

WATER SALES CONTRACT

This Contract, entered into as of the 12th day of April, 2011, by and between PUBLIC UTILITY DISTRICT NO. 1 OF ASOTIN COUNTY, a Washington Municipal Corporation (hereinafter referred to as "PUD"), and CITY OF ASOTIN, a Washington Municipal Corporation (hereinafter referred to as "City").

WITNESSETH:

The parties hereto do mutually agree as follows:

1. **Scope of contract:**

Subject to the terms and conditions hereinafter set forth, the PUD agrees to sell and deliver to the City, for resale by the City, and the City agrees to buy, water, for all lawful use for rural, domestic, commercial and industrial purposes. The PUD agrees to furnish to the City, water, to be used over and upon that real property set forth in Exhibit "A", attached hereto and incorporated herein by reference.

2. **Rates and charges:**

- A. For all water furnished under this contract, the City agrees to pay the PUD an amount equal to its current water rates resolution, which is attached and incorporated herein by reference as Exhibit "B". The parties to this contract mutually agree that during the period of this contract, the PUD may review its' rate structure, and make changes in its rates and charges, which changes shall apply to water received by the City under this contract.
- B. The City agrees to pay the PUD a monthly minimum charge for an 6 inch meter equal to its current water rates resolution.
- C. State utility taxes for water sales and service will be applied on all water and services furnished under this contract.

3. **Payment:**

Payment for charges shall be made within thirty days of the billing date thereof. If the payment is not made after 30 days, the PUD may elect to charge interest on the unpaid account. If payment is not made after 45 days, the PUD may, upon written notice to the City, discontinue service, until payment is received in full.

Should the City, in the conduct its business, require additional service from the PUD, in connection with the management and operation of the City's water system, such services may, if the City elects, be negotiated by the parties and shall be reduced to writing as a supplemental contract between the parties.

4. **Master meter:**

All water supplied, delivered by the PUD to the City, shall be delivered and measured through the master meter owned by the PUD. The master meter shall mean the water volume-measuring device and appurtenances, including a rate of flow control valve placed in the PUD's water main at the point of connection with the City's water system. The master meter is located as shown on Exhibit "C". Although the meter is near the state highway, the site shown on Exhibit "C", located near 3500 Clemans Road marks the location of the point of delivery between the PUD's water system and the City's water system. The line of demarcation at the point of delivery between the PUD's and the City's distribution systems shall be as shown on Exhibit "C". The City shall be responsible for maintaining the intertie line between the City's water system and the point of delivery from the PUD's water system.

Access to the master meter and appurtenances, including flow records, shall be made available to the City at all reasonable times. The master meter and rate of flow control valves shall be checked for accuracy on a frequency recommended by the water meter manufacturer as a part of normal maintenance. Master meter test data shall be available to the City at all reasonable times upon request.

5. **Water Quality:**

The water supplied by the PUD to the City under this agreement shall meet all state and federal drinking water standards at the point of delivery to the City and shall be of the same standard and quality as that normally delivered by the PUD to its retail customers. Provided, that the City, to the extent allowed by law, shall be responsible for maintaining water quality beyond the point of delivery and assurance of compatibility of delivered water with that supplied by the City, and the City shall hold the PUD harmless from and against any claims, losses, or damages arising from or relating to the introduction into its system of water or other substances beyond the point of delivery.

6. **Quantity, Pressure and Reliability:**

- A. The PUD's system will have sufficient storage and hydraulic capacity to supply water in accordance with the rate and schedule contained in this section.
- B. It shall be the responsibility of the City to maintain control valves and appurtenances as may be needed to regulate the pressure to conform to the needs of the City's distribution system and its water service customers.
- C. The PUD's system will be maintained and operated by the PUD in a manner consistent with municipal water system standards and applicable rules and regulations in order to provide maximum reliability of service to the City. However, it is understood and agreed that the PUD can make no guarantee as to pressure, quantity or continuity of service because of the possibility of accidents or unforeseen failures to the PUD's or City's water systems. Therefore, the PUD shall not be held liable for losses or damage from a

deficiency or failure to supply water due to accidents, acts of God, and any conditions beyond the reasonable control of the PUD. In the event of an emergency or other necessity that may disrupt service to the City, the PUD shall immediately notify the City through verbal or telephone contact, and shall restore service and make water available as soon as it can reasonably do so.

In the event of scheduled maintenance, alterations, extensions of connections, the PUD shall provide written notification to the City, and schedule such work to minimize the potential disruption of service to the City.

7. Use of City's Existing Water Sources:

It is understood that the City intends to retain and utilize its existing sources and water rights in addition to water purchased from the PUD, and to supply the City reasonable uniform daily and seasonal demand for water from the PUD.

8. Resolution of Disputes:

The parties may elect to submit any disputes to binding arbitration or other alternative dispute resolution measures agreeable to both parties. Disputes between the parties not submitted by mutual agreement to such an alternative process shall be resolved by application to the Superior Court of the State of Washington, with venue in Garfield County. This contract shall be enforced and interpreted in accordance with the laws of the United States and the State of Washington. The prevailing party in any dispute, which proceeds to judgment in Superior Court, shall be entitled to reasonable attorney fees and costs.

9. Term:

This Agreement shall be effective from the date of execution by authorized representatives of both parties hereto and shall continue through until terminated by mutual agreement or upon one year written notice by either party.

This Agreement may be amended at any time upon mutual written agreement of the parties, approved by their respective governing board or council. Notice shall be given by certified mail to the official mailing address of each party.

10. Exhibits:

Exhibits A, B and C, referred to throughout this Agreement, are attached hereto and incorporated herein as though fully set forth at each reference.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed this 12th day of April, 2011.

PUD No. 1 of Asotin County

City of Asotin



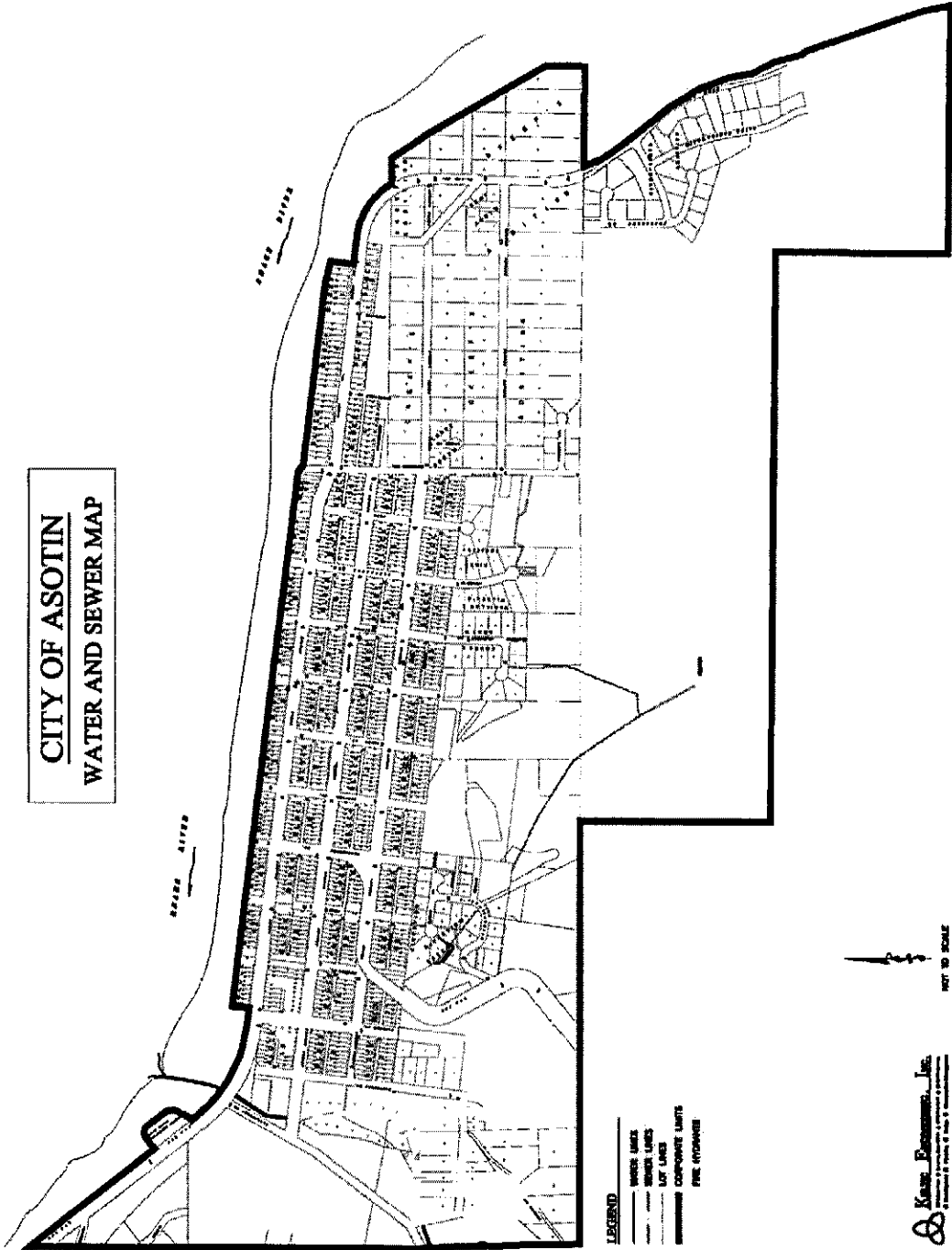
By: Tim Simpson, General Manager



By: Jim Miller, Mayor

EXHIBIT "A"

CITY OF ASOTIN
WATER AND SEWER MAP



- LEGEND
- WATER LINES
 - SEWER LINES
 - LOT LINES
 - COMPOSITE LOTS
 - FIRE HYDRANTS



Kearney Engineering, Inc.
A Division of Kearney & Associates, Inc.
1000 1st Street, Asotin, WA 99203
509-325-2222

EXHIBIT "B"

**ASOTIN COUNTY PUD
WATER SERVICE
RATES, CHARGES and FEES
EFFECTIVE JANUARY 1, 2011**

MONTHLY MINIMUM CHARGE

**Single Family Residential
and Commercial**

For 6 inch meter \$31.00

WATER RATE

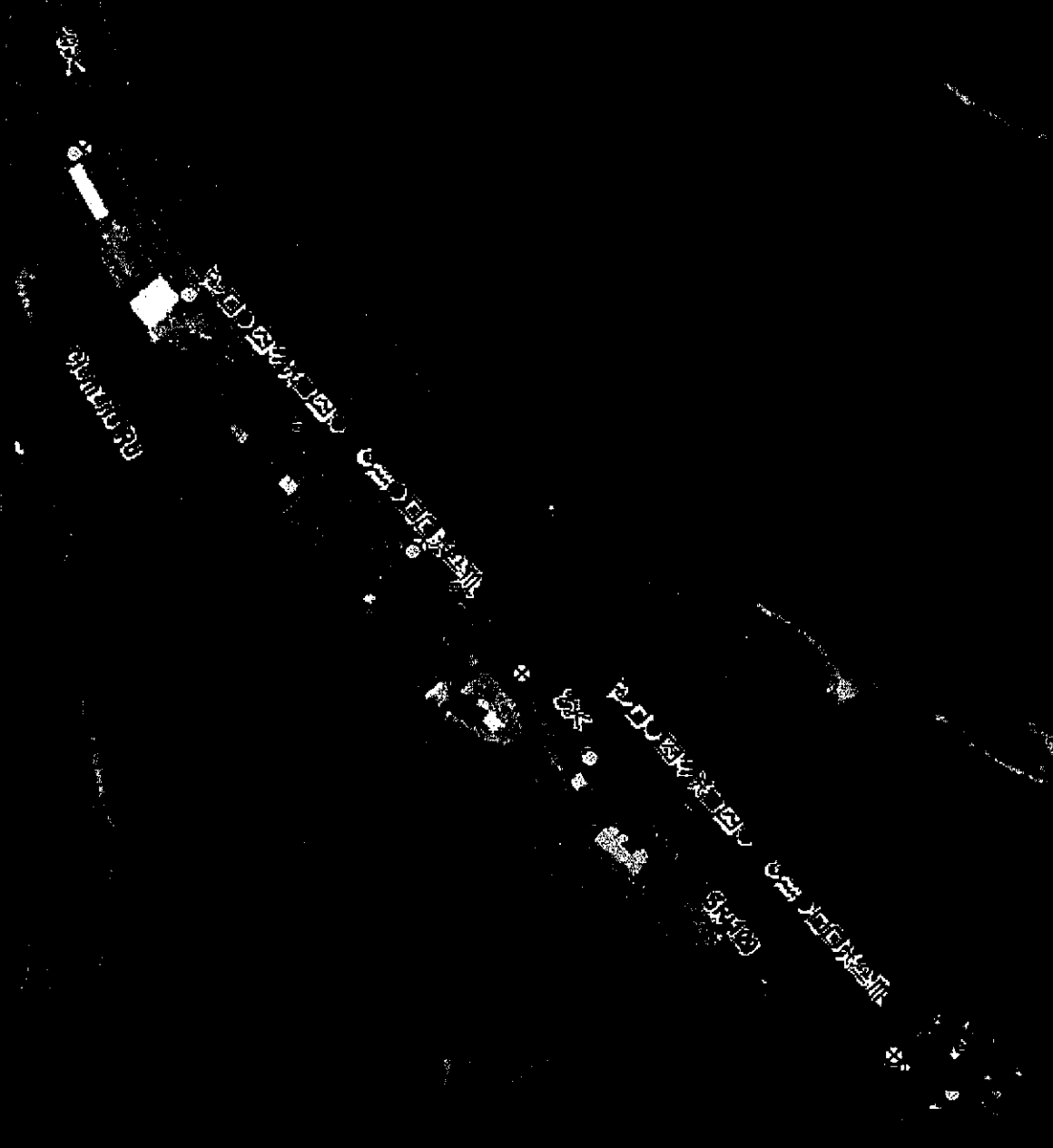
Per 100 cubic feet (748 Gallons) of water used: \$ 0.89

EXHIBIT "C"

Inter tie Point of Delivery



Meter Location



1 in = 326 ft
0 62.5125 250 375 500 Feet

Data on map is for reference purposes only

Digital Orthophoto Database Copyright Avista Utilities 2010