

SECOND ADDENDUM TO AGREEMENT

THIS SECOND ADDENDUM (the "Second Addendum") is made this ____ day of _____, 2009, by and between the Washington Suburban Sanitary Commission, hereinafter referred to as "WSSC", and Howard County, Maryland, a body corporate and politic of the State of Maryland, hereinafter referred to as "HOWARD COUNTY".

WHEREAS, WSSC and HOWARD COUNTY entered into an agreement dated June 16, 1988 (the "Agreement") for the purpose of extending water supply mains and constructing appurtenant works for furnishing water from the WSSC water distribution system to HOWARD COUNTY; and

WHEREAS, under the terms of the Agreement, WSSC agreed to furnish HOWARD COUNTY with up to 5.0 million gallons of potable water per day, but HOWARD COUNTY has not been purchasing its full allotment due to the higher cost of WSSC's water compared to that of HOWARD COUNTY'S other main supplier, Baltimore City; and

WHEREAS, pursuant to an addendum to the Agreement, dated October 6, 2008 (the "First Addendum"), HOWARD COUNTY conducted a pilot program for a period of six months, during which time it tested the capacity of its current equipment and facilities to determine what portion of its current allotment it could guarantee to utilize on a daily basis. During this pilot period, WSSC charged HOWARD COUNTY the same wholesale service rate that HOWARD COUNTY pays to Baltimore City; and

WHEREAS, HOWARD COUNTY will agree herein to purchase a Minimum Daily Rate (defined below), if WSSC agrees to charge a billing rate for the water that is comparable to that of Baltimore City's billing rate.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the parties agree that the Agreement is amended as follows:

1. All capitalized terms not defined herein shall have the same meaning ascribed to them in the Agreement.
2. The Agreement hereby is amended as follows:
 - a. The First Addendum is superseded by this Second Addendum.
 - b. Section 1 of Article IV of the Agreement is amended by deleting the second and third sentences in said section and inserting the following sentences in their place:

For each full day that WSSC furnishes water, HOWARD COUNTY shall purchase a minimum of 2.5 million gallons per day (the "Minimum Daily Rate"), regardless of its actual draw, but will purchase no greater than the 5.0 million gallons Maximum Daily Rate established in the Agreement. The "Minimum Daily Rate" will be calculated as a monthly daily average beginning at midnight of the 1st day of the month and ending at midnight of the last day of the month. HOWARD COUNTY shall not be required to purchase any minimum amount of water for any day that (i)

WSSC furnishes water for less than a full day, or (ii) WSSC provides a restricted water supply at any time during the same period of time, or (iii) WSSC and HOWARD COUNTY mutually agree to waive the minimum purchase. In such event, the Minimum Daily Rate for that month shall be adjusted by eliminating that day. WSSC shall supply daily at the least the Minimum Daily Rate and all water shall be supplied to the interconnections at a minimum hydraulic grade of 330 feet under normal operating conditions.

c. Section 4 of Article IV of the Agreement is deleted in its entirety and replaced by the following paragraph:

WSSC agrees to set its current billing rate for all potable water supplied to HOWARD COUNTY at the "Wholesale Service Rate" charged HOWARD COUNTY by Baltimore City for each billing period, beginning at \$1304.80 per million gallons. HOWARD COUNTY agrees to promptly notify WSSC of any changes in Baltimore City's billing rate and, annually on June 30, provide certification to WSSC of the current Baltimore City rate. All such changes in Baltimore City's billing rate will be applied retroactively to WSSC's billing rate as of the date of the Baltimore City rate change. HOWARD COUNTY shall have the right to review and audit the statements and accounts of WSSC related to the supply of and billing for the potable water. Such a review or audit shall be made at the expense of HOWARD COUNTY and shall be made available to WSSC upon completion. WSSC shall have the right to review and audit the statements and accounts of HOWARD COUNTY related to the supply of and billing for the potable water, and such a review or audit shall be made at the expense of WSSC and made available to HOWARD COUNTY upon completion.

3. These changes shall be effective as of April 1, 2009. The parties agree to review the Minimum Daily Rate, Maximum Daily Rate and billing rate at least once every five years, or earlier upon request of either party. Any further amendments to the Agreement, as amended hereby, shall be in writing and only effective if signed by all of the parties.

4. All terms and conditions of the Agreement not modified hereby are ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have properly executed this Agreement, as of the date first above written.

**WASHINGTON SUBURBAN
SANITARY COMMISSION**

**Approved As To Form and
Legal Sufficiency:**

Approval Recommended:

Laura Swisher
Associate Counsel II

Thomas Traber
Chief Financial Officer

[Signatures continue on next page.]

ATTEST:

Approved:

Teresa D. Daniell
Interim General Manager

WITNESS/ATTEST:

HOWARD COUNTY, MARYLAND

Lonnie R. Robbins
Chief Administrative Officer

BY: _____ (SEAL)
Ken Ulman
County Executive

APPROVED:

James M. Irvin, Director
Department of Public Works

APPROVED FOR SUFFICIENCY OF FUNDS:

Sharon F. Greisz, Director
Department of Finance

APPROVED FOR FORM AND LEGAL SUFFICIENCY
this _____ day of _____, 2009:

Margaret Ann Nolan
County Solicitor