BIOSOLIDS SETTLEMENT AGREEMENT

RECITALS

WHEREAS, the City of Everett, a municipal corporation of the State of Washington (the "<u>City</u>"), and Silver Lake Water & Sewer District (SLWSD), Alderwood Water & Wastewater District (AWWD), and Mukilteo Water and Wastewater District (MWWD), all municipal corporations of the State of Washington, (collectively, the "<u>Districts</u>") have entered into the following agreements regarding sewage disposal (collectively, the "<u>Contracts</u>"):

District	Date of Agreements
Alderwood Water & Wastewater District	December 30, 1981
Mukilteo Water and Wastewater District	May 4, 1983
Silver Lake Water & Sewer District	March 31, 2015

WHEREAS, the City and the Districts have a dispute regarding the Districts' reimbursement obligations to the City regarding the purchase of certain agricultural property for biosolids disposal (the "Marshland Property"); and

WHEREAS, the Districts' position includes, but is not limited to, that they are not contractually responsible for the costs associated with the purchase of Marshland Property for biosolid disposal since, according to the Districts, contractually and historically, reimbursement to the City for biosolid disposal has been paid as a maintenance and operations charge pursuant to the respective Contracts; and

WHEREAS, the City's position includes, but is not limited to, that the purchase of the Marshland Property is a capital expense subject to cost sharing pursuant to the Contracts; and

WHEREAS, the City and Districts executed the Biosolids Tolling Agreement dated on or about July 13, 2020, under which the Districts paid about half of the amounts demanded by the City with respect to the Marshland Property purchase, all as follows:

District	Amounts Paid Under Protest by Districts
Alderwood Water & Wastewater District	\$22,927.57
Mukilteo Water and Wastewater District	\$24,786.56
Silver Lake Water & Sewer District	\$101,253.11

WHEREAS, the Districts have invoked the arbitration clause in the Biosolids Tolling Agreement, but the arbitration has not yet occurred; and

WHEREAS, the City and Districts have determined that the costs of an arbitration

proceeding are not justified considering the amounts in dispute; the arbitration should be dismissed with prejudice; and the parties' past, present, and future obligations regarding the Marshland Property should be conclusively settled; and

NOW, THEREFORE, the City and the Districts (each, a "Party" and, collectively, the "Parties") enter into this settlement agreement ("Settlement Agreement"), and, intending to be bound thereby, make the following promises, which are acknowledged by the Parties as mutual and adequate consideration:

AGREEMENT

1. <u>Incorporation of Recitals</u>. The Recitals are incorporated by reference into this Settlement Agreement.

2. <u>Settlement</u>.

- a. The Parties hereby dismiss the pending Marshland Property arbitration proceeding with prejudice, and will take any necessary steps with the arbitration panel for such dismissal. To effectuate the dismissal with prejudice, the Parties shall submit a letter signed by each Party notifying the selected arbitrators that the matter is dismissed with prejudice, with the City and the Districts responsible for their own costs, including costs incurred by their respective arbitrators and attorney fees.
- b. The City will retain the "Amounts Paid under Protest by the Districts" as shown in the table in the recitals above.
- c. The Districts have no past, present or future obligations to the City regarding the Marshland Property. (For clarification, the Districts agree that the costs of biosolids disposal will continue to be part of maintenance and operations charges paid by the Districts regardless of whether biosolids are applied to the Marshland Property or to another agricultural property.)
- d. The City has no past, present or future obligations to the Districts regarding the Marshland Property.
- 3. <u>Public Records Requests</u>. Each Party agrees that any public records request it has submitted to any other Party to this Settlement Agreement regarding the subject matter of this Settlement Agreement is withdrawn, and the Parties agree that no legal action will be taken related to any such public records request.
- 4. <u>No Admission of Fault</u>. No Party admits any breach, fault, or liability of any kind, and no Party waives or concedes any claim or defense, relating to or arising out of the Contracts or otherwise related to the dispute described above.
- 5. <u>Authority</u>. Each Party represents that this Settlement Agreement has been duly and validly authorized, executed and delivered by such Party and no other action is requisite to the valid and binding execution, delivery and performance of this Settlement Agreement by such Party.
 - 6. <u>Counterparts</u>. This Settlement Agreement may be executed in counterparts, all

of which counterparts, together, shall constitute one and the same instrument, be deemed an original for all purposes and be binding on the Parties as if all signatures were affixed to a single document. Signatures by AdobeSign are fully binding.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be executed as of the date of last signature below.

CITY OF EVERETT	Dated: 10/29/2024
8	
Cassie Franklin, Mayor	
ATTEST APPROVED AS TO FORM OFFICE OF THE CITY ATTORNEY	
Marily	
Office of the City Clerk	
SILVER LAKE WATER & SEWER DISTRICT	10/17/2024 Dated:
By:	
Curt Brees, General Manager	
ALDERWOOD WATER & WASTEWATER DISTRICT	Dated: 10/29/2024
By:	
John McClellan, General Manager	
,	
MUKILTEO WATER AND WASTEWATER DISTRICT	Dated:10/29/2024
By: Dave Barnes	
Dave Barnes, General Manager	

Biosolids Settlement Agreement-RS-SD

Final Audit Report 2024-10-29

Created: 2024-10-17

By: Marista Jorve (mjorve@everettwa.gov)

Status: Signed

Transaction ID: CBJCHBCAABAAgozNbzhnjSFjhUY-0szP5vqjDoKWuxL3

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- Signer cbrees@slwsd.com entered name at signing as Curt Brees 2024-10-17 6:29:08 PM GMT
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- Signer jmcclellan@awwd.com entered name at signing as John McClellan 2024-10-29 8:08:32 PM GMT
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Agreement completed.

2024-10-29 - 9:53:54 PM GMT