EXHIBIT B

SWM AGREEMENT

INTRODUCTION

Both the City and Port own and operate surface water management programs and facilities. This Agreement implements the parties' desire to coordinate development of their facilities and develop mutually compatible Surface Water Management (SWM) programs.

The parties acknowledge that the purpose of City SWM rates and charges is to provide a method for payment of all or any part of the cost and expense of surface and storm water management services, or to pay or secure the payment of all or any portion of any issue of general obligation or revenue bonds or other debt issued for such services. These rates and charges are necessary to promote the public health, safety and welfare by minimizing uncontrolled surface and storm water, erosion and water pollution; to preserve and utilize the many values of the City's natural drainage system, including water quality, open space, fish and wildlife habitat, recreation, education, urban separation and drainage facilities; and to provide for the comprehensive management and administration of surface and storm water.

The parties agree that the update of the SWM fees described in Section 1 below is not intended to provide the basis for modifying or changing the policy underlying the City's SWM program. The parties agree that any adjustments to fees or charges paid by the Port will occur if:

1. any of the conditions contained in KCC 9.08.080 are present;

2. any of the conditions contained in RCW 35.67.020 are present; or

3. the City may grant a credit pursuant to RCW 90.03.510 if the Port has storm water facilities that mitigate or lessen the impact of stormwater.

1. SWM FEES

The City and the Port agree to the terms cited in the 2001 Interlocal Agreement (ILA) Between the City of SeaTac and the Port of Seattle, Amendment to the Interlocal Agreement Between the City of SeaTac and the Port of Seattle of September 4, 1997 and Termination of the Interlocal Agreement Between the City of SeaTac and Port of Seattle of 1992. These terms shall continue through the construction of all stormwater facilities required in the Port's 404 permit and 401 water quality certification hereafter referred to as the Port's Comprehensive Stormwater Management Program (CSMP). After completion of the CSMP, the City and Port agree to review the existing fee structure and adjust fees appropriately.

SWM fees collected from the Airport are currently pledged to the City's existing bond debt service through 2013. Any future adjustments of SWM fees shall not affect the portion of the Port's SWM fee, which the City applies to the existing bond debt service, as shown in Attachment B-1.

2. WATER QUALITY REVIEW

The Port and the City shall provide each other with data on sediment and water quality and Best Management Practices (BMPs) implemented to address pollutants on Port property, in the City and in regional surface water management facilities. The Port and the City shall:

a. share data and reports which include annual reports, Stormwater Pollution Prevention Plans, and monitoring data from storm drains;
b. consult with each other about data and potential water quality impacts to receiving waters and/or stormwater discharging onto each other's properties; and
c. shall adopt BMP's required by each jurisdiction's National Pollutant Discharge Elimination System (NPDES) permit requirements or SWM design standards as described in Section 4 below in order to address water quality impacts to receiving waters and/or stormwater impacts upon each other's properties. A list of the BMPs and water quality measures now undertaken by the City and Port are included as Attachment B-2 and B-3.

The Port, as required by its NPDES permit for stormwater discharges from the Airport, will complete a Comprehensive Receiving Water and Stormwater Runoff Study in April 2008. The Study will identify sources of pollutants discharging to Miller and Des Moines Creeks. The Port will include in the Study Report an action plan to address pollutants that discharge to Miller and Des Moines Creeks that could result in exceedances of water quality standards.

3. COORDINATED COMPREHENSIVE DRAINAGE PLANS AND BASIN PLANNING

3.1 Comprehensive Drainage Plans. The Port and City acknowledge that each periodically undertakes a review of its respective Comprehensive Drainage Plans, and that they should share information concerning these plans in order to achieve the greatest possible consistency between these plans. The parties shall share GIS based mapping of their respective SWM systems.

3.2 Des Moines Creek Basin. The Port and City shall complete and implement the projects identified in the Des Moines Creek Basin Interlocal Agreement GCA-3921with the City of Des Moines, King County and the Washington State Department of Transportation (WSDOT) dated June 11, 2004.

3.3 Miller Creek Basin. The original design of this facility assumed that 27 acres of impervious surfaces from Port property drained into the Miller Creek Regional Detention Facility, but in fact, discharges into the Port's Industrial Wastewater System (IWS). In order to properly credit the Port for the 27 acres of impervious surface that it treats through the IWS, the Port may now discharge the equivalent of up to 27 acres of impervious surfaces into the Miller Creek Regional Detention Facility without providing any additional on-site detention. The Port shall notify the City as it utilizes this 27 acre credit.

Except for the Port's discharge from the 27 acres, the Port shall provide on-site detention for new surface water discharges consistent with the "SWM threshold" described in Section 5.3 before these flows reach the Miller Creek Regional Detention Facility.

The Port and City shall complete and implement the projects identified in the ongoing Miller Creek Basin Interlocal Agreement dated May 28, 2002 with the cities of Burien, Normandy Park and King County. Pending the finalization of the Miller Creek Basin Plan recommendations for capital improvements, regulatory standards and operational changes, both parties reserve the right to review and consider or object to the Basin Plan's final recommendations. The City acknowledges that the Port is obligated to ensure that Basin Plan projects do not affect the safe operation of the Airport, and do not cause wildlife attraction issues.

4. SWM DESIGN STANDARDS

Both the Port and the City shall adopt and follow the standards and requirements for surface water management as contained in the King County Surface Water Design Manual and King County Code (KCC) Chapters 9.04 and 9.08 existing on the date of this Agreement, except (a) specific County permitting procedures (e.g. KCC 9.04.090). These surface water management standards are preempted by the FAA or other federal or state requirements such as specific NPDES permits or 401 certifications identified in Attachment B-5.

If King County amends its surface water requirements and standards after the date of this agreement, then the Port and City shall meet to decide whether to adopt the revised King County Standards. The parties presume that revisions to King County standards should be adopted by the Port and City, unless adoption of those revised standards will create serious practical difficulties or incompatibilities with their existing drainage systems. (e.g. if the revisions would require retrofit or significant revision of the planned surface water systems of either).

5. COORDINATED PROJECT REVIEW & APPROVAL

The Port and City adopt a cooperative process for reviewing the SWM components of projects as set forth in this Agreement. Each party shall use the SWM standards set forth in Section 4 above.

5.1 Port Projects. The Port shall be responsible for the surface water design and requirements for projects that discharge directly into Port SWM facilities. No permit or approval from the City is required for these discharges subject to the permitting conditions cited in Exhibit A of this ILA. However, SWM Consultation shall be required if any of the flows from Port property will exceed the "SWM Threshold" defined in Section 5.3 below. The parties acknowledge the Miller Creek Regional Detention Facility is owned, operated and maintained by the Port for use by it, the City and other agencies. No SWM Consultation shall be required for any surface water from Port property that discharges into its Industrial Waste System, except if the IWS discharge would result in a significant reduction of stream flows that would have a likely adverse environmental impact on habitat.

5.2 Non Port-Owned Projects. The City shall be responsible for the surface water design and requirements for projects on properties that discharge into non Port-owned facilities. No permits or approvals from the Port are required for these discharges. However, SWM consultation shall be required if any of the flows from projects located on non-Port-owned properties will exceed the "SWM Threshold" defined in Section 5.3 below. The parties acknowledge the Miller Creek Regional Detention Facility, is owned, operated and maintained by the Port for use by it, the City and other agencies.

5.3 Definitions.

5.3.1 "SWM Threshold" means runoff or impacts that exceed any of the following standards: (a) an increase in the runoff between the 100-year, 24-hour pre-development site conditions and the 100-year, 24-hour post-development site conditions, as calculated for each discharge location, of 0.1 cubic feet per second or greater, (b) diversion from one drainage sub-basin to another, (c) any variance from the SWM design manual, or (d) a diversion that would result in a significant reduction of stream flows that would have a likely impact on habitat.

5.3.2 "SWM Consultation" means a meeting between the Port and City officials charged with implementing SWM design and that shall occur within 14 days after either party requests consultation. Each party shall consider in good faith the comments or revisions requested by the other party.

5.4 Dispute Resolution. If any disagreement or dispute arises regarding interpretation or application of the SWM standards, then the dispute shall be resolved through the Dispute Resolution procedures set forth in Section 13 of this ILA.

5.5 Notice Information. The Port shall include drainage design information with each "Port Project Notice" submitted to the City as part of the Port's "Project Notice" under the Land Use Agreement (Exhibit A to this Interlocal Agreement). The City shall deliver to the Port a copy of any SEPA determination on a project that involves discharge of surface water into Miller

Creek Regional Detention Facility, the Tyee Pond or the NW Ponds. (Even if the SWM threshold is not exceeded). If a party requests an explanation about the design of a particular SWM project, the other party shall provide an explanation, data and documentation regarding the SWM design.

ATTACHMENTS:

Attachment B-1 – City of SeaTac Storm Water Revenue Bonds Outstanding at October 14, 2005

Attachment B-2 – List of City's Existing BMPs and Water Quality Measures

Attachment B-3 – List of Port's Existing BMPs and Water Quality Measures

Attachment B-4 – Port's Information on Detention Facilities (April 10, 1997)

Attachment B-5 – Federal Regulations Affecting SWM Standards

Attachment B-6 – Letter from the Department of Ecology to the Des Moines Creek Basin Planning Committee dated July 23, 2003

ATTACHMENT B-1

City of SeaTac

Storm Water Revenue Bonds Outstanding at February 1, 2006

Date	1999 Refunding Bonds Principal	1999 Refunding Bonds Interest	Total Debt Service
6/1/2006	$	$ 57,400.00	$ 57,400.00
12/1/2006	275,000.00	57,400.00	332,400.00
6/1/2007		51,487.50	51,487.50
12/1/2007	285,000.00	51,487.50	336,487.50
6/1/2008		45,288.75	45,288.75
12/1/2008	300,000.00	45,288.75	345,288.75
6/1/2009		38,688.75	38,688.75
12/1/2009	315,000.00	38,688.75	353,688.75
6/1/2010		31,601.25	31,601.25
12/1/2010	320,000.00	31,601.25	351,601.25
6/1/2011		24,481.25	24,481.25
12/1/2011	335,000.00	24,481.25	359,481.25
6/1/2012		16,860.00	16,860.00
12/1/2012	355,000.00	16,860.00	371,860.00
6/1/2013		8,695.00	8,695.00
12/1/2013	370,000.00	8,695.00	378,695.00
Total	**$ 2,555,000.00**	**$ 549,005.00**	**$ 3,104,005.00**

ATTACHMENT B-2

LIST OF CITY'S EXISTING BMPS AND WATER QUALITY MEASURES

1. City adoption of King County Surface Water Design Manual with:
    - Drainage review required with specified permits;
    - Core requirements; and
    - Special requirements.

2. Engineering Division of Public Works Department review of drainage, utility and site improvements on public and private development proposals.

3. On-going Public Works projects utilizing surface water management fund.

4. Surface water management operation and maintenance program.

[Copies of the above were provided by the City to the Port.]

ATTACHMENT B-3

LIST OF PORT'S EXISTING BMPS AND WATER QUALITY MEASURES

1. Port adoption of relevant surface water design manuals
    - Areas within Port's Individual NPDES Permit Boundary
        - Stormwater Management Manual for Western Washington (Department of Ecology, 2005 or current version)
    - Areas outside of Port's Individual NPDES Permit Boundary
        - King County Surface Water Design Manual (King County, 2005)

2. Stormwater Pollution Prevention Plan (SWPPP) for Airport Industrial Activities

3. Stormwater Facilities Operations and Maintenance (O&M) Plan

4. Non-construction stormwater discharge monitoring including conventional, BOD/COD, glycols, oil and grease, metals, other priority pollutants and acute toxicity.

5. Ambient conditions monitoring for sublethal toxicity.

6. Comprehensive Receiving Water and Stormwater Runoff Study

7. Stormwater Pollution Prevention Plan (SWPPP) for construction projects including erosion/sedimentation control plan (ESC) for all land disturbing activities and site discharge monitoring for land disturbing activities greater than 1 acre.

8. Implementation of Comprehensive Stormwater Management Plan (Parametrix 2000 and 2005 updates) for flow control

9. Procedures manual analysis by a state-certified laboratory.

10. Spill control containment and countermeasures plan (SPCCC).

11. Industrial Wastewater Management System

12. Stormwater Best Management Practices and AKART Compliance (Stormwater Engineering Report, RW Beck 2005 and Facility Assessment Report, Parametrix 2005)

ATTACHMENT B-4

PORT OF SEATTLE DETENTION FACILITIES AND 1997 MEMORANDUM

Facility Name	Purpose	Service Area	Storage Capacity
Miller Creek Detention Facility	Regional Flood and Erosion Control	Airport and Surrounding Communities	68 AF at emergency spillway crest 91 AF at maximum water surface elevation
Tyee Regional Pond	Regional flood control and fuel spill containment	Airport and Surrounding Communities	18.5 AF at overflow elevation of 271.5 ft
North Employee Parking Lot (NEPL) Vault	Limit stormwater runoff to pre-developed conditions for the 2-year, 10-year and 100-year 24 hour design storms	Airport only - NEPL (40.8 acres)	3 AF at overflow elevation 4.48 AF at maximum water surface elevation
SDS-3A (1998 Taxiway Vault)	Limit stormwater runoff to pre-developed conditions for the 50% of the 2-year and 100% of the 10-year and 100-year 24 hour design storms (Ecology 1992)	Airport only – connecting taxiways for Runway 16R-34L (48.4 acres)	7 AF at overflow elevation 6.54 AF at maximum water surface elevation
South Employee Remote Parking Lot and Expansion	Limit stormwater runoff	Airport only – parking lots	0.7 AF
Doug Fox Infiltration Facility	Limit stormwater runoff - infiltration	Airport only – DF parking lot and flight kitchens	0.06 plus 300ft X 300 ft infiltration trench
S 160th St. Remote Parking	Limit stormwater	Airport only	1.3 AF

Lot	runoff	– S. 160th St. parking lot	
Starling Road Detention Pond	Limit stormwater runoff	Airport only - Starling Road	NA
Flying Food Detention Vault	Limit stormwater runoff	Airport only – Roof and parking lot	0.05 AF
Lufthansa Detention Pond	Limit stormwater runoff	Airport only – Roof and parking lot	0.06 AF
Des Moines Creek Regional Detention	Regional flood control	Airport, SeaTac Des Moines	AF

ATTACHMENT B-5

FEDERAL REGULATIONS AFFECTING SWM STANDARDS

Note: The following list is intended to be a representative sample of applicable federal environmental regulations. Attempts have been made to ensure that it is comprehensive, but it is not necessarily all-inclusive. The SWM and sensitive areas agreements should acknowledge that other federal regulations not listed here may apply and that the regulations may be amended or new regulations adopted from time-to-time.

I. GENERAL ENVIRONMENTAL – Typically are addressed during planning:

- National Environmental Policy Act of 1969 (NEPA) – established a broad national policy to improve the relationship between man and the environment and set out policies and goals to ensure that environmental considerations are given careful attention and appropriate emphasis in all Federal decisions.

- Council on Environmental Quality (CEQ) Regulations – Regulations established by the President's Council on Environmental Quality to implement the NEPA.

- FAA Airport Environmental Handbook. 5050.4A

II. WATER

- Federal Water Pollution Control Act/Clean Water Act – regulates pollutant discharges into the waters of the U.S. including discharges from retention basins, wastewater treatment units, stormwater, etc. Established a permit process (Section 404) for the dredge and fill of navigable waters.

- Safe Drinking Water Act – regulates on-site water wells supplying water for public consumption.

- Executive Order 11990 Protection of Wetlands – defines wetlands and the importance of wetlands to the nation.

- Executive Order 11988 Floodplain Management – links the need to protect lives and property with the need to restore and preserve natural and beneficial

floodplain values.

III. WILDLIFE HAZARDS, LANDFILLS, CLEAN AIR

- 14 CFR Part 139.337 (FAR Part 139.337) – Requires the certificated airports provide an ecological study when potentially hazardous birds or other wildlife are observed or if a serious bird strike occurs.

- 40 CFR Part 258 – provide landfill site criteria concerning the establishment, elimination or monitoring of waste disposal facilities in the vicinity of an airport (Included in FAA Order 5200.5A).

- Clean Air Act – requires the EPA to set ambient air quality standards, to control emissions from stationary and mobile sources, to establish new source standards and to control hazardous air pollutants. Including 40 CFR Part 51 and 93 which govern conformity with a State Implementation Plan – Projects involving federal funding must show that they conform to the objectives of the SIP.

IV. NOISE

- Airport Noise and Capacity Act of 1990 – Requires the transition to a Stage 3 fleet (for aircraft weighing more than 75,000 pounds) by December 31, 1999 with exemptions possible on a case-by-case basis through December 31, 2003.

- FAR Part 91 (14 CFR Part 91) – Establishes a phased transition to an all Stage 3 aircraft fleet.

- FAR Part 161 (14 CFR Part 161) – Establishes a program for reviewing airport noise and access restrictions on the operations of Stage 2 and Stage 3 aircraft.

- FAR Part 150 (14 CFR Part 150) – Airport Noise Compatibility Planning process establishes a framework for preparing airport noise and land use compatibility plans. Contains the FAA land use compatibility guidelines.

V. HAZARDOUS WASTE

- Comprehensive Environmental Response, Compensation and Liability Act (CERCLA of 1980 – also known as the superfund law. Enacted to address past and present national problems of hazardous substances. It finances the clean-up by the government of waste spills and uncontrolled disposal of past industrial

practices.

- Resource Conservation and Recovery Act (RCRA) of 1976 – regulates the management and disposal of newly created industrial hazardous waste.

- Toxic Substances Control Act (TSCA) of 1976 – established a system for identifying and evaluating environmental and health effects of chemicals. TSCA established controls for such substances as asbestos-containing building materials, PCB capacitors, transformers, etc.

- 40 CFR Part 261 – Identification and Listing of hazardous waste.

VI. FEDERAL GRANT ASSURANCES

- As a condition for federal funding of airport developments, FAA requires airports to sign Grant Assurances which require, among other actions; 1) to not cause or permit any activity or action that would interfere with the use of the Airport for Airport purposes; 2) to mitigate or prevent the establishment of flight hazards; and 3) to carry out developments in accordance with federal policies, standards, and specifications including but not limited to the FAA Advisory Circulars (Grant Assurances 19, 20, 21, 34).

OTHERS

- 29 CFR 1926 Federal Occupational Safety and Health Act
- 40 CFR Part 61 National Emission Standard for Hazardous Air Pollutants
- Fish and Wildlife Coordination Act
- Endangered Species Act of 1974
- Farmland Protection Policy Act
- Federal Insecticide, Fungicide and Rodenticide Act
- E.O. 11514 Protection and Enhancement of Environmental Quality
- E.O. II 593 Protection and Enhancement of Cultural Environment

- E.O. I 11990 Preservation of Wetlands
- E.O. 12372 Intergovernmental Review of Federal Programs
- E.O. 12898 – Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations
- E.O. 11998 Floodplain Management
- Section 4(f) of the Department of Transportation Act of 1966 (49 USC 303(c))
- National Historic Preservation Act of 1966 (31 CFR 800)
- Archaeological and Historic Preservation Act of 1974 (16 USC 469 et seq.)
- Aviation Safety and Noise Abatement Act of 1979
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
- FAR Part 77 – Height limitations near airports

ATTACHMENT B-6

LETTER FROM THE DEPARTMENT OF ECOLOGY TO THE DES MOINES CREEK BASIN PLANNING COMMITTEE DATED JULY 23, 2003

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
Northwest Regional Office • 3190 160th Avenue SE • Bellevue, Washington 98008-5452 • (425) 649-7000

July 23, 2003

Mr. David Masters, Project Coordinator
Des Moines Creek Regional Detention Facility Planning Committee
P.O. Box 4008
Seattle, WA 98194

Dear Mr. Masters;

Re: Hydrologic Analysis of the Des Moines Creek Regional Detention Facility

We have reviewed the following reports submitted by you on behalf of the members of the Des Moines Creek Planning Committee:

- *Hydrologic Analysis of the Des Moines Creek Regional Detention Facility Using HSPF*
- *Des Moines Creek Regional Capital Improvement Project, Preliminary Design Report (including the Alternatives Analysis, Alternative Analyses Addendum, and Appendices A, B, D, and E).*
- *Des Moines Creek Basin Plan*

We find that these documents are responsive to the Department of Ecology's *Stormwater Management Manual for Western Washington, Appendix A, Guidance for Altering the Minimum Requirements Through Basin Planning.* The information submitted provides sufficient technical data to justify an alternative to the department's recommended minimum requirement for flow control within the Des Moines Creek Watershed. The alternative receiving the department's concurrence requires the implementation of three recommendations from the subject reports:

- A Des Moines regional detention facility in the Tyee Golf Course at the southern end of Sea-Tac airport, north of South 200th St., including two new stormwater detention ponds referred to as the Northwest Pond and the Approach Light Road Pond, as further described in the documents.
- Two bypass pipelines; a 48-inch diameter line to carry flow from the existing Tyee Regional Stormwater Pond to the Northwest Pond, and a 30-inch diameter line from the Tyee Pond to an abandoned sanitary sewer line that will be refurbished to carry stormwater to Puget Sound.

- Application of the King County Runoff Time Series (KCRTS) flow model or other DOE approved models, the King County Level 1 flow control standard, and the 1994 land use condition as the pre-developed condition for sizing flow control facilities for new development and redevelopment once the regional facilities and bypass lines are constructed and operational.

This concurrence should not be construed as the issuance of the necessary permits for construction of the above projects.

Because the planning documents do not provide alternative recommendations to the water quality treatment guidance provided in the 2001 Stormwater Management Manual for Western Washington, the Department of Ecology encourages the local governments to use the manual recommendations for new development and redevelopment. In addition, the Department encourages the Basin Committee to continue planning to address the existing water quality problems of the creek. The chemical parameters identified in the planning documents that exceed applicable water quality standards include: fecal coliform bacteria, temperature, dissolved copper and zinc. In addition, because of the relatively urbanized nature of the watershed, it is likely that concentrations of various polycyclic aromatic hydrocarbons and pesticides are periodically problematic.

We congratulate the local governments on their foresight, determination, and commitment to identify and implement a strategy that should give Des Moines Creek and its biologic resources a much improved chance at not only surviving, but thriving.

Sincerely,

Kevin C. Fitzpatrick

Kevin C. Fitzpatrick
Water Quality Manager
Northwest regional Office

KCF:ha:jc

Cc: Donald Althauser, P.E., King County
Ed O'Brien, P.E., DOE, Water Quality, HQ
Ed Abbasi, Water Quality, NWRO