

INTERLOCAL AGREEMENT

CITY OF UNIVERSITY PLACE/

CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

STREET LIGHTING SYSTEM

This Agreement is entered into between the City of University Place, a municipal corporation (University Place), and the City of Tacoma, Department of Public Utilities, Light Division, a municipal corporation (Light Division), in conformity with Chapter 39.34 RCW, the Interlocal Cooperation Act.

To carry out the purpose of this agreement and in consideration of the benefits to be received by each party, the parties agree as follows:

Services To Be Provided By Tacoma:

The Light Division agrees to provide maintenance for the lights that are furnished and installed by the Light Division on its poles within University Place at an annual cost per light (see table attached). Maintenance covers any damages sustained by the light assemblies caused by vandalism, car vs. pole, re-installation due to pole replacement, burned out lights, and/or failure due to the age of the fixtures. The maintenance cost is subject to change over the years. The annual maintenance cost shall remain consistent with the all-cities Consumer Price Index for urban wage earners (CIP-U), from April to April.

University Place understands and accepts that because the existing Light Division poles will be utilized for the street lights, in some cases the Light Division may not be able to meet the mounting height and pole spacing recommended by the Illumination Engineering Society Standard (IES). This is due to the location of the existing poles and the available space on them.

The Light Division also agrees to provide maintenance for the lights transferred to University Place from Pierce County that are attached to the Light Division's poles for a period of 10 years at a cost of \$40.00 per fixture annually. After completion of the 10 years, the Light Division will evaluate the condition of the transferred lights and will extend the maintenance agreement for additional years to be agreed to by University Place and the Light Division. The maintenance coverage and the inflation rate will be the same as the new lights installed by the Light Division.

Terms:

This agreement shall be effective the date of execution as agreed by both parties and shall continue through the year 2017. In the event either party shall desire to terminate this agreement prior to the 20-year term, such party shall give to the other party 18-months written notice of termination prior to the expiration of the term. The word term in this agreement shall include any extension of the initial 20 years. University Place agrees to purchase power for the light from the Light Division or its successor in interest for a period of 20 years. If University Place desires to have the service to the lights disconnected and install other types of street light standards, University Place agrees to compensate the Light Division for the cost to remove the light from the existing poles.

University Place and the Light Division agree to work in good faith to negotiate and try to reach an agreement for continued service following the conclusion of the terms of this agreement.

Attachment Fee:

There will be an annual fee of \$5.08 per light (pole attachment fee) and is subject to change over the term of the agreement.

Energy Charge:

The energy charge will be in accordance with the Light Division's rate schedule for Street Lighting in effect at the time of service. The current monthly charge, in accordance with the Light Division's Rate Schedule H-1, for a 150 watt, high-pressure Sodium is \$1.45 for each fixture for dusk to dawn operation. This rate has been in effect since April 3, 1995, and is subject to change as the rate schedule is changed.

Contact Person:

The University Place contact person is as follows:

Stephen Sugg (206) 460-2529

The Light Division's contact persons are the following:

Engineering and contractual matters,	Mo Fesharaki,	(206) 502-8296
Maintenance and repairs,	John Lawrence,	(206) 502-8231

University Place and the Light Division may change the designated contact people listed above. Therefore, each party shall notify the other of the change.

This agreement entered into this 11th day of February, 1997.

APPROVED:
City of Tacoma
Department of Public Utilities
Light Division



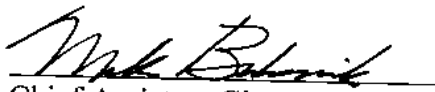
Title: Light Superintendent

APPROVED:
City of University Place



Title: CITY MANAGER

Approved as to form and legality


Chief Assistant City Attorney

Approved as to form and legality

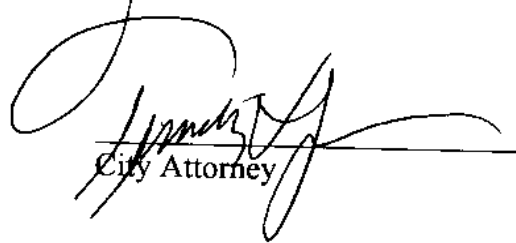

City Attorney

TABLE 1

**Estimated Annual Maintenance Costs For Lights Installed by Light Division
on the existing poles within the City of University Place**

YEAR	ESTIMATE QUANTITY	COST EACH	TOTAL
1997	0	\$ 30.00	\$0
1998	333	\$ 31.05	\$10,340
1999	333	\$ 32.14	\$10,702
2000	333	\$ 33.26	\$11,076
2001	333	\$ 34.43	\$11,464
2002	333	\$ 35.63	\$11,865
2003	333	\$ 36.88	\$12,280
2004	333	\$ 38.17	\$12,710
2005	333	\$ 39.50	\$13,155
2006	333	\$ 40.89	\$13,615
2007	333	\$ 42.32	\$14,092
2008	333	\$ 43.80	\$14,585
2009	333	\$ 45.33	\$15,096
2010	333	\$ 46.92	\$15,624
2011	333	\$ 48.56	\$16,171
2012	333	\$ 50.26	\$16,737
2013	333	\$ 52.02	\$17,323
2014	333	\$ 53.84	\$17,929
2015	333	\$ 55.72	\$18,556
2016	333	\$ 57.68	\$19,206
2017	333	\$ 59.69	\$19,878

Notes:

1. Light fixtures installed by the Light Division will have one year warranty and the maintenance charge will be in effect, one year after the installation which will be in 1998.
2. Beginning in 1998, the maintenance charge will be based on a 3.5% inflation rate annually.
3. The annual pole attachment fee will be \$5.08 per light fixture for a total of \$1,692, for 1997. This rate is subject to change over the years.
4. Maintenance charge for the transferred lights from Pierce County is not included in the table above. The \$40.00 annual charge per light fixtures does not include repairs that must be done on the underground power source for the lights if any.

TABLE 1, AS AMENDED FOR MAINTENANCE AGREEMENT

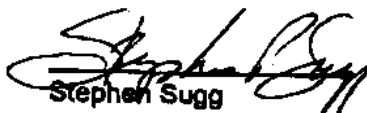
Estimated Annual maintenance Costs for Lights installed by Light Division on the existing and newly installed poles within the City of University Place

YEAR	QUANTITY	COST EACH	TOTAL
1997	424	\$ 30.00	0
1998	424	\$ 31.05	\$ 13,165.20
1999	424	\$ 32.14	\$ 13,625.98
2000	424	\$ 33.26	\$ 14,102.89
2001	424	\$ 34.43	\$ 14,596.49
2002	424	\$ 35.63	\$ 15,107.37
2003	424	\$ 36.88	\$ 15,636.13
2004	424	\$ 38.17	\$ 16,183.39
2005	424	\$ 39.50	\$ 16,749.81
2006	424	\$ 40.89	\$ 17,336.05
2007	424	\$ 42.32	\$ 17,942.82
2008	424	\$ 43.80	\$ 18,570.81
2009	424	\$ 45.33	\$ 19,220.79
2010	424	\$ 46.92	\$ 19,893.52
2011	424	\$ 48.56	\$ 20,589.79
2012	424	\$ 50.26	\$ 21,310.44
2013	424	\$ 52.02	\$ 22,056.30
2014	424	\$ 53.84	\$ 22,828.27
2015	424	\$ 55.72	\$ 23,627.26
2016	424	\$ 57.68	\$ 24,454.22
2017	424	\$ 59.69	\$ 25,310.11

NOTES:

1. Light fixtures installed by the Light Division will have one year warranty and the maintenance charge will be in effect, one year after the installation which will be in 1998.
2. The Maintenance charges shown on table above is based on 3.5% inflation rate annually and is for illustration only. The actual maintenance charges will be based on Consumer Price Index (CPI-U) April to April in accordance with the agreement.
3. The annual pole attachment fee will be \$5.08 per light fixture for a total of \$2,153.92 for 1997. This rate is subject to change over the years.
4. Maintenance charge for the transferred lights from Pierce County to the City of University Place is not included in the table above. The \$40.00 annual charge per light fixtures does not include repairs that must be done on the underground power source for the lights if any.

ACCEPTED:


 Stephen Sugg
 Engineering Manager
 City of University Place

6/6/97
 Date