


Agenda Sheet for City Council Meeting of:

08/30/2021

Date Rec'd

8/18/2021

Clerk's File #

OPR 2014-0296

Renews #**Submitting Dept**

WASTEWATER MANAGEMENT

Cross Ref #**Contact Name/Phone**

RAYLENE GENNETT 625-7901

Project #**Contact E-Mail**

RGENNETT@SPOKANECITY.ORG

Bid #**Agenda Item Type**

Contract Item

Requisition #**Agenda Item Name**

4310 - AMENDED INTERLOCAL AGREEMENT

Agenda Wording

Amended Interlocal Agreement (ILA) between the City of Spokane and the City of Airway Heights to provide sewer service to the Exotic Metals property, located in the Airway Heights sewer service area

Summary (Background)

In 2014, the City and Airway Heights executed an ILA for sewer service to specific properties commonly known as Exotic Metals (EM). The Agreement provided for renegotiation in the event there is a change in ownership, expansion or additional properties added. EM has expanded its operations, changed its name, and has requested additional sewer connection. The original agreements needs to be amended to address these changes. The agreement was approved by Airway Heights City Council on Aug 2, 2021

Lease? NO

Grant related? NO

Public Works? NO

Fiscal Impact
Budget Account

Select \$

#

Select \$

#

Select \$

#

Select \$

#

Approvals
Council Notifications
Dept Head

GENNETT, RAYLENE

Study Session\Other

PIES June 28 2021

Division Director

FEIST, MARLENE

Council Sponsor

Breean Beggs

Finance

ALBIN-MOORE, ANGELA

Distribution List
Legal

PICCOLO, MIKE

hbarnhart@spokanecity.org

For the Mayor

ORMSBY, MICHAEL

kheck@spokanecity.org

Additional Approvals

mhughes@spokanecity.org

Purchasing

Tax & Licenses

Approved by Spokane City Council
on: August 30, 2021

DocuSigned by:

CC56CBA4DCC84D6...

City Clerk

When recorded return to:

**City of Spokane - Clerk's Office
West 808 Spokane Falls Blvd.
Spokane, WA 99201**

AMENDED AND RESTATED INTERLOCAL AGREEMENT BETWEEN AIRWAY HEIGHTS AND THE CITY OF SPOKANE FOR SEWER SERVICE TO PROPERTY LOCATED ON SPOKANE COUNTY TAX PARCEL NUMBERS: 15351.0015, AND 15351.0009 (a/k/a EXOTIC METAL PROPERTY) FORMERLY KNOWN AS PARCEL 15351.0014, 15351.0013, 15351.0012 15351.0011, WITH THE ADDITION OF 15351.0009.

This Amended and Restated Interlocal Agreement is made between the City of Spokane ("Spokane") and the City of Airway Heights ("Airway Heights"), hereinafter referenced together as the "Parties".

WHEREAS, the City of Spokane owns and operates a Publicly Owned Treatment Works (POTW) including a Wastewater Treatment Plant and conveyance system. Spokane operates under a National Pollution Discharge Elimination System Permit No. WA 0024473; and

WHEREAS, the City of Airway Heights owns and operates a Publicly Owned Treatment Works. Airway Heights operates under a Reclaimed Water Permit No. ST 0045504 issued by the Washington State Department of Ecology; and

WHEREAS, Exotic Metals Forming Company, LLC ("Exotic Metals") property is located within Airway Heights' designated sewer service area; and

WHEREAS, the Parties entered into an Interlocal Agreement ("Interlocal Agreement") on April 14, 2014 (OPR 2014-0296) which provides for Spokane to provide sewer service to specified properties located within Airway Heights, owned and operated as Exotic Metals, under specific terms and conditions outlined therein; and

WHEREAS, since entry of the Interlocal Agreement, Exotic Metals has changed ownership and expanded; they are now requesting sewer service for an

additional parcel (Spokane County Tax Parcel No. 15351.0009), both of these changes necessitate renegotiation of the original agreement; and

WHEREAS, Airway Heights has negotiated with Exotic Metals for the development of specific additional real property located within Airway Heights' corporate boundaries, more fully described in Exhibit A attached and incorporated herein, and within Airway Heights' sewer service area, Spokane County tax parcel numbers:

Parcel No. 15351.0009 legally described as 35-25-41 AIRWAY HEIGHTS W721.93FT OF N1/2 OF NE1/4 EXC RD

Parcel No. 15351.0015 (formerly known as Parcel Nos. 15351.0014, 15351.0013, 15351.0012 15351.0011 described below) now legally described as 35-25-41, a portion of the Northeast one-quarter of said Section 35, being described as follows: All of Parcels 2, 3, 4 and 5 as said Parcels are shown upon that certain Record of Survey filed for Record on December 31, 2001 in Book 100 of Surveys, Page 53, Spokane County Records, and being more particularly described as follows: BEGINNING at the Northeast corner of said Parcel 2, being herein above described; thence along the North line of said Parcels 2, 3, 4 and 5, South 89°45'45" West 1073.04 feet to the Northwest corner of said Parcel 5; thence along the West line of said Parcels 5 and 3, South 00°13'42" East 1290.92 feet to the Southwest corner of said Parcel 3; thence along the South line of said Parcel 3; North 89°44'03" East 1539.30 feet to the Southeast corner of said Parcel 3; thence along the East line of said Parcels 3 and 2, North 35°58'47" West 798.45 feet and North 00°12'20" West 642.10 feet to the said point of beginning of this description.

Formerly:

Parcel No. 15351.0014, legally described as 35-25-41: N 842.70 FT OF N1/2 OF NE1/4 EXC N 30 FT FOR RD & EXC E 1699.80 FT & EXC PTN LYG W OF LN DAF; BEG NE COR SEC 35, TH S 0°12'19" E ALG E LN OF SEC TO PT ON S ROW LN OF RD, TH S 89°45'45" W ALG S ROW LN OF RD 1937.82 FT TO TRUE POB OF LN, TH S 0°13'41" E PAR W LN OF NE1/4 1290.92 FT TO S LN OF N1/2 OF NE1/4 BEING PT OF TERMINUS FOR LN

Parcel No. 15351.0013, legally described as: 35-25-41: E 1669.60 FT OF N 842.70 FT OF N1/2 OF NE1/4 OF SEC 35 EXC N 30.00 FT FOR RD & EXC E 1401.60 FT

Parcel No. 15351.0012, legally described as: 35-25-41: E 1401.60 FT OF N 842.70 FT OF N1/2 OF NE1/4 EXC OF N 30.00 FT FOR RD & EXC E 1133.00

FT TOG W/ PTN OF N1/2 LYG S OF N 842.70 FT & SWLY OF LINE DAF; BEG NE COR OF SEC 35, TH S 89°45'45" W ALG N LN OF SEC 1348.56 FT TO PT LYG NELY & 25.00 FT DISTANT FROM YELLOWSTONE PIPELINE CO PIPELINE BEING TRUE POB OF LN, TH S 35°58'17" E ALG LN 25.00 FT DISTANT & PAR TO PIPELINE 1626.34 FT TO S LN OF N1/2 OF NE1/4 BEING PT OF TERMINUS FOR LN, SD PT LIES S 89°44'04" W 398.00 FT FROM SE COR OF N1/2 OF NE1/4; EXC PTN LYG W OF LINE DAF, BEG NE COR OF SEC 35, TH S 00°12'19" E ALG E LN OF NE1/4 30.00 FT TO PT ON S LN OF RD ROW, TH S 89°45'45" W ALG ROW LN 1937.82 FT TO TRUE POB FOR LN, TH S 00°13'41" E PAR TO W LN OF NE1/4 1290.92 FT TO S LN OF N1/2 OF NE1/4 BEING PT OF TERMINUS FOR SD LN

And, **Parcel No. 15351.0011**, legally described as 35-25-41: E 1133.00 FT OF N 842.70 FT OF N1/2 OF NE1/4 EXC N 30 FT & EXC PTN E 865.00 FT LYG NELY OF LN DAF; BEG NE COR OF SEC 35, TH S 89°45'45" W ALG N LN OF SEC 1348.56 FT TO PT LYG NELY & 25.00 FT DISTANT OF YELLOWSTONE PIPELINE CO PIPELINE BEING TRUE POB FOR LN, TH S 35°58'17" E ALG LN 25.00 FT DISTANT & PAR TO PIPELINE 1626.34 FT TO S LN OF N1/2 OF NE1/4 BEING THE PT OF TERMINUS FOR LN, PT BEING S 89°44'04" W 398.00 FT FROM SE COR OF N1/2 OF NE 1/4

All combined area is defined as "Exotic Metals Property", consisting of approximately 56.66 acres and more fully identified in whole in Exhibit A; and

WHEREAS, the location of the Property is such that conveyance and treatment of wastewater from Exotic Metals directly to and by Spokane is based on gravity flow from both parcels and is more efficient and less costly for Airway Heights; and

WHEREAS, Airway Heights has requested an additional point of connection to Spokane's POTW via a private side sewer owned by Exotic Metals to connect Parcel 15351.0009 directly into the 21-inch City of Spokane sewer line to the south of the Exotic Metals properties (manhole number 0924621CD) ; and

WHEREAS, Airway Heights requested Spokane provide additional sewer services to the specific additional tax parcel identified herein and above. Said parcels are located within Airway Heights' jurisdictional boundaries and have one discharge through Airway Heights' system. Airway Heights agrees and acknowledges its responsibility to regulate, control and remedy any and all

discharges into Spokane's POTW from these parcels, including exercising any jurisdictional compliance actions subject to this Agreement; and

WHEREAS, this Agreement is the sole and full Agreement between the Parties for sewer services to the specified parcels as identified herein as the Exotic Metals Property and is limited to said identified parcels only; and

WHEREAS, Airway Heights and Spokane acknowledge and understand that prior to Spokane's acceptance of any wastewater flows from these specific properties (Exotic Metal Property), this Agreement must be executed by both Airway Heights and Spokane.

-- NOW THEREFORE, the Parties incorporate the above as though set out in full and agree as follows:

Section 1. PARTIES:

- 1.1 "Airway Heights" is the City of Airway Heights, a non-charter code city of the State of Washington. Contact information: Albert Tripp, City Manager, 1208 S. Lundstrom, Airway Heights, WA 99001. Telephone: (509) 244-5578.
- 1.2 "Spokane" is the City of Spokane, a first class charter city of the State of Washington. Contact information: Plant Manager or her/his designee, Riverside Park Water Reclamation Facility, 4401 North Aubrey L. White Parkway, Spokane, Washington, 99205. Telephone: (509) 625-4600.
- 1.3 "Exotic Metals Property" is defined and limited to the identified two (2) parcels as depicted in Exhibit A. All flows from the Exotic Metals Property shall be routed through the identified Points of Connection.
- 1.4 "Points of Connection" is defined as two (2) connections located as follows:
 - a. Connection from Spokane County Tax Parcel No. 15351.0015 located through an emergency overflow connection owned by Airway Heights located in Russell Street, approximately 1450 feet south of McFarlane Road Intersection, identified as Lagoon Emergency Overflow Monitor. And

b. Connection from Spokane County Tax Parcel No. 15351.0015 located from a private side sewer owned by Exotic Metals which connects directly to the 21 inch City of Spokane sewer line to the south of the Exotic Metals properties (manhole number 0924621CD).

c. For purposes of identifying responsibilities of Spokane the Point of Connection from Spokane County Tax Parcel No. 15351.0015 shall be considered to be at MH 0914227CD, whereupon infrastructure enters Spokane's POTW. All connection located north of this MH shall be Airway Heights' responsibility.

Section 2. PURPOSE:

- 2.1 The purpose of this Agreement is to provide for the terms and conditions for the management, handling, and delivery of domestic and process wastewater from Spokane County Tax Parcels 15351.0015 and 15351.0009 **ONLY** (hereinafter identified as "Exotic Metal Property") into Spokane's POTW as described herein.
- 2.2 This Agreement allows for financing responsibility for delivery of wastewater only between Airway Heights and Spokane for sewer service to the Exotic Metal Property.
- 2.3 This Agreement is for delivery of wastewater to Spokane's POTW only under terms and conditions outlined herein. At the time of signing, the Parties do not have a separate current Agreement for sewer or pretreatment services.
- 2.4 The Parties recognize and agree that Exotic Metals is a Categorical and Significant Industrial User as defined in federal, state, and local regulations and as such is required to obtain and comply with a wastewater discharge permit, and its terms and conditions, directly from Spokane, including payment of any fees or additional charges associated with process wastewater, as may be applicable.
- 2.5 Pursuant to OPR #2021-0221, Airway Heights has agreed to place a permanent non-removable plug in Russell Street immediately north of McFarlane Road, which shall permanently plug and close the former emergency overflow pipe from their Treatment Plant. Airway Heights will notify Spokane in writing when this action is completed. The

Parties further agree that Spokane shall have the right to inspect and secure the permanent non-removable plug from time to time, as needed in Spokane's sole discretion.

- 2.6 Should Airway Heights fail to permanently plug and close the former emergency overflow pipe from their Treatment Plant, Spokane is authorized to permanently plug any connection points in their sole discretion and charge AWHTS any and all costs associated with said installation.

Section 3. RESPONSIBILITIES OF AIRWAY HEIGHTS:

- 3.1 This Agreement provides only for wastewater flows from the Exotic Metals Property as identified herein through the defined two (2) Points of Connection. Any other flows from Airway Heights are prohibited, unless approved in writing by Spokane.
- 3.2 Airway Heights agrees to and shall maintain, clear, and clean any and all sewer infrastructure or piping from all properties connecting to Spokane's sewer trunk line located at MH 0914227CD, solely at Airway Heights' cost.
- 3.3 Airway Heights will be familiar with and will ensure compliance with all of the requirements of Spokane's NPDES permit, Spokane Municipal Code (SMC), and any other applicable state and/or federal laws, regulations, or requirements, as they currently exist and/or as they are amended during the term of this Agreement, including, but not limited to obtaining permit authority from Spokane and its Industrial Pretreatment Program. Airway Heights will assist if requested by Spokane with any enforcement or compliance actions.
- 3.4 Airway Heights agrees to assist as necessary, if needed, to require Exotic Metals to obtain a wastewater discharge permit covering all parcels prior to discharge into Spokane's system and will ensure compliance with all of requirements of Spokane's NPDES permit, SMC and any other applicable laws, regulations or requirements as outlined herein, to include, without limitation payment of any costs or fees, as a condition of delivery of wastewater to Spokane.
- 3.5 Airway Heights is authorized, to take emergency action to stop or prevent any discharge that presents or may present an imminent

danger to the health or welfare of humans, that reasonably appears to threaten the environment, or that threatens to interfere with the operation of Spokane's POTW.

Section 4. RESPONSIBILITIES OF SPOKANE:

- 4.1 Spokane will be responsible for conveying all wastewater from the designated Points of Connection to Riverside Park Water Reclamation Facility (RPWRF) as defined in Section 1.4c.
- 4.2 Spokane will be responsible for the operation of Riverside Park Water Reclamation Facility as specified by the NPDES permit requirements and other state or federal requirements which may apply.
- 4.3 Spokane is authorized to take emergency action to stop or prevent any discharge that presents or may present an imminent danger to the health or welfare of humans, that reasonably appears to threaten the environment, or that threatens to interfere with the operation of Spokane's POTW. In the event of an emergency, Spokane will attempt to provide prior notice to Airway Heights as the situation warrants and agrees to provide written notice within 14 days of the emergency.

Section 5. ADMINISTRATION OF THE AGREEMENT:

The Wastewater Director, or its designee will administer this Agreement on behalf of the City of Spokane. The Public Works Director will administer this Agreement on behalf of the City of Airway Heights.

Section 6. RESOLUTION OF DISPUTES:

The Parties shall make a good faith effort to resolve by informal discussion any dispute arising under this Agreement. Except as otherwise provided in this Agreement, any and all disputes arising under this Agreement shall be resolved pursuant to this Section 6. Dispute resolution shall proceed as follows:

- 6.1. The Parties agree to use their best efforts to resolve disputes arising out of or related to this Agreement using good faith negotiations by engaging in the following dispute resolution process should any such disputes arise. The Parties agree that cooperation and communication are essential to resolving issues efficiently.

- 6.2. Any disputes or questions of interpretation of this Agreement or the performance of either Party under this Agreement that may arise between the City and Airway Heights will be governed under the dispute resolution process set forth in this Section. Either Party may refer a dispute to the dispute resolution process by providing written notice of such referral to the other Party's Designated Representative.
- 6.3. Before either Party may refer a dispute to mediation or provide a notice of the same to the other Party, the Parties will seek to resolve the dispute at the lowest possible level by completing the following steps.
 - 6.3.1. Spokane's Director of Wastewater and Airway Heights' Director of Public Works shall meet to discuss and attempt to resolve the dispute in a timely manner. If they cannot resolve the dispute within ten (10) days, then the Parties will refer the dispute to Spokane's Director of Public Works and Airway Heights' Director of Public Works.
 - 6.3.2. Spokane's Director of Public Works and Airway Heights' Director of Public Works will meet and confer and attempt to resolve the dispute. If they cannot resolve the dispute within fourteen (14) days, then either Party may initiate mediation.
- 6.4. Within 15 days of the completion of the steps in the above Section, each Party shall propose to the other party in writing not more than five (5) candidates to act as mediator. Within seven (7) days of exchanging lists of mediator candidates, the parties will meet and confer to choose one name from the list. If the Parties are unable to agree on a mediator 30 days after completion of the steps outlined above, then the Parties will jointly petition the Presiding Judge of the Spokane County Superior Court to appoint a mediator.
- 6.5. The Parties shall use reasonable efforts to resolve the dispute within 30 days with the assistance of the mediator.
- 6.6. Except as otherwise provided by this Agreement, the Parties shall continue to fulfill their respective duties under this Agreement pending resolution of any dispute.
- 6.7. The Parties shall share the costs of the mediator.

- 6.8. If mediation fails to resolve the dispute within 30 days of selection of the mediator, the Parties may thereafter seek redress in court subject to this Amendment.

Section 7. POINTS OF CONNECTION:

The Points of Connection for the Exotic Metals Property wastewater discharge are set forth below, and in Exhibit A.

7.1 Locations:

- a. Connection from Spokane County Tax Parcel No. 15351.0015: A side sewer connection located through an emergency overflow connection located in Russell Street, approximately 1450 feet south of McFarlane Road Intersection, identified as Lagoon Emergency Overflow Monitor.
- b. Connection from Spokane County Tax Parcel No. 15351.0015: A private side sewer owned by Exotic Metals connects directly to the 21-inch sewer line to the south of the Exotic Metals properties (manhole number 0924621CD)

7.2 Terms:

- a. Character of Service: In addition to domestic wastewater, Exotic Metals is a Categorical and Significant Industrial User as defined in federal, state, and local laws and regulations and as such, requires a Discharge Permit directly from Spokane and is required to comply with all regulations associated with the Wastewater Discharge Permit and any process wastewater.
- b. The Director of Wastewater is authorized to increase or decrease service needs in time(s) of emergency as may be determined, and with such conditions as specified and for such time as determined necessary. Appropriate adjustments in billings shall be made.

Section 8. TREATMENT, OPERATION & MAINTENANCE CHARGES:

- 8.1 This Agreement is limited only to those flows originating from Exotic Metals activities on Exotic Metals Property as identified herein and

authorized and permitted by Spokane, for the duration of this Agreement. All flows shall be metered for wastewater volume by Exotic Metals and reported to Spokane on a monthly basis.

- 8.2 Airway Heights shall reimburse Spokane for all maintenance or rehabilitation costs which Spokane may incur to maintain flow capacity, and structural integrity of the conveyance system from the specified Exotic Metal Property to Spokane's POTW to include without limitation direct and indirect costs.

Section 9. SERVICE CHARGES:

- 9.1 Airway Heights shall pay the rate as established in the Spokane Municipal Code for a Commercial User Charge – Non-City Customer. This rate will be adjusted annually as adopted by ordinance by the Spokane City Council.
- 9.2 Any wastewater discharge permit fees and additional costs which may be associated with Categorical and/or Significant Industrial User discharge are not included in this Agreement and will be direct billed to Exotic Metals.
- 9.3 Spokane shall bill Airway Heights no less frequently than annually. Payments are due within thirty (30) days of billing. Unpaid balances shall accrue interest at one percent (1%) per month.

Section 10. BILLING PROCEDURES:

- 10.1 Spokane will provide to Airway Heights on a monthly basis, an invoice listing the total volume of wastewater accepted and processed by Spokane.
- 10.2 Service charges for the operations and maintenance of maintaining sewer lines and equipment will be billed to Airway Heights at least annually or more frequently, as applicable.

Section 11. PRETREATMENT:

- 11.1 Airway Heights agrees to adopt and enforce a pretreatment ordinance, and implement regulations, equivalent to Spokane's ordinances and regulations, which are required by the Washington State Department of Ecology (DOE), the Federal Clean Water Act (42

U.S.C. Section 1251 et seq.), and the rules and regulations issued thereunder (see 40 CFR Part 403). To include without limitation, assistance in enforcement of any pretreatment requirements or compliance with Exotic Metals' wastewater discharge permit.

- 11.2 SPOKANE holds National Pollutant Discharge Elimination System (NPDES) Permit No. WA-002447-3 and is required by federal and state law to develop and implement an Industrial Pretreatment Program in all jurisdictions it serves or from which it accepts wastewater. As such, Spokane will administer and enforce all Pretreatment regulations for the Exotic Metals Property.

Section 12. ACCEPTABLE WASTEWATER:

With exception of the specific terms and agreements to accept wastewater flows from the Exotic Metals Property only, Airway Heights will not deliver any stormwater and/or combined sewer into Spokane's POTW. The wastewater system within Airway Heights will be designed to purposely not collect or deliver any stormwater and/or combined sewer through any direct or indirect connection to Spokane's system. Inflow and infiltration will be restricted to acceptable standards as established by DOE.

Section 13. INDEMNITY:

Airway Heights shall indemnify Spokane for all loss, liability, damages, fines and costs incurred as a result of harmful industrial or other waste discharge from the Exotic Metals Property. This indemnification does not extend to the extent it may be determined that any loss arises from the sole negligent actions or omissions of Spokane, its officers, agents or employees.

Airway Heights shall reimburse Spokane for fines or costs stemming from injury to Spokane personnel, damages to Spokane facilities, disruption of treatment processes or operations, harmful degradation of sludge quality, NPDES permit violations, and other air, water, sludge, and quality violations caused by industrial wastes received from the Exotic Metals Property.

Section 14. AMENDMENT/ASSIGNMENT:

Amendment of this Agreement may be made only by written agreement of the Parties. Neither this Agreement nor any of the rights, interests or obligations created hereunder may be assigned, sold, or otherwise

transferred in whole or in part by either Party without the prior written consent of the other Party.

Section 15. DURATION AND TERMINATION:

15.1 This Agreement shall be in effect for the duration wastewater flow is received by Spokane from the identified Exotic Metals Property.

In the event the activities on the identified Exotic Metals Property change, this Agreement shall be reviewed and adjusted accordingly.

In the event the Exotic Metals Property is reconfigured, including but not limited to aggregated or subdivided, this Agreement shall be renegotiated in full and revised as appropriate and memorialized in a written amendment prior to accepting any additional or revised sewer flows.

15.2 Should Airway Heights reconfigure its sewer transmission lines to directly connect the identified Exotic Metals Property to its facility, the Parties shall renegotiate this Agreement.

15.3 This Agreement shall be reviewed by the Parties every five (5) years, or upon request of any Party. Any changes, adjustments shall be by executed written amendment or agreement. Either Party may request revision or termination upon ninety (90) days written notice to the other Party.

Section 16. HEADINGS:

The section headings in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to, limit or extend the scope or intent of the sections to which they apply.

Section 17. ALL WRITINGS CONTAINED HEREIN – MERGER AND FULL INTEGRATION:

This Agreement contains all of the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this Agreement, and

state that no representation, promise, or agreement not expressed in this Agreement has been made to induce the Parties to execute the same.

Section 18. FILING OF THE AGREEMENT:

Spokane and Airway Heights shall file this Agreement with the respective City Clerks.

Section 19. SEVERABILITY:

In the event any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

Section 20. NOTICES:

All notices, requests, demands, waivers, consents and other communications required under this Agreement shall be in writing and shall be delivered by the following means: (i) by certified mail, return-receipt requested, (ii) by facsimile providing confirmation of completed transmission, or (iii) by such other means as may be approved in writing by the Parties. Service of any such notice, request, demand, waiver, consent, or other communication, shall be deemed to have been duly given and to have become effective upon receipt.

Any and all notices, demands, waivers, consents and other communications shall be forwarded to each of the Parties at the following addresses:

To Spokane: Director of Wastewater, City of Spokane RPWRF
4401 North Aubrey L. White Parkway
Spokane, WA 99205
Telephone: (509) 625-4600
Facsimile: (509) 625-4605

With a copy to: City Attorney
Office of the City Attorney
City of Spokane – City Hall
808 West Spokane Falls Boulevard
Spokane, WA 99201
Telephone: (509) 625-6225
Facsimile: (509) 625-6277

To Airway Heights: City Manager, Albert Tripp
1208 S. Lundstrom Str.
Airway Heights, WA 99001
(509) 244-5578

With a copy to: Public Works Director, Kevin Anderson
12400 W. 21st Ave.
Airway Heights, WA 99001
(509) 244-5429

or to such other address as may be agreed to in writing by the Parties.

Section 21. EFFECTIVE DATE:

This Agreement shall become effective immediately after it is duly adopted by the Councils of the Cities of Spokane and Airway Heights.

This Agreement shall supersede any and all prior agreements concerning sewer service to the Exotic Metals Property.

Section 22. GOVERNING LAW and VENUE:

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington (regardless of the laws that might otherwise govern under applicable principles of conflicts of law of such state). The Parties (i) agree that any lawsuit, judicial action, or proceeding arising out of or relating to this Agreement must be heard in the Superior Court of the State of Washington in and for the County of Spokane, or in the United States District Court for the Eastern District of Washington, (ii) waive any objection to the venue of any such suit, action, or proceeding, and (iii) irrevocably submit to the jurisdiction of any such court in any such lawsuit or judicial action or proceeding.


Section 23. REASONABLE AND GOOD FAITH EFFORTS:

Each Party will make all reasonable and good faith efforts to coordinate with the other Party to complete the Airway Heights and Spokane Improvements, to secure the Regulatory Approvals, and accomplish tasks provided for in this Agreement in a timely manner.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date first above written.

Dated: 9/13/2021

CITY OF SPOKANE

By: 
DocuSigned by:
39651E7EC71D4A0...

Title: Mayor

ATTEST:


DocuSigned by:
City Clerk, City of Spokane

APPROVED AS TO LEGAL FORM:


DocuSigned by:
City Attorney/Assistant City Attorney



CITY OF AIRWAY HEIGHTS

Dated: 9/16/2021

DocuSigned by:
By: Albert Tripp
Albert Tripp
City Manager

Approved as to form:

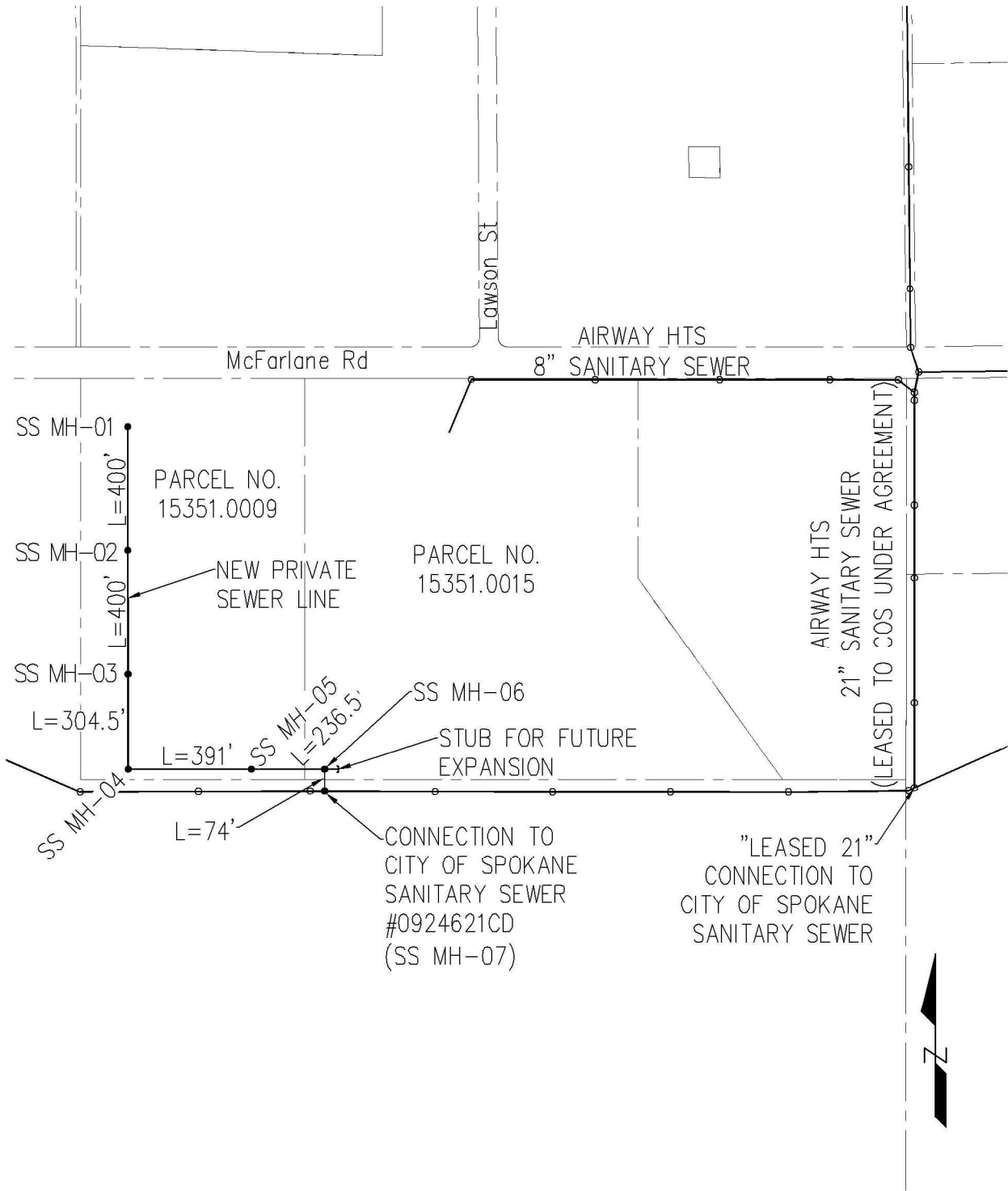
DocuSigned by:
Stanley Schwartz
Stanley Schwartz
City Attorney for Airway Heights

Attest: [Signature]
City of Airway Heights Clerk
9/27/2021
Date



EXHIBIT A – EXOTIC METALS FORMING PROPERTY PARCELS/POINTS OF
CONNECTION TO CITY OF SPOKANE POTW

EXHIBIT A





Agenda Sheet for City Council Meeting of:
04/21/2014

Date Rec'd	4/9/2014
Clerk's File #	OPR 2014-0296
Renews #	

Submitting Dept	UTILITIES	Cross Ref #	OPR 1993-0444
Contact Name/Phone	RICK ROMERO 625-6361	Project #	
Contact E-Mail	RROMERO@SPOKANECITY.ORG	Bid #	
Agenda Item Type	Contract Item	Requisition #	
Agenda Item Name	INTERLOCAL AGREEMENT AIRWAY HEIGHTS TO SPECIFIC PROPERTY IN SPOKANE COUNTY		

Agenda Wording

Interlocal Agreement with Airway Heights for sewer service to property located on Spokane County Parcel Numbers 15351.0014, 15351.0013, 15351.0012 and 15351.0011.

Summary (Background)

This Agreement provides the terms and conditions for the management, handling and delivery of domestic wastewater only from Spokane County Tax Parcels 15351.0014, 15351.0013, 15351.0012 and 15351.0011.

Fiscal Impact		Budget Account	
Select	\$		#
Select	\$		#
Select	\$		#
Select	\$		#
Approvals		Council Notifications	
Dept Head	ROMERO, RICK	Study Session	
Division Director	ROMERO, RICK	Other	PWC 4/14/14
Finance	LESENE, MICHELE	Distribution List	
Legal	RICHMAN, JAMES	eschoedel@spokanecity.org	
For the Mayor	SANDERS, THERESA	darnold@spokanecity.org	
Additional Approvals		acmarshall@spokanecity.org	
Purchasing		lhendron@spokanecity.org	
		hwhaley@spokanecity.org	
		sfought@spokanecity.org	

APPROVED BY SPOKANE CITY COUNCIL ON

4/21/14

SPOKANE CITY CLERK



When recorded return to:



City of Spokane - Clerk's Office
West 808 Spokane Falls Blvd.
Spokane, WA 99201

RECEIVED

07-01-2014

CITY CLERK'S OFFICE
SPOKANE, WA

INTERLOCAL AGREEMENT BETWEEN AIRWAY HEIGHTS AND THE CITY OF SPOKANE FOR SEWER SERVICE TO PROPERTY LOCATED ON SPOKANE COUNTY TAX PARCEL NUMBERS: 15351.0014, 15351.0013, 15351.0012 AND 15351.0011 (a/k/a EXOTIC METAL PROPERTY) (OPR 2014-0296)

This Interlocal Agreement is made this 14th day of April 2014 between the City of Spokane ("Spokane") and the City of Airway Heights ("Airway Heights"), hereinafter referenced together as the "Parties".

WHEREAS, the City of Spokane owns and operates a Publicly Owned Treatment Works (POTW) including a Wastewater Treatment Plant and conveyance system; and

WHEREAS, the City of Airway Heights owns and operates a Publicly Owned Treatment Works; and

WHEREAS, Airway Heights has negotiated with Exotic Metals Forming Co. LLC, ("Exotic Metals") for the development of specific real property located within Airway Heights' corporate boundaries and within Airway Heights' sewer service area, Spokane County tax parcel numbers:

Parcel No. 15351.0014, legally described as 35-25-41: N 842.70 FT OF N1/2 OF NE1/4 EXC N 30 FT FOR RD & EXC E 1699.80 FT & EXC PTN LYG W OF LN DAF; BEG NE COR SEC 35, TH S 0°12'19" E ALG E LN OF SEC TO PT ON S ROW LN OF RD, TH S 89°45'45" W ALG S ROW LN OF RD 1937.82 FT TO TRUE POB OF LN, TH S 0°13'41" E PAR W LN OF NE1/4 1290.92 FT TO S LN OF N1/2 OF NE1/4 BEING PT OF TERMINUS FOR LN

Parcel No. 15351.0013, legally described as: 35-25-41: E 1669.60 FT OF N 842.70 FT OF N1/2 OF NE1/4 OF SEC 35 EXC N 30.00 FT FOR RD & EXC E 1401.60 FT

Parcel No. 15351.0012, legally described as: 35-25-41: E 1401.60 FT OF N 842.70 FT OF N1/2 OF NE1/4 EXC OF N 30.00 FT FOR RD & EXC E 1133.00 FT TOG W/ PTN OF N1/2 LYG S OF N 842.70 FT & SWLY OF LINE DAF; BEG NE COR OF SEC 35, TH S 89°45'45" W ALG N LN OF SEC 1348.56 FT TO PT LYG NELY & 25.00 FT DISTANT FROM YELLOWSTONE PIPELINE CO PIPELINE BEING TRUE POB OF LN, TH S 35°58'17" E ALG LN 25.00 FT DISTANT & PAR TO PIPELINE 1626.34 FT TO S LN OF N1/2 OF NE1/4 BEING PT OF TERMINUS FOR LN, SD PT LIES S 89°44'04" W 398.00 FT FROM SE COR OF N1/2 OF NE1/4; EXC PTN LYG W OF LINE DAF, BEG NE COR OF SEC 35, TH S 00°12'19" E ALG E LN OF NE1/4 30.00 FT TO PT ON S LN OF RD ROW, TH S 89°45'45" W ALG ROW LN 1937.82 FT TO TRUE POB FOR LN, TH S 00°13'41" E PAR TO W LN OF NE1/4 1290.92 FT TO S LN OF N1/2 OF NE1/4 BEING PT OF TERMINUS FOR SD LN

And, **Parcel No. 15351.0011**, legally described as 35-25-41: E 1133.00 FT OF N 842.70 FT OF N1/2 OF NE1/4 EXC N 30 FT & EXC PTN E 865.00 FT LYG NELY OF LN DAF; BEG NE COR OF SEC 35, TH S 89°45'45" W ALG N LN OF SEC 1348.56 FT TO PT LYG NELY & 25.00 FT DISTANT OF YELLOWSTONE PIPELINE CO PIPELINE BEING TRUE POB FOR LN, TH S 35°58'17" E ALG LN 25.00 FT DISTANT & PAR TO PIPELINE 1626.34 FT TO S LN OF N1/2 OF NE1/4 BEING THE PT OF TERMINUS FOR LN, PT BEING S 89°44'04" W 398.00 FT FROM SE COR OF N1/2 OF NE 1/4

(all combined area is defined as "Exotic Metals Property"), consisting of approximately 56.66 acres; and

WHEREAS, Airway Heights has secured and wishes to maintain Exotic Metals as a customer of Airway Heights Sewer services; and

WHEREAS, it is more cost efficient to Airway Heights to deliver and process domestic wastewater directly to Spokane from the Exotic Metals Property via the Airway Heights' sewer line installed initially for the purposes of emergency overflow; and

WHEREAS, Airway Heights notified Spokane concerning sewer services to specific tax parcels identified above with Airway Heights agreeing to accept full responsibility for any and all discharges into Spokane's system, including exercising any jurisdictional compliance actions subject to this Agreement; and

WHEREAS, the intent of this Agreement is to provide limited domestic sewer service to the Exotic Metals Property as identified herein; and

WHEREAS, the Parties have previously entered into an Interlocal Agreement, Spokane City Clerk OPR 1993-0444, which will be discussed separately from this Agreement; and

WHEREAS, Airway Heights and Spokane acknowledge and understand that prior to Spokane's acceptance of any flows from these specific properties (Exotic Metal Property), this Agreement must be executed by both Airway Heights and Spokane.

NOW THEREFORE, the Parties agree as follows:

Section 1. PARTIES:

- 1.1 "Airway Heights" is the City of Airway Heights, a non-charter code city of the State of Washington. Contact information: Albert Tripp, City Manager, 1208 S. Lundstrom, Airway Heights, WA 99001. Telephone: (509) 244-5578.
- 1.2 "Spokane" is the City of Spokane, a first class charter city of the State of Washington. Contact information: Public Utilities Division, 808 W. Spokane Falls Blvd., 2nd Floor, City Hall, Spokane, Washington, 99201. Telephone: (509) 625-6270.

Section 2. PURPOSE:

- 2.1 The purpose of this Agreement is to provide for the terms and conditions for the management, handling and delivery of domestic wastewater **ONLY** from Spokane County Tax Parcels 15351.0014, 15351.0013, 15351.0012 and 15351.0011 (hereinafter identified as "Exotic Metal Property").
- 2.2 This Agreement allows for financing responsibility for delivery of wastewater only between Airway Heights and Spokane for sewer service to the Exotic Metal Property.

- 2.3 This Agreement is for delivery of wastewater to Spokane's system only and operates in conjunction with the Pretreatment Agreement, referenced by Spokane City Clerk Number OPR 2012-0058.
- 2.4 The Parties recognize and agree that Exotic Metals may be a possible Categorical and/or Significant Discharger as defined in federal, state and local regulations and if so, will be required to obtain and comply with a discharge permit directly from Spokane, including payment of any fees or additional charges associated with process wastewater, as may be applicable.

Section 3. RESPONSIBILITIES OF AIRWAY HEIGHTS:

- 3.1 This Agreement provides for wastewater flows from the Exotic Metals Property through the emergency overflow connection located in Russell Street, approximately 1450 feet south of McFarlane Road Intersection, identified as "Lagoon Emergency Overflow Monitor".
- 3.2 Airway Heights shall provide to Spokane monthly reports of water meter flow data provided to the parcels identified above.
- 3.3 Airway Heights will pay all costs associated with delivery and processing of sewage flows from Exotic Metals Property as outlined in this Agreement and OPR 2012-0058, as applicable.
- 3.4 Airway Heights will be familiar with and ensure compliance with all of the requirements of Spokane's NPDES permit, Spokane Municipal Code (SMC) and any other applicable state and/or federal laws, regulations, or requirements, as they currently exist and/or as they are amended during the term of this Agreement, including, but not limited to obtaining permit authority from Spokane and pretreatment. Airway Heights will assist if requested by Spokane with any enforcement or compliance actions.
- 3.5 Airway Heights agrees to assist as necessary to require Exotic Metals to obtain a discharge permit prior to discharge into Spokane's system and ensure compliance with all of requirements of Spokane's NPDES permit, SMC and any other applicable laws, regulations or requirements as outlined in 3.4, as a condition of delivery of wastewater to Spokane.

Section 4. RESPONSIBILITIES OF SPOKANE:

- 4.1 Spokane will be responsible for conveying all wastewater from the designated Point of Connection to the Regional Wastewater Treatment Plant (RPWRF).
- 4.2 Spokane will be responsible for the operation of the Plant as specified by the NPDES permit requirements and other state or federal requirements which may apply.
- 4.3 Spokane will be responsible for the operation of all sewerage monitoring station identified in Section 7.

Section 5. ADMINISTRATION OF THE AGREEMENT:

The Director of Public Utilities will administer this Agreement on behalf of the City of Spokane. The Public Works Director will administer this Agreement on behalf of the City of Airway Heights.

Section 6. RESOLUTION OF DISPUTES:

In the event the parties are unable to agree as to any matter covered by this Agreement, the dispute shall be settled by a single arbitrator from the American Arbitration Association (AAA) acceptable to both parties, upon hearing the facts at an informal meeting of Spokane and Airway Heights at a mutually agreeable time and location.

Section 7. POINT OF CONNECTION:

The point of connection/Intertie between the Regional System and Airway Heights System for the Exotic Metals discharge is set forth below.

7.1 Location:

- a. Russell Street approximately 1450 feet south of McFarlane Road Intersection, hereinafter referred to as the Russell Intertie. This connection will be the point of connection from which emergency overflow discharges from the Airway Heights Wastewater Treatment Facility will be provided to the Regional System (Lagoon Emergency Overflow Monitor).

7.2 Terms:

- a. **Character of Service:** Exotic Metals may be a possible Categorical and/or Significant Discharger as defined in federal, state and local laws and regulations and as such, will require a Discharge Permit directly from Spokane and will be required to comply with all regulations associated with the Discharge Permit and any processed wastewater.
- b. **Maximum Daily Flow Volume:** The maximum volume of flow per day is limited to the Exotic Metal Property and shall not exceed a maximum of 200,000 Gallons per Day. If flows exceed this level, Airway Heights shall pay a penalty surcharge as provided below in Subsection d. The penalty is in addition to any other applicable remedies.
- c. **Maximum Peak Flow:** The peak flow shall never exceed the allowable system line capacity of the pipe of 500 Gallons Per Minute (GPM). If peak flows exceed this level, Airway Heights shall pay a penalty surcharge as provided in Subsection d, and will be responsible for all damages and penalties which Spokane may incur as a result, including any penalties or damage claims by third parties. (For example, should a regulatory agency increase fees as a result of an excess flow by Airway Heights, Airway Heights will reimburse Spokane for any increases caused by their conduct.)
- d. **Excessive Flows - Penalty:** If flows exceed the maximum acceptable flow rate or volume, Spokane will charge a penalty surcharge of double the daily flow rate for the entire day, and is not obligated to accept such flows.
- f. **Sewerage Monitoring Station:** Sewerage monitoring station shall monitor both quantity and quality of sewage, which shall be reported to Spokane on a monthly basis.
- g. The Director of Public Utilities is authorized to increase or decrease service needs in time(s) of emergency as may be determined, and with such conditions as specified and for

such time as determined necessary. Appropriate adjustments in billings shall be made.

Section 8. TREATMENT, OPERATION & MAINTENANCE CHARGES:

- 8.1 This Agreement is limited only to those flows originating from Exotic Metals activities on Exotic Metals Property as identified herein, for the duration of this Agreement. All flows shall be metered for water usage by Airway Heights and sewage usage by Spokane and reported to Spokane on a monthly basis.
- 8.2 Reimbursement for reasonable maintenance or rehabilitation costs to maintain flow capacity and structural integrity of the conveyance system from the specified Exotic Metal Property to Spokane's POTW will be the responsibility of Airway Heights.

Section 9. SERVICE CHARGES:

- 9.1 Spokane will charge Airway Heights the rate established in the Spokane Municipal Code for a Non-City Industrial User. Currently, the rate charged by Spokane to this class of users is three dollars and eighty-six cents (\$3.86) per unit. This rate will be adjusted annually as adopted by ordinance by the Spokane City Council.
- 9.2 Any permit fees and additional costs, if applicable, associated with categorical and/or Significant discharge are not included in this Agreement and will be direct billed to Exotic Metals.
- 9.3 Spokane shall bill Airway Heights no less frequently than annually. Payments are due within thirty (30) days of billing. Unpaid balances shall accrue interest at one percent (1%) per month.

Section 10. BILLING PROCEDURES:

- 10.1 Spokane will provide an account to the Airway Heights City Clerk of the domestic sewage accepted and processed by Spokane.
- 10.2 Service charges for the operations and maintenance of maintaining equipment will be billed on an annual basis, as applicable.

Section 11. PRETREATMENT:

Airway Heights agrees to adopt and enforce a pretreatment ordinance, and implement regulations, equivalent to Spokane's ordinances and regulations, which are required by the Washington State Department of Ecology (DOE), pursuant to OPR 2012-0058. Such equivalency shall be mutually determinable by the Directors.

Section 12. SERVICE AREA BOUNDARIES:

Service Area Boundary between the cities of Airway Heights and Spokane as it currently exists shall remain fixed unless a change is mutually agreed to. This Agreement shall not be affected by annexation of any territory within the Service Area Boundary by Airway Heights. Further, upon such annexation of territory within the Service Area Boundary, Airway Heights agrees to extend and grant the City of Spokane all rights and privileges which exist under this Agreement through passage of appropriate Ordinance, Resolution or Contract Amendment.

Section 13. ACCEPTABLE WASTEWATER:

Airway Heights will not deliver any stormwater and/or combined sewer directly to the system. The wastewater system within Airway Heights will be designed to purposely not collect or deliver any stormwater and/or combined sewer through any direct or indirect connection to Spokane's system. Inflow and infiltration will be restricted to acceptable standards as established by DOE.

Section 14. INDEMNITY:

Airway Heights shall indemnify Spokane for all loss, liability, damages, fines and costs incurred as a result of harmful industrial or other waste discharge from the Exotic Metals Property. This indemnification does not extend to the extent it may be determined that any loss arises from the sole negligent actions or omissions of Spokane, its officers, agents or employees.

Airway Heights shall reimburse Spokane for fines or costs stemming from injury to Spokane personnel, damages to Spokane facilities, disruption of treatment processes or operations, harmful degradation of sludge quality, NPDES permit violations, and other air, water, sludge, and quality violations caused by industrial wastes received from the Exotic Metals Property.

Section 15. AMENDMENT:

Amendment of this Agreement may be made only by written agreement of the Parties.

Section 16. DURATION AND TERMINATION:

- 16.1 This Agreement shall be in effect for the duration sewage flow is received by Spokane from the identified Exotic Metals Property. In the event the ownership of or activities on the identified Exotic Metals Property change, this Agreement shall be reviewed and adjusted accordingly. In the event the Exotic Metals Property is reconfigured, including but not limited to aggregated or subdivided, this Agreement shall be renegotiated.
- 16.2 Should Airway Heights reconfigure its sewer transmission lines to directly connect the identified Exotic Metals Property to its facility, the Parties shall renegotiate this Agreement.
- 16.3 This Agreement shall be reviewed and adjusted if necessary and as mutually agreed upon by the Parties every five (5) years.

Section 17. HEADINGS:

The section headings in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to, limit or extend the scope or intent of the sections to which they apply.

Section 18. ALL WRITINGS CONTAINED HEREIN – MERGER AND FULL INTEGRATION:

This Agreement contains all of the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto. The Parties have read and understand all of this Agreement, and state that no representation, promise, or agreement not expressed in this Agreement has been made to induce the Parties to execute the same.

Section 19. FILING OF THE AGREEMENT:

Spokane and Airway Heights shall file this Agreement with the respective City Clerks and Spokane shall file this Agreement with the City of Spokane Auditor and the Secretary of State.

Section 20. SEVERABILITY:

In the event any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

Section 21. EFFECTIVE DATE:

This Agreement shall become effective immediately after it is duly adopted by the Councils of the Cities of Spokane and Airway Heights.

This Agreement operates in conjunction with the Airway Heights Pretreatment Program Agreement with Spokane City Clerk's file Number 2012-0058.

This Agreement shall supersede all prior agreements concerning sewer service to the Exotic Metals Property. Terms from the March 12, 2014 Preliminary Letter of Intent between the Parties, attached as "Exhibit A" are incorporated into this Agreement

Dated: 6/25/14

Attest: Spokane City Clerk

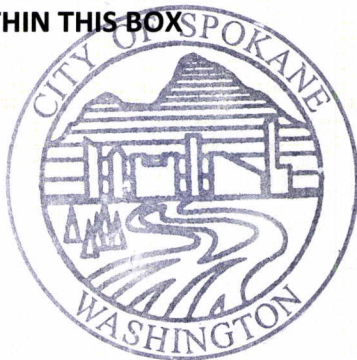
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CITY OF SPOKANE

By: *David A. Condon*

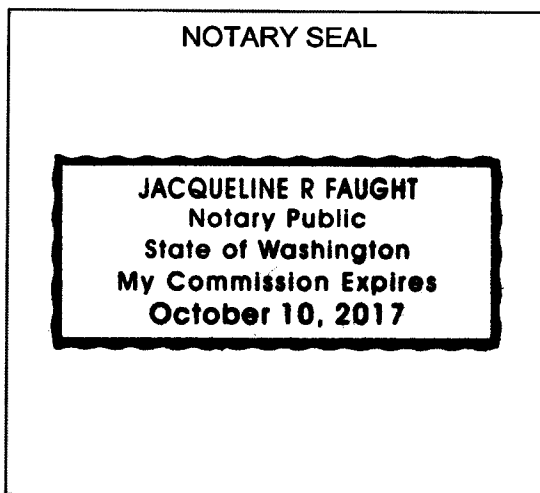
Title: David A. Condon
Mayor
City of Spokane

CITY CLERK PLACE YOUR SEAL
WITHIN THIS BOX



STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence that David A. Condon is the person who appeared before me and acknowledged that signature of this document, on oath stated that he was authorized to sign it and acknowledged it to be the free and voluntary act of such party for the uses and purposes therein mentioned.



Jacqueline R. Faught
Notary Public in and for the State of
Washington, residing at Spokane.
My Appointment expires: 10-10-2017

Approved, Subject to City Council Approval
City of Spokane

Dated: _____

By: Rick Romero
Rick Romero
Director Public Utilities

Approved as to form:
[Signature]
Assistant City Attorney

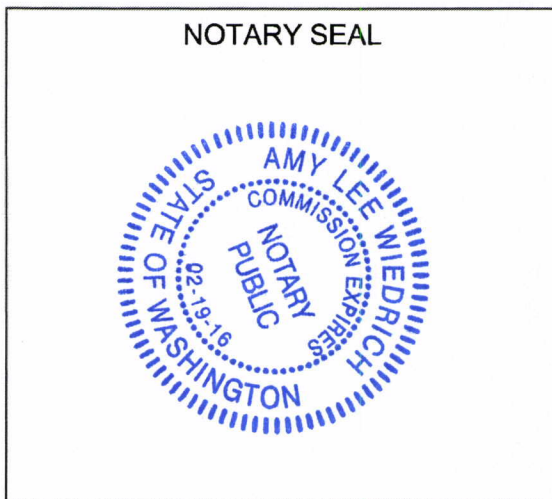
City of Airway Heights

Dated: 5-14-14

By: Albert Tripp
Albert Tripp
City Manager

STATE OF WASHINGTON)
) ss.
County of Spokane)

I certify that I know or have satisfactory evidence that Albert Tripp is the person who appeared before me and acknowledged that signature of this document, on oath stated that hw was authorized to sign it and acknowledged it to be the free and voluntary act of such party for the uses and purposes therein mentioned.



Amy Lee Wiedrich
Notary Public in and for the State of
Washington, residing at Spokane.
My Appointment expires: 2-19-16

Approved as to form:

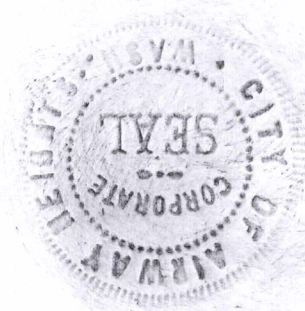
Stanley Schwartz
Stanley Schwartz
City Attorney for Airway Heights

Attest:

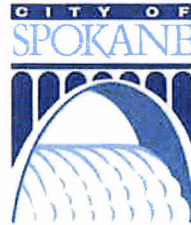
Richard G. Cook
City of Airway Heights Clerk

5-14-14
Date

SEAL OF THE CITY OF AIRWAY
HEIGHTS



(Clerk: Please Place Seal Within This Box)



UTILITIES DIVISION
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201
509.625.6270

March 17, 2014

City of Airway Heights
Albert Tripp, City Manager
1208 South Lundstrom Street
Airway Heights, Washington 99001-0969

Re: Airway Heights Sewer Agreement for Sewer Service to Spokane County Tax Parcels No. 15351.0014, 15351.0013, 15351.0012 and 15351.0011

Preliminary Letter of Intent

Dear Albert:

Pursuant to our meeting Friday morning between the City of Spokane and the City of Airway Heights, the purpose of this letter ("Letter of Intent") is to set forth the preliminary understanding and agreement between the City of Spokane (the "Spokane") and the City of Airway Heights ("Airway Heights"), with respect to sewer services to specific property located in Spokane County, tax parcel numbers 15351.0014, 15351.0013, 15351.0012 and 15351.0011, consisting of approximately 56.6 acres, in order to allow Exotic Metals to purchase said property for operations. These tax parcel numbers are located within Airway Heights' corporate boundaries and sewer service area, but at this point in time, Airway Heights ^{has requested service} is unable to provide wastewater treatment services to these specific properties. Airway Heights wishes to secure Exotic Metals as a customer of Airway Heights, and will assume all responsibility for discharge into Spokane's system. Therefore, Airway Heights has asked Spokane to provide limited wastewater treatment services, as outlined below using Airway Heights' connection into Spokane's system. As discussed Friday, OPR 1993-0444 will be discussed separately.

This Letter of Intent is a statement of intent setting forth the general terms of such a Sewer Service Agreement and supporting good faith negotiations on such terms. As discussed, the Agreement will have to be approved by Spokane's legislative process.

With the above consideration, the following sets forth the general terms under which Spokane and Airway Heights will negotiate an Agreement for Sewer Services specific to Spokane County Tax Parcels Number 15351.0014, 15351.0013, 15351.0012 and 15351.0011:

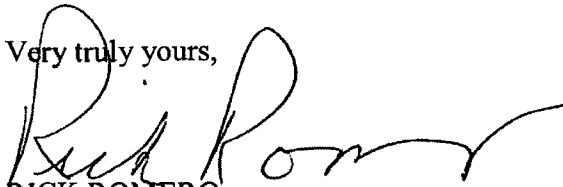
- 1) Rate: Spokane will charge Airway Heights at the rate established in Spokane Municipal Code for a Non-City Commercial User -Non-retail. Currently, the rate charged by Spokane to this class of users is \$3.86 per unit. This rate classification will adjust on a yearly basis, as adopted by ordinance by the Spokane City Council.

Exhibit 'A'

- 2) Measure of Flow: This Agreement will be limited to only those flows from the above specified parcels. Airway Heights shall provide monthly reports to Spokane of water meter flow provided to the parcels in question.
- 3) Application: These rates pertain only to the specific parcels in question. Any other needs of Airway Heights shall be negotiated separately.
- 4) Approval: Both parties understand that any Agreements between the parties will be subject to the approval by the City Council and signature by the Mayor/City Administrator.
- 5) Compliance: The discharge shall be subject to and meet all regulatory standards and conditions as mandated by Spokane's NPDES permit, federal, state or local law including pretreatment requirements.
- 6) Duration: The Agreement shall be in effect for the duration that sewage flow is received from the above specified parcel numbers.

If the foregoing is acceptable to Airway Heights, please sign below and return to the attention of the undersigned. Once we receive the signed letter of intent, we will forward it to the City's administration for signature by the City. If you have any questions or concerns, please call me at your convenience.

Very truly yours,



RICK ROMERO
Director of Utilities Division
City of Spokane

CITY OF AIRWAY HEIGHTS

CITY OF SPOKANE

By: Albert L. Trigo
Its: City Manager

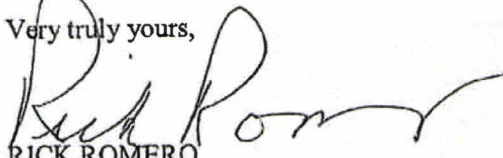
By: _____
Its: _____

Cc: Elizabeth Schoedel, Assistant City Attorney, City of Spokane
Ashley Marshall, Assistant City Attorney, City of Spokane
Theresa Sanders, City Administrator, City of Spokane
Stanley M. Schwartz, Attorney, City of Airway Heights

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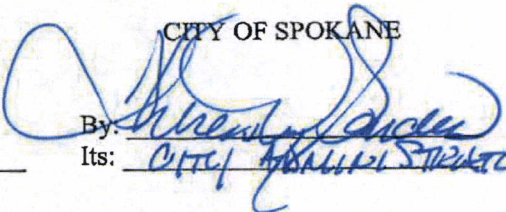


RICK ROMERO
Director of Utilities Division
City of Spokane

CITY OF AIRWAY HEIGHTS

By: Albert L. Tripp
Its: City Manager

CITY OF SPOKANE



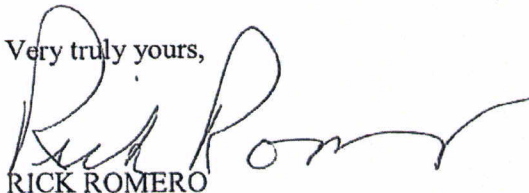
By: Ashley Marshall
Its: CITY MANAGER

Cc: Elizabeth Schoedel, Assistant City Attorney, City of Spokane
Ashley Marshall, Assistant City Attorney, City of Spokane
Theresa Sanders, City Administrator, City of Spokane
Stanley M. Schwartz, Attorney, City of Airway Heights

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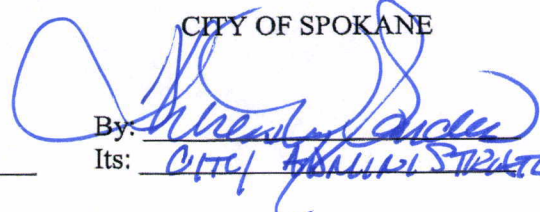


RICK ROMERO
Director of Utilities Division
City of Spokane

CITY OF AIRWAY HEIGHTS

By: Adrian L. Trapp
Its: City Manager

CITY OF SPOKANE



By: Ashley Marshall
Its: CITY ADMINISTRATOR

Cc: Elizabeth Schoedel, Assistant City Attorney, City of Spokane
Ashley Marshall, Assistant City Attorney, City of Spokane
Theresa Sanders, City Administrator, City of Spokane
Stanley M. Schwartz, Attorney, City of Airway Heights