

INTERLOCAL AGREEMENT

This Agreement is made and entered into by and between the Lake Stevens Sewer District, hereinafter the "Sewer District", and Diking District 2 of Snohomish County, hereinafter the "Diking District".

WHEREAS, the Diking District operates and maintains a system of dikes, levies, tide gates and similar improvements for the protection of property owned by its members; and

WHEREAS, the Sewer District owns and operates a sewage treatment plant on property lying within the territory of the Diking District; and

WHEREAS, on the night of April 14, 1999, a section of a dike failed, sliding into Ebey Slough, leaving only part of the crest and the land side back slope intact; and

WHEREAS, the Sewer District provided financial assistance in order to pay for geotechnical services, soil studies, engineering and design and for dike repairs required to remedy the dike emergency; and

WHEREAS, the Sewer District loaned \$55,196.99 to the Diking District for the dike project, and the Diking District has repaid \$21,500.00, leaving a balance of \$33,696.99 due and owing.

NOW THEREFORE, in consideration of the mutual covenants expressed herein, the parties hereto agree as follows:

Beginning in 2007 the Diking District will make annual payments of \$1,500.00 to the Sewer District until the outstanding principal balance has been paid.

Dated this 3rd day of January, 2006-2007

DIKING DISTRICT 2:

by: W. Paul Cothran
Chairman

by: Rita Brandal
Secretary

by: Thomas D. Moran
Commissioner

LAKE STEVENS SEWER DISTRICT

by: Jack B Hatlen
J. B. Hatlen, President and Commissioner

by: J. B. Mitchell
J. B. Mitchell, Secretary & Commissioner

by: G. W. Wood
G. W. Wood, Commissioner