

Grant Agreement No. 430-3208
Chelan Agreement No. 11-110

INTERLOCAL MASTER AGREEMENT FOR COOPERATIVE ACTION

THIS AGREEMENT is made this 23rd day of May, 2011 between Public Utility District No. 1 of Chelan County, having its principal place of business in Wenatchee, Washington, herein referred to as "Chelan," Public Utility District No. 1 of Douglas County, having its principal place of business in East Wenatchee, Washington, herein referred to as "Douglas," and Public Utility District No. 2 of Grant County, Washington, herein referred to as "Grant," having its principal place of business in Ephrata, Washington, each public entity being incorporated under the laws of the State of Washington, and collectively referred to herein as "PUDs."

RECITALS:

1. The PUDs are authorized pursuant to RCW 39.34 to enter into Cooperative Agreements. Joint utilization of agreements and the exchange of services as described herein in accordance with the terms of the Interlocal Cooperative Act, RCW 39.34, will work to the benefit of the three PUDs. Such cooperative action will result in savings to the public and will better serve the needs of the three PUDs.

2. Chelan, Douglas and Grant wish to take advantage of the benefits afforded to cooperatively operate their PUDs more efficiently as described herein and otherwise agreed.

A. TERM.

The Agreement shall be effective upon execution of Chelan, Douglas and Grant and upon filing in the manner specified in RCW 39.34. The Agreement shall remain in effect until such time as it is terminated by any of the PUDs by giving the other PUDs not less than thirty days written notice of termination. Termination by one PUD shall not affect the effectiveness of the Agreement for the remaining PUDs.

B. SCOPE.

Cooperative action between Chelan, Douglas and Grant has been proposed whereby various services would be exchanged or shared, as needed. Services would include but not be limited to: sharing of inventory, procurement services, testing services, crew assistance, inspection services, safety and other training development programs, engineering services, surplus equipment disposal opportunities, and other services as agreed upon by all or at least two of the three PUDs. Additional details of each cooperative action will be agreed upon and memorialized in an email or letter (hereinafter referred to as "letter agreement") from the lead PUD Administrator sent to the Administrator(s) for the participating PUDs. Any such agreements shall be subject to the terms of this Interlocal Master Agreement for Cooperative Action (herein referred to as "Agreement").

C. ADMINISTRATORS.

For each type of cooperative action, each participating PUD will be represented by the Administrators serving in the positions named below (or in the equivalent position titles as modified):

- i. Chelan - Director of Procurement & Contract Services (or his/her designee);
- ii. Douglas - Purchasing Agent (or his/her designee);

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- iii. Grant- Support Services Manager (or his/her designee);
- iv. Other representatives may be named in letter agreements for specific cooperative actions.

D. ADMINISTRATIVE COSTS AND DETERMINATION OF LEAD PUD.

For each cooperative action, the participating PUDs shall discuss and agree on the lead with the intent to: (i) equitably contribute to the benefits of the actions, and (ii) equitably contribute the staff resources and expenses necessary to administer the action. The lead PUD shall bear the administrative costs (i.e. for a competitive procurement, the lead PUD shall incur the cost to advertise, etc.). Unless otherwise agreed to in a letter agreement, the lead PUD will not invoice the other participating PUD(s) for the administrative costs associated with the cooperative action.

E. CONTRACTS AND FINANCES.

Each participating PUD shall enter into its own contract with a contractor providing services or materials. In the case of a participating PUD providing staff services or materials to another participating PUD under this Agreement, the PUD providing the staff services or materials may invoice the receiving PUD for the actual cost of the services (including hourly wages, benefits, etc.) or materials (including warehouse overhead) plus a markup percentage as negotiated. The details of the arrangement will be set out as discussed in paragraph B, Scope, herein. The PUD providing staff services or material shall invoice the receiving PUD and the receiving PUD shall make payment to the invoicing PUD for correct and undisputed invoices within 30 days. Nothing herein shall preclude the participating PUDs from making other invoicing arrangements or mutually beneficial exchanges in a letter agreement.

F. OWNERSHIP OF FACILITIES.

Nothing in this Agreement shall in any way affect any PUD's ownership of its facilities.

G. FILING.

Upon execution of this Agreement, the Administrators of each PUD shall, in compliance with RCW 39.34, have the Agreement, and subsequent amendments, recorded with the auditor of each PUD's respective county or post the Agreement (and amendments) on the Internet for viewing by the public. Each PUD will determine whether to record or post the letter agreements.

H. COORDINATION OF ACTIVITIES.

The Administrator for each PUD shall keep himself/herself and the other Administrators apprised of and shall coordinate all activities which affect any of the participating PUDs during the term of this Agreement.

I. NO MODIFICATION.

A bid or contract document which is the subject of a cooperative action by at least two of the PUDs and covered by this Agreement or any subsequent letter agreements shall not be modified without the prior written approval of the participating PUDs.

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J. LIABILITY/INDEMNITY.

Nothing in this Agreement or the provision of services or materials or cooperative action shall create or impose liability on the PUD(s) for the acts of the other PUD(s) resulting in injuries or damages to the other PUDs. Chelan, Douglas and Grant each agree to be responsible and assume liability for the wrongful and/or negligent acts or omissions of their officers, agents or employees to the fullest extent required by law, and further agree to save, indemnify, defend and hold the other PUDs harmless from any such liability. In the case of negligence of more than one PUD, any damages allowed shall be in proportion to the percentage of negligence attributable to each PUD.

K. ENTIRE AGREEMENT.

This instrument embodies the entire Agreement of the PUDs. There are no promises, terms, conditions or obligations other than those contained here. This Agreement shall supersede all previous communications, representations or agreements, either verbal or written, between the parties hereto.

EXECUTED THIS 23 DAY OF May, 2011.

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

By [Signature]

PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY

By [Signature]

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WA

By [Signature]
for M. Wogwood