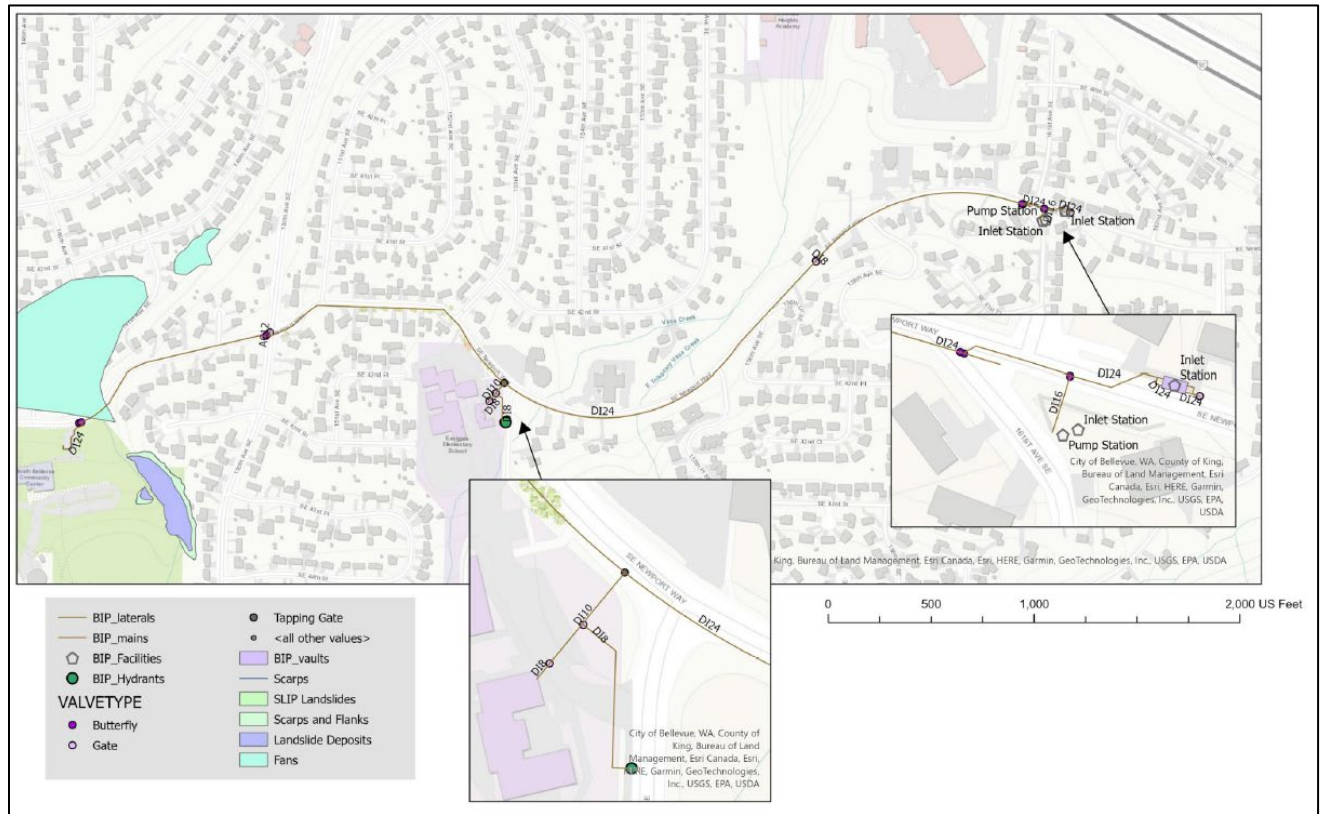
EXHIBIT A

MAPS AND DIAGRAM OF PIPELINE

Map A. Cascade Water Alliance Pipeline and Appurtenances



Map B. Cascade Water Alliance Pipeline With Connections to Other Pipelines



Map C. Cascade Water Alliance Pipeline – Line of Demarcation Between Bellevue and Sammamish Plateau Water and Sewer District Responsibilities (Plan View)



Diagram 1. Cascade Water Alliance Pipeline – Line of Demarcation Between Bellevue and Sammamish Plateau Water and Sewer District Responsibilities (Elevation View)

