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JUN 11 2003

MUKILTEO WATER DIST.

INTERLOCAL AGREEMENT

SNOHOMISH COUNTY AND MUKILTEO WATER DISTRICT

THIS AGREEMENT is made this 21st day of May, 2003 by and between the MUKILTEO WATER DISTRICT, a special purpose municipal corporation ("District") and SNOHOMISH COUNTY, a municipal corporation ("County").

RECITALS:

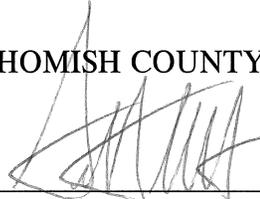
- A. The County operates the Snohomish County Airport, known as Paine Field. The District provides water service to customers within its political boundaries. Paine Field lies within the District's political boundaries.
- B. The District proposes to upgrade a water main located in 109th Street S.W. through a public works construction project, including in that project a Snohomish County water main extension (the "West Ramp Project") for the benefit of Paine Field.
- C. The County has agreed to reimburse the District for costs incurred in constructing the West Ramp Project that benefits Paine Field.

NOW, THEREFORE, IT IS HEREBY AGREED THAT

- 1. The District shall undertake a public works project to improve its water system located in 109th Street S.W., which shall include the West Ramp Project, which is an extension from the existing 12- inch water main located in the "West Ramp" project (MWD Developer Extension # 332) from the existing 12-inch water main in the S.E. corner of the project approximately 320' N.E. across Runway 11-29 and then approximately 435' S.E. between the Runway and Taxiway D to the existing water main as shown on Exhibit A, which is attached hereto and incorporated by reference herein. The District shall complete the Extension on or before September 15, 2003. The West Ramp Project shall consist of approximately 770 lineal feet of 12- inch ductile iron pipe and related fire hydrants and appurtenances. The total cost of construction, legal, administrative, and engineering fees for the West Ramp Project is estimated to be \$ 198,030.00.
- 2. The District shall design, engineer and install the West Ramp Project in accordance with adopted District standards and specifications, and it shall bid and award the construction contract in accordance with applicable law. The West Ramp Project shall be bid pursuant to a separate Bid Schedule. The District's contract shall provide that the Bid Schedule for the West Ramp Project may be deleted in the event the low bid for the West Ramp Project exceeds \$185,670.00. The District shall delete the Bid Schedule for the extension unless otherwise notified in writing that a higher bid is acceptable to the County.

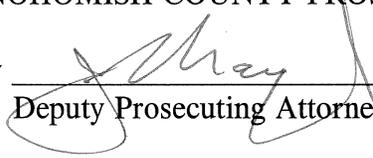
3. The County shall reimburse the District for all costs actually incurred by the District in constructing the West Ramp Project, including, but not limited to, engineering, administrative, legal and construction costs. The District shall bill the County at such times and in such amounts as corresponds to progress payments made by the District pursuant to the project contract; provided that the last bill shall include legal and administrative expenses incurred by the District in administering the project.
4. The County shall provide the District through normal County procedure with all permits, franchises, and such licenses that do not require federal government approval, and other approvals necessary to complete the project, and it shall convey ownership of the extension for which it pays to the District by bill of sale.
5. The County shall perform a SEPA Review of the West Ramp Project, which shall be completed by May 15, 2003. If the SEPA Review is not completed prior to bid opening the West Ramp Project will not be awarded and the County shall be responsible for all design and administrative costs incurred.
6. The District's operation, repair and maintenance of its facilities on Paine Field shall be governed by the terms of the agreement between the County and the District recorded under Auditor's File No. 8211170048.
7. District shall indemnify and hold the County harmless from and against any and all claims, actions, damages, liability, and expense, including, without limitation, reasonable attorney's fees, for bodily injury and damage to property related to this agreement to the extent arising out of the negligent act or commission of the District. The County shall indemnify and hold the District harmless from and against any and all claims, actions, damages, liability, and expense, including, without limitation, reasonable attorney's fees, for bodily injury and damage to property related to this agreement to the extent arising out of the negligent act or commission of the County. The indemnifying party expressly waives, as respects indemnitee only, any immunity under Title 51 RCW Industrial Insurance. This waiver was mutually negotiated by the parties as required by RCW 4.24.115.
8. Should either party resort to litigation to enforce this agreement, the prevailing party shall recover its costs of litigation, including, but not limited to, reasonable attorneys' fees.
9. This document, including the referenced agreement, constitutes the entire agreement of the parties and any modifications hereto shall be in writing signed by both parties to this agreement.

SNOHOMISH COUNTY

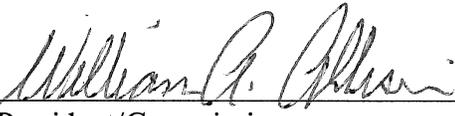
By 
for County Executive STEPHEN L. HOLT 5/21/03
Executive Director

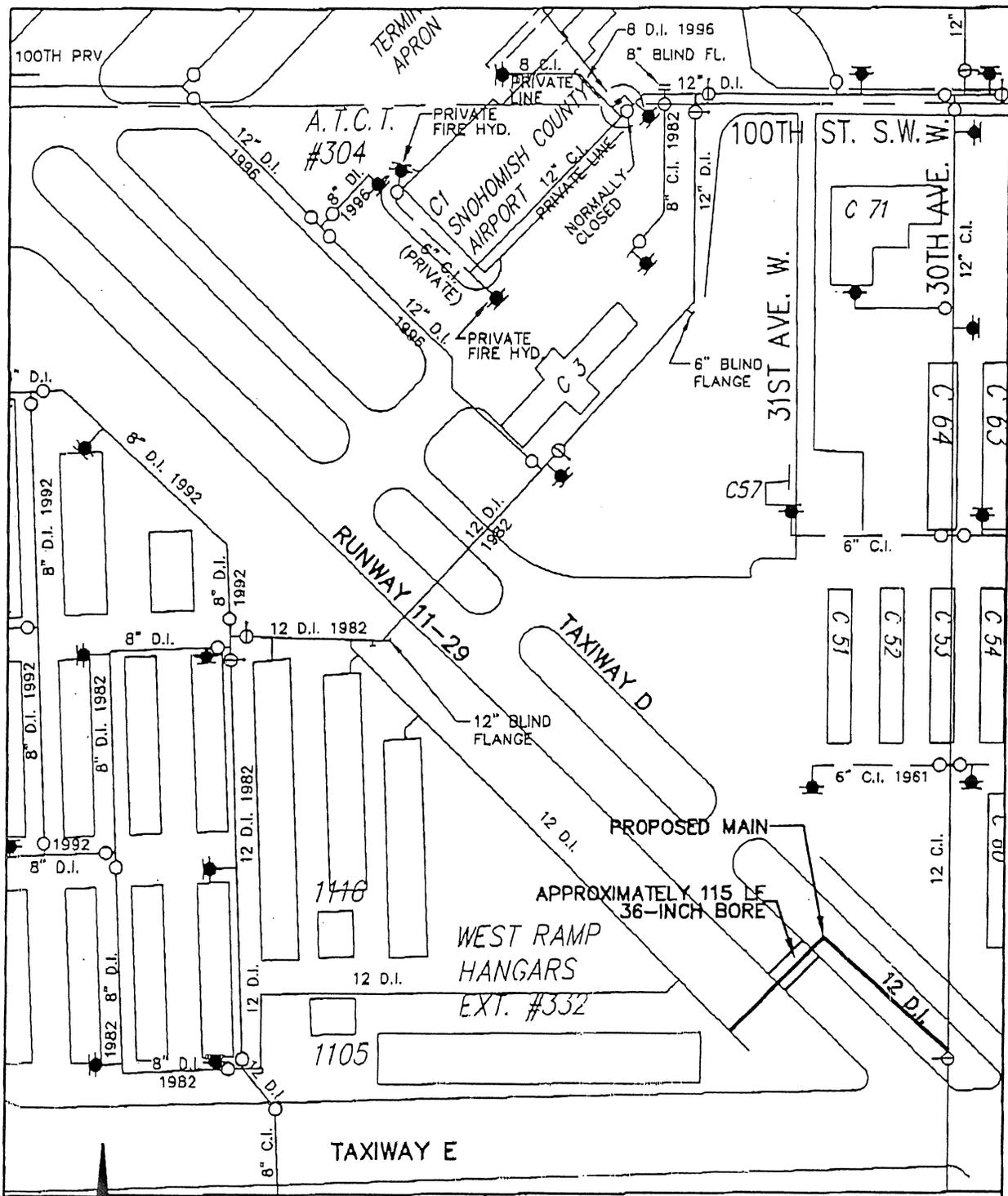
Approve as to Form:

SNOHOMISH COUNTY PROSECUTING ATTORNEY

By 
Deputy Prosecuting Attorney

MUKILTEO WATER DISTRICT

By 
President/Commissioner



SCALE: 1" = 300'

MUKILTEO WATER DISTRICT

Paine Field West Ramp
Runway Crossing
Exhibit "A"