

INTERLOCAL AGREEMENT

THIS AGREEMENT is made this 18 day of July, 2005, between the City of Tacoma, Department of Public Utilities, Light Division (d.b.a. and hereinafter "Tacoma Power"), a municipal corporation, and ~~Lewis County~~ ("The County" hereinafter) a political subdivision under the laws of the State of Washington, hereinafter referred to collectively as the "Parties".

WITNESSETH:

WHEREAS, the Interlocal Cooperation Act, as amended, and codified in Chapter 39.34 of the Revised Code of Washington ("RCW") provides for interlocal cooperation between governmental agencies; and

WHEREAS, Tacoma Power has been issued a 35-year license (the "License") from The Federal Energy Regulatory Commission ("FERC") to operate the Cowlitz River Hydroelectric Project ("The Project"), which license expires July 18, 2038; and

WHEREAS, the License has a number of ongoing, identifiable maintenance and construction tasks, that include, but are not limited to, restoration, safety, security, property management, road construction and maintenance tasks; and

WHEREAS, it is in the best interest of the Parties to have the County perform some of the identified restoration, property management, road construction, maintenance, construction, safety or security tasks that Tacoma Power would otherwise be required to perform under the License; and

WHEREAS, the Parties wish to enter into an Agreement for the duration of the existing License that sets forth the general terms and conditions under which the County will perform and be compensated for the above-described work, and that provides for Tacoma Power to authorize the County to undertake individual tasks on a "task assignment" basis;

WHEREAS, the Parties acknowledge that the County will undertake and perform work or services for Tacoma Power only if such work or services do not interrupt or interfere with the County's regular maintenance schedule as to its own facilities;

NOW, THEREFORE, the Parties agree as follows:

1. PURPOSE: The purpose of this agreement is to provide a mechanism to realize the Parties' mutual interests and benefits in having the County undertake and perform tasks for Tacoma Power in support of Tacoma Power's Cowlitz River Hydroelectric Project, where such work can be planned in advance and further, said Task Agreements are authorized annually by the Lewis County Board of County Commissioners, the Tacoma Public Utilities' Public Utilities Board, or their delegated representatives.

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2. ADMINISTRATION: No new or separate legal or administrative entity is created to administer the provisions of this agreement. The administration of this Agreement shall be by the designated employees of the respective Parties.
3. SCOPE OF WORK AND TASK AUTHORIZATION: This Agreement shall serve as the "umbrella agreement" and mechanism to allow the Tacoma Power and The County to enter into individual consecutively numbered Task Assignments for maintenance, property management, safety, security, restoration and construction tasks to be performed at the Project site or designated appurtenant facilities.

The specific terms of each Task Assignment shall be agreed upon in advance by the Parties and signed by the appropriate representative of each Party. Upon signature, each authorized Task Assignment will be incorporated in this Agreement as a sequentially numbered Exhibit. Tacoma Power acknowledges that its Public Utility Board will authorize individual Task Assignments under the Agreement consistent with Section 1.06.246 of the Tacoma Municipal Code, as amended.

Tacoma Power agrees to compensate the County for the work performed in accordance with the terms set forth in each authorized Task Assignment.

4. DURATION AGREEMENT – TERMINATION: This umbrella agreement shall remain in force for the life of The Project's License, July 18, 2038, or until canceled by either party in writing. Either Party may cancel this Agreement prior to completion of the services after reasonable notice to the other Party in writing. In the event of termination, Tacoma Power agrees to pay the County the amount due for actual work and services necessarily performed under this Agreement up to the effective date of termination.
5. RIGHT TO CONTRACT INDEPENDENT ACTION PRESERVED: Each party reserves the right to contract independently for services without notice to the other party and shall not bind the other party to participate in the independent activity. Any services performed by the County shall be furnished as an independent contractor, and nothing herein contained shall be construed to create a relationship of employer/employee or master/servant as between Tacoma Power and County employees.
6. COMPLIANCE WITH LEGAL REQUIREMENT: Each party accepts responsibility for compliance with federal, state or local laws and regulations.
7. PAYMENT: The method of payment shall be through budgeted funds or other available funds of Tacoma Power and shall be paid to The County upon receipt and the completion of review of itemized invoices for tasks performed.

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8. FILING: Executed copies of this agreement shall be filed as required by Section 39.34.040 RCW prior to this agreement becoming effective.
9. NON-DELEGATION/NON-ASSIGNMENT: The County shall not delegate the performance of any approved or agreed upon service for Tacoma Power, to a third party, unless mutually agreed upon in writing.
10. HOLD-HARMLESS: Each Party shall be liable and responsible, and hold the other Party harmless, for the consequences of its negligent or wrongful acts, the failure to act and the acts or omissions of its employees. Neither Party assumes the liability for the other Party's acts or omissions, the acts or omissions of their employees, or those of any other person, firm or corporation not a party to this agreement. The County acknowledges that, solely for purposes of work performed under this Agreement, the County waives immunity under Industrial Insurance Law, Title 51 RCW, and that this indemnification clause has been mutually negotiated.
11. AUTHORITY: Tacoma Power certifies and warrants that the Public Utility Board has delegated authority to authorize individual Task Assignments up to \$50,000 under this agreement.
12. VENUE AND GOVERNING LAW: The Parties agree and stipulate that in the event any arbitration or litigation should occur concerning or arising out of this Agreement, the interpretation of the terms of this Agreement shall be governed by the laws of the State of Washington.
13. DISPUTE RESOLUTION: In the event of a dispute pertaining to this Agreement, the Parties agree to attempt to negotiate in good faith an acceptable resolution. If a resolution cannot be negotiated, then the Parties agree to submit the dispute to voluntary non-binding mediation before pursuing other remedies.
14. SEVERABILITY: Any provision of this agreement, found to be prohibited or unenforceable by operation of law, shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions of this Agreement, or affecting the validity or enforcement of such remaining provisions.

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APPROVED, BOARD OF COMMISSIONERS:  
LEWIS COUNTY, WASHINGTON

Stennie Hagler  
Chairman  
Richard A. Guano  
Member  
Eric Johnson  
Member

APPROVED, CITY OF TACOMA

James T. Wata  
City Manager  
S. J. Klein  
Director of Utilities  
[Signature]  
Finance Director

APPROVED AS TO FORM:

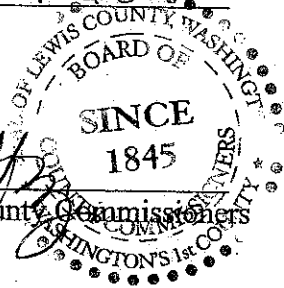
[Signature]  
Prosecuting Attorney

APPROVED AS TO FORM:

[Signature] [Signature]  
Assistant City Attorney

ATTEST

Kristin Deft  
Clerk of the Board of County Commissioners



ATTEST

Doris Sorum 6-28-05  
City Clerk Date

Public Utility Board Resolution: U-9975  
Tacoma City Council Resolution 36556

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## RESOLUTION NO. 36556

1           WHEREAS the City of Tacoma, Department of Public Utilities, Light  
2 Division (d.b.a. Tacoma Power), desires to enter into an umbrella Interlocal  
3 Agreement between Tacoma Power and the Lewis County Department of  
4 Public Works ("Lewis County") for performing road maintenance, property  
5 management, safety, security, restoration, and road construction tasks  
6 required for the Cowlitz River Hydroelectric Project ("Cowlitz Project"), and  
7

8           WHEREAS Tacoma Power has entered into individual interlocal  
9 agreements with Lewis County for road maintenance within the Cowlitz  
10 Project for many years, and  
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12           WHEREAS Tacoma Power has always received high-quality work at a  
13 reasonable price from Lewis County, and there are no known contractors in  
14 the area who can perform the services Tacoma Power requires for the Cowlitz  
15 Project on an annual basis, and  
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17           WHEREAS Tacoma Power has prepared an Interlocal Agreement with  
18 Lewis County that defines the general terms and conditions under which  
19 Lewis County will perform specific restoration, property management, road  
20 construction, maintenance, construction, safety, or security tasks on an  
21 individual task-assignment basis, which Interlocal Agreement will run  
22 concurrently with Tacoma Power's federal license for the Cowlitz Project, and  
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24           WHEREAS each task assignment under the umbrella Interlocal  
25 Agreement must be approved by both Tacoma Power and Lewis County, and  
26 the Interlocal Agreement authorizes the Public Utility Board to approve

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individual task assignments in accordance with the contracting thresholds set forth in Section 1.06.261 of the Tacoma Municipal Code, and

WHEREAS it is determined to be in the best public interest to approve the proposed umbrella Interlocal Agreement between Tacoma Power and Lewis County; Now, Therefore,

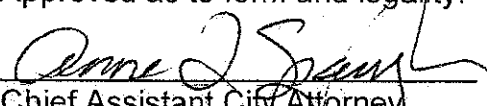
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to execute the proposed umbrella Interlocal Agreement, with Lewis County, for the purposes hereinabove enumerated, said document to be substantially in the form of the proposed Interlocal Agreement on file in the office of the City Clerk.

Passed: \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:  
  
\_\_\_\_\_  
City Clerk

Approved as to form and legality:  
  
  
\_\_\_\_\_  
Chief Assistant City Attorney

Requested by Public Utility Board  
Resolution No. U-9975