

Memorandum of Understanding

The purpose of this Memorandum of Understanding (MOU) is to set forth the agreement between the City of Shelton, Washington (hereafter "City") and Public Utility District #3 of Mason County (hereafter "PUD #3") to provide frontage improvements for the proposed PUD #3 Mason Substation project.

WHEREAS, PUD#3 wishes to proceed with design and construction of the Mason Substation project in 2012, and

WHEREAS, the Mason Substation project development is subject to the requirement to provide frontage improvements at the time of development, including but not limited to curb, gutter, sidewalk and storm drainage improvements along Kneeland Street in conformance with the City of Shelton Design and Construction Standards, and

WHEREAS, the Mason Substation site also has frontage on Front Street, and

WHEREAS, Front Street is in need of significant road improvements, which due to the complex nature of the storm drainage system are difficult to resolve without considering the Front Street corridor comprehensively, and

WHEREAS, the City is committed to providing frontage improvements along Front Street as part of the site upgrades at the Front Street Pump Station, and

WHEREAS, the City has commenced a study of the area-wide improvements along the Front Street corridor, to determine appropriate project limits and design, and establish cost estimates and a method to fair and equitably share design and construction costs among all stakeholders and property owners, and expects to complete this study in 2012; and

WHEREAS, PUD#3 is interested in the option of participating in the Front Street corridor area-wide improvements, but does not want to delay commencing the Mason Substation project while the study is completed;

NOW, THEREFORE, the City and PUD#3 do hereby agree:

SECTION 1: The City shall complete a plan for area-wide improvements along the Front Street corridor, which shall identify project stakeholders, determine the project limits, include design for proposed improvements, and develop a cost estimate and method to fair and equitably share design and construction costs among all stakeholders.

SECTION 2: The City shall contact all property owners within the Front Street corridor project area, to discuss the proposed area-wide improvements, review the conceptual designs, and discuss options for contributing toward the project cost.

SECTION 3: The City shall manage the design, construction, and the cost sharing and funding collection for the proposed area-wide improvements project.

SECTION 4: PUD 3 shall provide the City with specific information concerning its underground facilities located in the substation yard, and the underground and overhead facilities within the Front Street and Kneeland Street rights-of-way, when requested.

SECTION 5: When the City has completed the process of developing a plan for area-wide improvements, PUD#3 shall have the option either to contribute a proportionate share of funding up to \$18,000 for the Kneeland Street project frontage pursuant to a RCW 82.02.020 voluntary mitigation agreement, or to complete construction of all frontage improvements required by the City of Shelton Design and Construction Standards for the Mason Substation project within one year.

SECTION 6: Upon execution of this MOU, the City agrees to process all permits associated with the Mason Substation project and defers PUD#3 from the off-site frontage improvement requirements as described in this agreement until the completion of the plan for area-wide improvements along the Front Street corridor.

AGREED TO THIS 16th day of July, 2012, after which this agreement becomes effective:

City of Shelton Commission:

Gary H. Crowl

Mayor

Mike Don

Commissioner

Tom Pannell

Commissioner

Public Utility District #3 of Mason County

Myra Wood

Manager