

**UTILITY SERVICES INTERLOCAL AGREEMENT
FOR
MASON PUD 3 AND GRAYS HARBOR PUD SERVICE TERRITORIES**

This Utility Services Interlocal Agreement (“Agreement”) is made and entered into this 10th day of September, 2021, by and between Public Utility District No. 3 of Mason County, a municipal corporation in Mason County, Washington (“PUD 3”), and Public Utility District No. 1 of Grays Harbor County, Washington (“GH PUD”), collectively “Parties.”

RECITALS

WHEREAS: PUD 3 and GH PUD are both municipal corporations organized and operating under Title 54 Revised Code of Washington (RCW);

WHEREAS: RCW 54.16.330 authorizes either district to “... construct, purchase, acquire, develop, finance, lease, license, handle, add to, contract for, interconnect, alter, improve, repair, operate and maintain any telecommunications facilities within or without the district’s limits....”

WHEREAS: RCW 54.48.030 provides, in relevant part, that any public utility is authorized to enter into agreements with any one or more other public utility for the designation of the boundaries of adjoining service areas which each such public utility shall observe, for the establishment of procedures for orderly extension of service in adjoining areas not currently served by any such public utility;

WHEREAS: RCW 54.16.090 authorizes the Parties to enter into any contract or agreement for carrying out any of the powers authorized by Title 54 RCW;

WHEREAS: RCW 54.16.200 authorizes the Parties to exercise jointly all powers granted to each individual district;

WHEREAS: RCW 39.34 authorizes the Parties to enter into this interlocal governmental agreement;

WHEREAS: PUD 3 Commissioners passed a motion and GH PUD Commissioners passed a resolution authorizing their respective Managers to enter into an agreement establishing terms for their PUD to provide utility services within the other PUD’s jurisdiction;

WHEREAS: The Parties operate electrical and fiber optic utility systems and are willing and able to extend these utility services to customers within the other PUD’s jurisdictional boundaries;

WHEREAS: The Parties wish to establish a uniform and efficient framework for evaluating and processing customer requests for telecommunications, electric, and other relevant utility service by one Party within the jurisdictional boundary of the other Party.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter provided, the Parties agree as follows regarding the provision of utility services within the jurisdictional territory of the other:

1. **GENERAL PROCESS:** Upon receipt of a request for utility services in the other Party's jurisdictional boundary line shared by GH PUD and PUD 3, the Parties shall engage in cooperative analysis to determine which Party is best situated to provide the service upon consideration of: **a)** the relative distance from the area to be served to the Parties' respective utility facilities; **b)** the potential for development over the term of this Agreement; and **c)** engineering and cost considerations. In the event the Parties fail to agree on which Party is best situated to serve, or in the event one Party in its sole discretion declines to provide service within the jurisdictional boundaries of the other Party, jurisdictional boundaries shall be observed. However, in the event the Parties agree that the other is best situated to provide service(s) within the jurisdictional boundary of the other, the Parties may execute sub-agreements to define:
 - a. Subject property (or portion thereof) to be served
 - b. Legal ownership interests
 - c. Scope and details regarding services to be provided
2. **SUB-AGREEMENTS:** All such sub-agreements shall be incorporated as addendums to this Agreement.
3. **GRANT OF AUTHORITY:** The Parties hereby consent and grant authority to the other to provide service(s) as mutually agreed and detailed in any such sub-agreement.
4. **TERM:** Unless otherwise specifically provided, the term of such sub-agreements shall mirror the term of this Agreement and expire in conjunction with expiration of this Agreement, unless either Party initiates earlier termination of specific sub-agreement(s) by providing at least one (1) year prior written notice to the other Party of its intention to terminate such sub-agreement(s).
5. **SYSTEM FACILITIES:** The Parties hereby consent, approve, authorize and acquiesce in the other Party's construction, ownership, operation, management, repair, and maintenance of utility facilities to provide services located within the other Party's jurisdictional boundaries as otherwise agreed herein or in sub-agreement(s).
6. **CONTINUED SERVICE UPON TERMINATION:** Termination of this Agreement or any sub-agreement(s) shall not affect any right or ability of either party to continue, in its sole discretion, to own, operate, manage, repair, and maintain facilities and utility service to customers in the other Party's jurisdictional boundary which have active service connections when the agreement(s) are terminated.