

**INTERGOVERNMENTAL AGREEMENT FOR
TRANSFERRING WATER SATELLITE SYSTEMS**

BETWEEN

CITY OF VANCOUVER AND CLARK PUBLIC UTILITIES

THIS AGREEMENT (Agreement), entered into by and between City of Vancouver, a Washington Municipal Corporation, (City) and Clark Public Utilities, a Washington Municipal Corporation (CPU), and collectively referred to herein as "the Parties."

WHEREAS, Clark County and the water purveyors within Clark County conduct capital facilities and land use planning under the Growth Management Act (RCW Chapter 36.70A); and

WHEREAS, RCW Chapter 70.116, Public Water System Coordination Act, and WAC 246-293-250 require development of a Coordinated Water System Plan, including establishment of service area boundaries; and

WHEREAS, the designation of service area boundaries facilitates efficient planning and delivery of water services within Clark County, ensures that unnecessary duplication of service is avoided, and provides predictability to the water purveyors, Clark County, and citizens using water services; and

WHEREAS, the designation of service area boundaries will assure that water reserved for public water supply is used in the future in an efficient and planned manner; and

WHEREAS, the designation of service area boundaries for the cities of Camas and Vancouver have been established and three Class A satellite water systems currently operated by CPU are located in the Vancouver Water Service Area as depicted on the attached Exhibit A; and

WHEREAS, pursuant to RCW Chapter 39.33, municipalities and political subdivisions of the State of Washington may transfer their real and personal property to another municipality or political subdivision under such terms mutually agreed upon between the parties; and

WHEREAS, CPU'S Commissioners approved this transfer in a public meeting held on March 23, 2010; and

WHEREAS, by transferring such satellite water systems, CPU is relieved of the obligation and expense of operating and maintaining such systems and the City acquires assets and customers from such transfer, but also incurs the obligation of the satellite water systems' operation; and

WHEREAS, since the transfer of the satellite water systems mutually benefits both Parties, no monetary compensation to either party is provided for in this Agreement.

NOW THEREFORE, in consideration of covenants, conditions, performances, and promises hereinafter contained the undersigned parties hereto agree as follows:

1. Service Area Boundaries. The Parties acknowledge that the map identifying the service area boundaries, dated October 13, 2009, and attached to this Agreement as Exhibit A, accurately identifies the water system's future service area for the east boundary for Vancouver and the west boundary for Camas. The Parties agree that there are currently no service area conflicts between the City and CPU.
2. Satellite System Management Program. CPU maintains three Class A satellite water systems within the Vancouver Service Area. These systems are identified on the attached Exhibit A map and are known from north to south as, Morning Meadows, Regency Place, and Cascade Estates (collectively the "Satellite Systems") and serve primarily residential developments. These systems include a water source, a distribution system, and individual customer meters. Each system is currently operated and maintained by CPU.
3. Reliability and Fire Safety. The Parties note that the Satellite Systems have low-producing wells that can compromise water quality and fire safety. Increasing reliability for water supply to the areas served by the Satellite Systems and enhancing fire suppression capabilities will benefit the developed property at these sites.
4. Transfer Satellite Systems. Pursuant to this Agreement, CPU will transfer its interest in the Satellite Systems to the City. This transfer includes the existing supply wells, distribution systems and all CPU real property interest and personal property associated with such Systems. The transfer of such Satellite Systems also includes the assumption by the City of the obligation to operate and maintain the Satellite Systems upon the effective date of the transfer. The transfer of the Satellite Systems mutually benefits both parties; therefore, there will be no exchange of money for this transaction.
5. Schedule of Satellite System Transfers. Transfer of individual systems shall occur when the following conditions for water quality and reliability have been met and the City provides formal written notice to CPU:
 - a. Regency Place: When the Vancouver water supply system can provide two feeds to this satellite system and the City's distribution system is located no further than 120 feet for these two individual feeds to the existing distribution system within Regency Place.
 - b. Morning Meadows: When the Vancouver water supply system can provide a feed to this satellite system and the City's distribution system is located no further than 600 feet from the existing distribution system within Morning Meadows.

- c. Cascade Estates: When the Vancouver water supply system can provide two feeds, one from the north and one from the south, and the City's distribution system for these two individual feeds is located no further than 120 feet from the existing distribution system within Cascade Estates.

The effective date of each transfer shall be sixty (60) calendar days after the aforementioned written notice is given. Each transfer may take place separately.

6. Customer Relations. To preserve customers' confidence in their present and future water service and to maintain communication with customers, CPU, 45 days prior to transfer of the system, shall provide written notice of the transfer to their effected customers. The effected customers shall be informed that the existing interim system is temporary and a new water supply shall be provided from the City. The City will also concurrently send pertinent information to the customers concerning the transfer. CPU and City information may be combined in a single mailing packet for convenience.
7. Rates and Charges. Upon the effective transfer to the City, customers within a transferred satellite system area shall pay water rates equal to the rates established for inside City of Vancouver customers, using the same rate schedule as provided to other similar customer classes within the City.
8. Transfer of Liabilities. The City will assume liabilities for operating the Satellite Systems on the effective date of the transfer as provided herein and will collect the payments for such service thereafter. CPU will transfer its accounts receivable from Satellite System customers on the date of transfer. City will remit to CPU payments collected for service prior to the date of the transfer.
9. Fire Hydrants. Each satellite system lacks fire suppression facilities. The City at its sole expense shall install and maintain fire hydrants at locations meeting City fire hydrant standards. Fire hydrants shall be installed and located in accordance with the City's General Conditions and Engineering Standards.
10. Transfer of Lands that Support Well Fields. It is not the intent of the City to maintain ownership or sell its acquired interest in the existing lands that support each well field after decommissioning of the well system and related facilities. Each parcel that supports a well field shall be quit claimed to the property owner on which the well field and supporting facilities is located on.
11. Indemnification
 - a. CPU agrees to indemnify, defend, save and hold harmless the City, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, arising out of, or in connection with, or incident to, CPU's

operation of the Satellite Systems prior to the effective date of the transfer, as provided for herein. This indemnification shall not apply to liability arising from City's negligence or willful misconduct.

- b. City agrees to indemnify, defend, save and hold harmless CPU, its officials, employees and agents from any and all liability, demands, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, arising out of, or in connection with, or incident to, City's operation of the Satellite Systems after the effective date of the transfer, as provided for herein. This indemnification shall not apply to liability arising from CPU's negligence or willful misconduct.
- c. CPU and City specifically acknowledge that the provisions contained herein have been mutually negotiated by the parties and it is the intent of the parties that the broadest scope of indemnity permitted by law is provided.

IN WITNESS WHEREOF, the parties have executed this Agreement at Vancouver, Washington, this 23rd day of March, 2010.

CLARK PUBLIC UTILITIES

CITY OF VANCOUVER

SIGNATURE ON FILE

SIGNATURE ON FILE

Wayne Nelson/General Manager

Pat McDonnell, City Manager

Dated: 3-24-10

Dated: 4-28-10

Approved as to form:

Approved as to form:

SIGNATURE ON FILE

SIGNATURE ON FILE

John Eldridge, Legal Counsel

Ted H. Gathe, City Attorney

Attest:

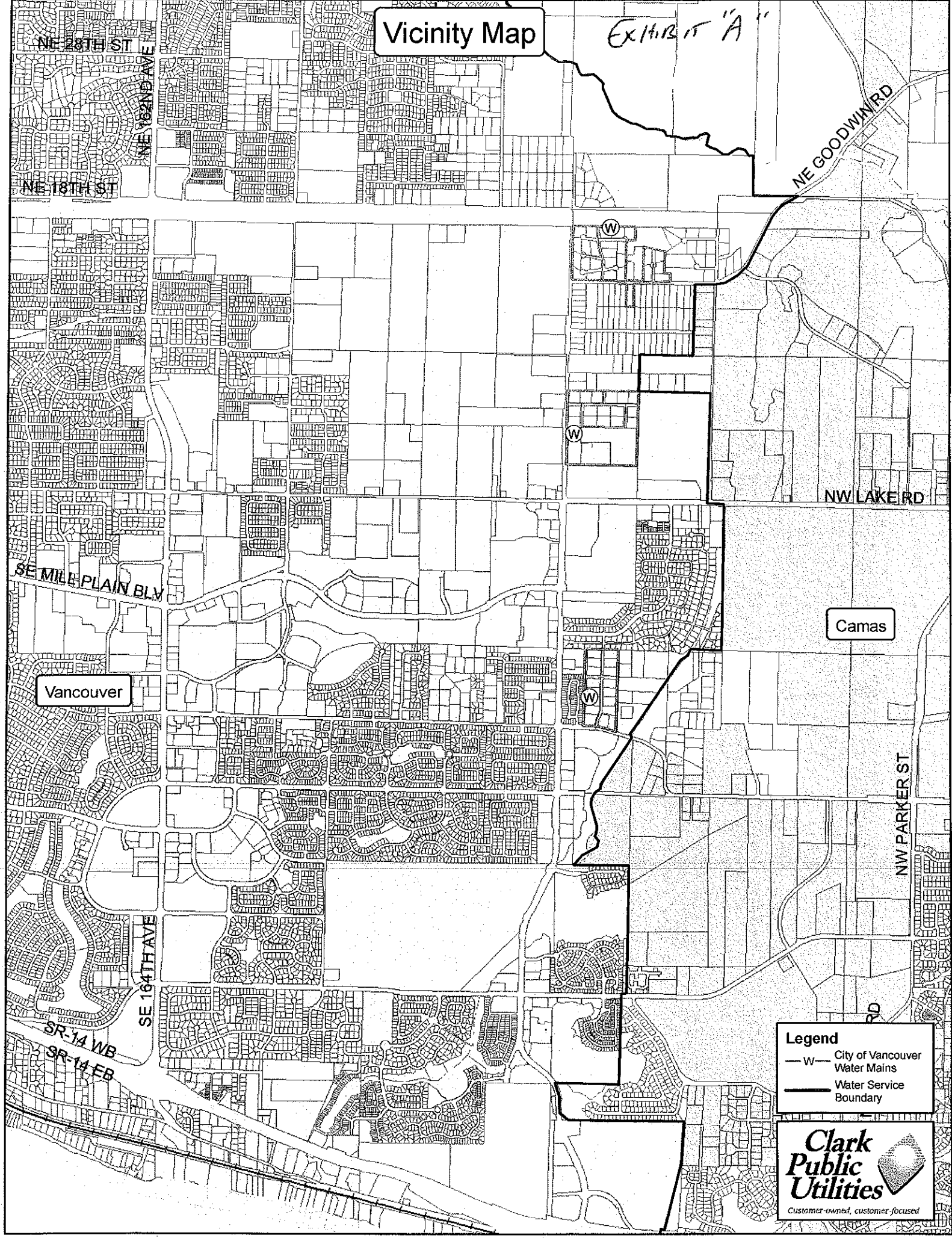
SIGNATURE ON FILE

R. Lloyd Tyler, City Clerk

By: Carrie Lewellen, Deputy City Clerk

Vicinity Map

EXHIBIT "A"



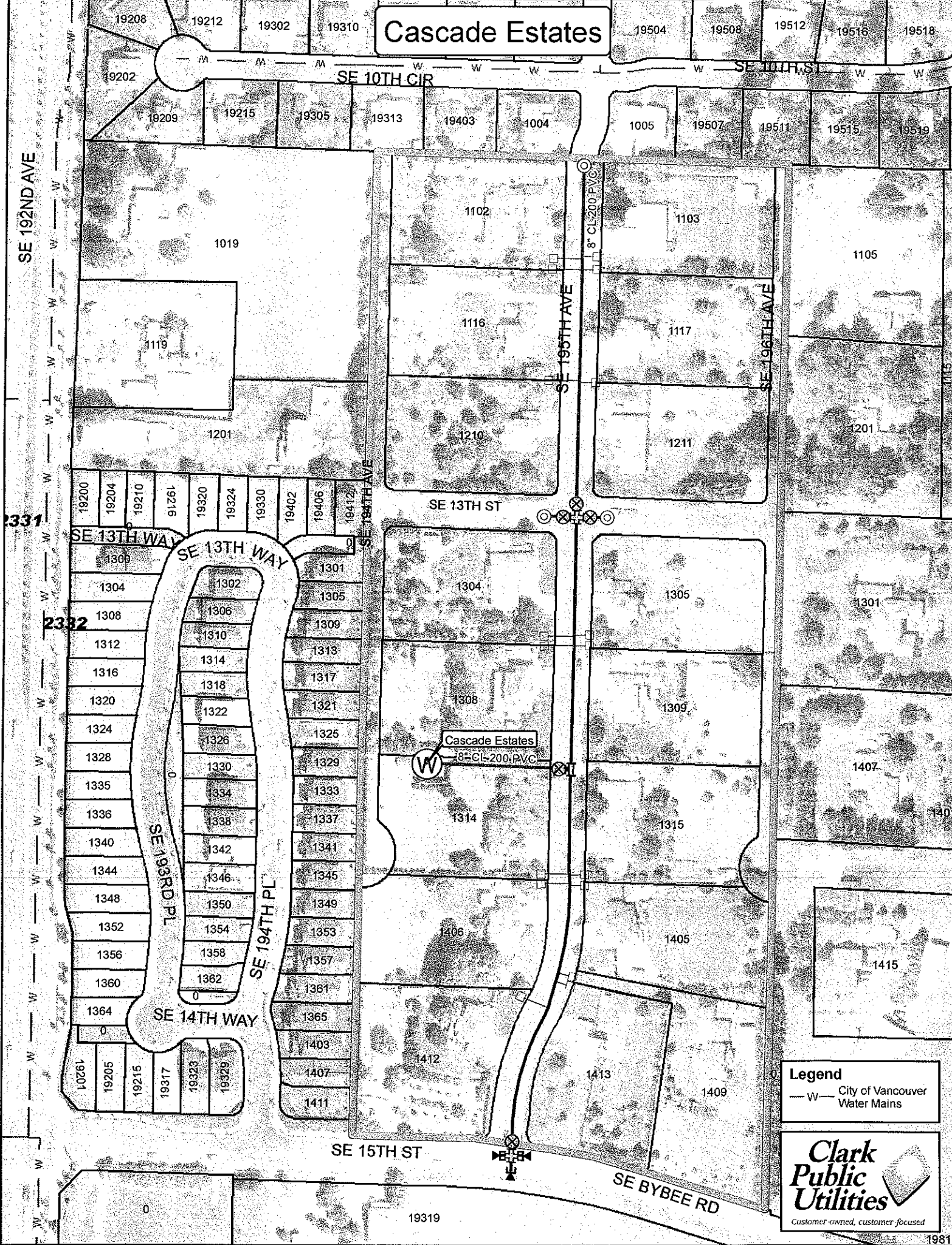
Vancouver

Camas

Legend
— W — City of Vancouver Water Mains
—— Water Service Boundary

Clark Public Utilities
Customer-owned, customer-focused

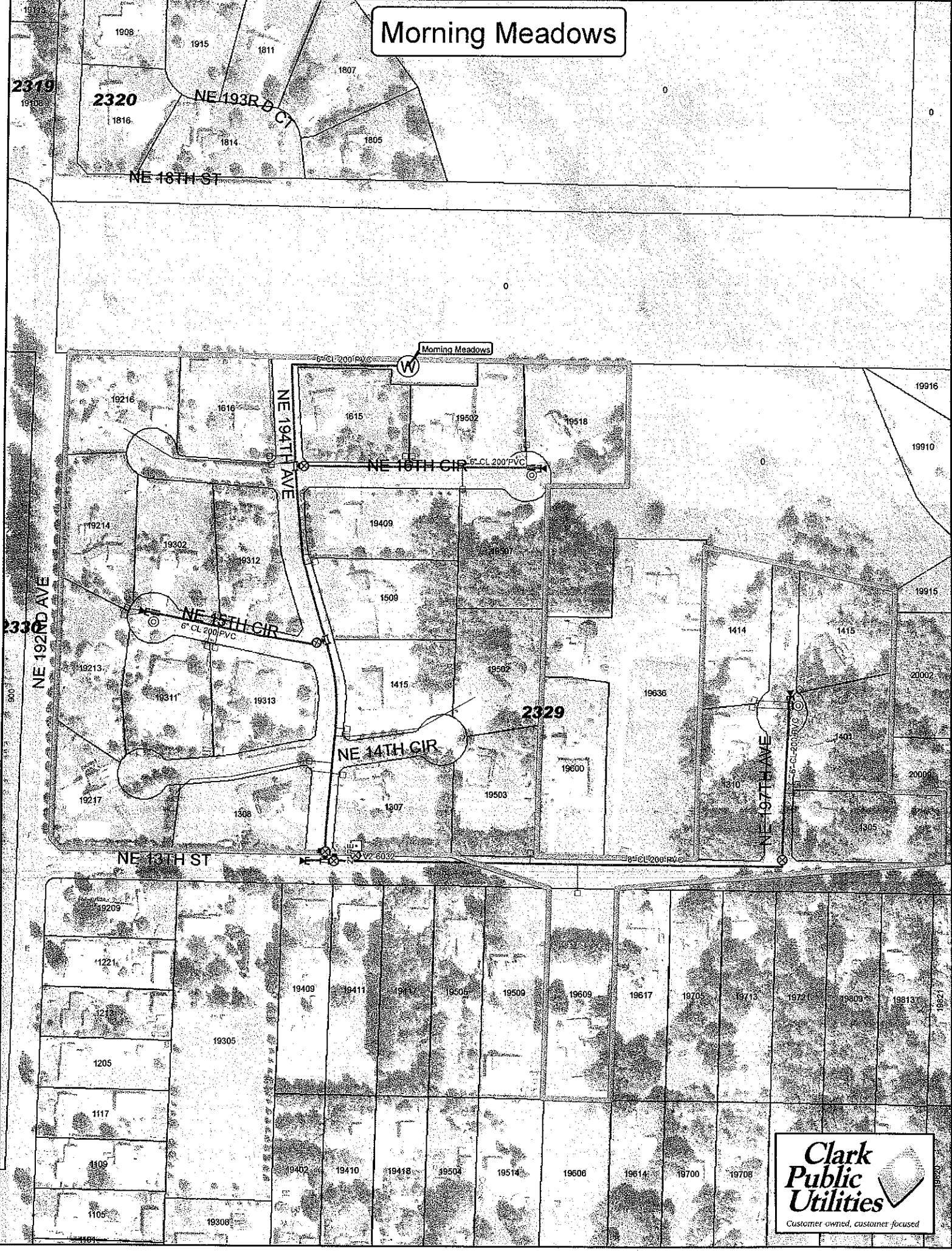
Cascade Estates



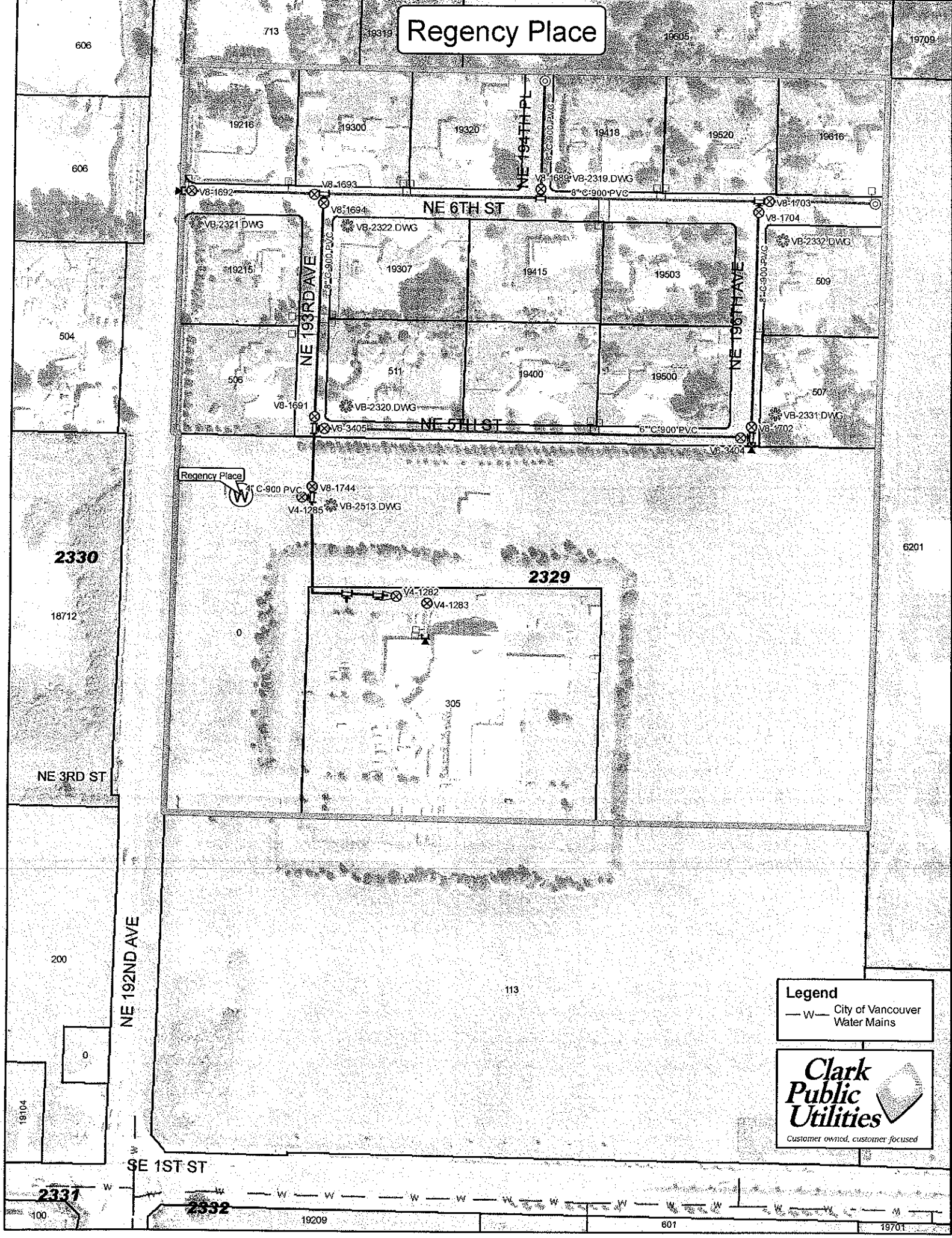
Legend
— W — City of Vancouver
Water Mains



Morning Meadows



Regency Place



Legend
— W — City of Vancouver Water Mains

