Return Address:
Becky Caputo
Chelan County PUD
327 N. Wenatchee Ave.
Wenatchee, WA 98801

Document Title(s) (or transactions contained therein):
1. Intercity Cooperation Agreement with Chelan County PUD and Grant County PUD for the use of Eastbank Hatchery.
2.
3.
4.

Reference Number(s) of Documents assigned or released:
(on page of document(s))

Grantor(s) (last name first, then first name and initial(s))
1. Chelan County PUD
2.
3.
4.
Additional names on page of document.

Grantee(s) (last name first, then first name and initial(s))
1. Grant County PUD
2.
3.
4.
Additional names on page of document.

Legal Description (abbreviated: i.e. lot, block, plat or section township and range)
abbreviated legal

Additional legal is on page of document

Assessor's Property Tax Parcel/Account Number:

Additional parcel numbers on page of document

Washington State County Auditor/Recorder's Indexing form (cover sheet)
The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

EMERGENCY NONSTANDARD REQUEST
I am requesting an emergency nonstandard recording for an additional fee of $50.00 as provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document.

SIGNATURE

DATE
INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT is made by and between PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY, WASHINGTON ("Chelan"), and PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY WASHINGTON ("Grant").

Recitals:

Public Utility Districts are authorized, pursuant to RCW Chapter 39.34 to enter into Cooperative Agreements.

Grant desires to utilize the Eastbank fish hatchery owned by Chelan and operated by the Washington Department of Fish and Wildlife to rear 1680 White River yearling spring Chinook salmon as set forth in Exhibit A attached hereto.

Chelan is willing to allow the use of the Eastbank Hatchery on the terms and conditions contained in this Agreement.

NOW THEREFORE; in consideration of the mutual promises and covenant contained herein, the parties agree as follows:

1. SERVICES PROVIDED BY CHELAN.

Chelan will allow Grant use of its Eastbank Hatchery for rearing of 1680 White River yearling spring Chinook salmon and will supply access to the water supply (by installing a valve) and effluent drain and will perform services more fully described in Exhibit A, which is attached hereto.

2. GENERAL PROVISIONS

This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Washington. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or any authorized representative of each party. Under no circumstances shall Chelan have any liability to Grant (whether in contract, tort or otherwise) for sickness of, injury to, or death of the 1680 White River yearling spring Chinook salmon which are the subject of this agreement. This Agreement constitutes the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.

3. INDEMNITY

Grant and Chelan agree to hold each other harmless and indemnify one another for any acts of negligence committed or caused by one of them or their agents, consultants, employees or sub-contractors against the other or a third party including, but not limited to, property damage loss of fish and personal injury or death.
4.   **TERM.**

This Agreement shall remain in full force and effect until terminated by written notice issued to the other party at least 30 days in advance of the date of termination. This agreement shall terminate no later than June 30, 2006. The White River yearling spring Chinook salmon will be removed from the EastBank Hatchery by June 1, 2006 and equipment removal within 30 days following.

5.   **PAYMENT**

Grant shall make reimbursement payments to Chelan for performing the services rendered in Exhibit “A” with a total not-to-exceed amount of $25,000.00

6.   **PURPOSE.**

The purpose of this Agreement is to provide for the limited use of Chelan’s EastBank Hatchery by Grant for the rearing of 1680 White River yearling Chinook salmon and Grant’s payment of costs related thereto. Both parties deem that through utilization of this Interlocal Agreement, savings to the ratepayers of both utility districts will be achieved.

7.   **ADMINISTRATION OF AGREEMENT.**

This Agreement shall be jointly administered by a representative of Grant and a representative of Chelan, each of whom shall report to his/her board. Absent written notice by one party to the other, the administrators shall be: Chelan – Shaun Seaman; Grant – Tom Dresser.

8.   **COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same document.

9.   **AUTHORITY**

Each person signing this Agreement has the full authority of the entities on behalf of which they are signing to execute this Agreement and to bind those entities to the terms of this Agreement.

11.   **JURISDICTION AND VENUE**

This Agreement is made, executed under and is to be construed by the laws of the State of Washington. In the event of a suit, the undersigned agree that the venue for such suit shall be in the county where the defendant has its headquarters. Chelan and Grant stipulate that a visiting judge shall be assigned to the case so that a resident judge, who is also a customer of either Chelan or Grant, will not hear the case. The substantially prevailing party in any legal action herein shall be entitled to reasonable attorney fees and all reasonable costs, including, but not limited to, expert witness fees, and travel and lodging expenses.
IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed on the date indicated below.

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

By:  Stephen C. Brown
Title:  Director of Natural Resources
Date:  August 29, 2005

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY, WASHINGTON

By:  LE Odem
Title:  Acting General Manager
Date:  9/8/05
EXHIBIT A

1. Ownership and Priority of Use

Notwithstanding any other provisions of the Interlocal Cooperation Agreement between the Parties, Chelan shall retain full ownership of the EastBank Hatchery. Grant shall have the right to rear 1680 White River yearling Chinook salmon only at the EastBank Hatchery as may be agreed to by Chelan in accordance with terms of this Agreement.

2. Hatchery Availability

A.) Use of Chelan’s EastBank Hatchery is contingent on the availability of rearing capacity that is not necessary for Chelan’s fulfillment of its own responsibilities and obligations. Accordingly, Chelan shall be under no obligation to accommodate any of Grant’s Capacity Request if allowing such request would have the effect of precluding Chelan from meeting its own responsibilities and obligations.

3. Chelan - Services Provided

A.) Chelan and its contractors shall provide the following services; facilities, labor, materials, operation and maintenance, capital improvements, fish rearing costs (food, pond maintenance, moving the fish, etc.) and will supply access to the water supply and effluent drain.

4. Grant – Responsibilities

A.) Grant PUD will be responsible for installing all equipment associated with fish rearing requirements (tanks, platforms, covers, plumbing, etc.), all WDFW labor directly related to fish rearing, engineering (if necessary) and all costs and overhead as stated in the Customer Job Order #HC105006. Initial work performed by Chelan under Customer Job Order No. HC105006 for up to $10,000 is to be paid by Grant under Purchase Order No. (12719) and is not included under the amount noted in Section 3 of this Exhibit A.

B.) Notwithstanding the foregoing, Chelan shall not purchase any item that is anticipated to exceed $5,000 unless pre-approved by the District and the purchase is done in accordance with applicable statutes.

3. Grant’s Payments to Chelan

A.) For each month during which there is an agreed upon Grant’s use of rearing capacity in effect, Grant shall pay Chelan for direct costs not to exceed $25,000.00 over the course of the Agreement. This is exclusive of the work performed as agreed to by Chelan and Grant under Grant’s Purchase Order No. (12719) for up to $10,000.

B.) Grant shall have the right, at its expense, to inspect and audit all Chelan financial and other records pertaining to this Agreement.

4. Notices Regarding Hatchery Availability/Termination

A 30 day advance written notice will be given to Grant if Chelan can no longer provide access to rearing the 1680 White River yearling Chinook salmon at the EastBank Hatchery. Conversely,
Grant will be required to provide Chelan with 30 day advance written notice should they wish to terminate this Agreement.

5. Effect of Other Agreements

This Agreement shall not change or affect the responsibilities and obligations of Chelan Rocky Reach/Rock Island HCP. The intent of this Agreement is to facilitate the efficient use of existing hatchery facilities toward meeting Grant's mitigation obligations as outlined in their long-term fish and relicensing agreements.
Change Order  
NO. 1

Pursuant to Section 10, the following changes are hereby incorporated into the Agreement:

A. **Description of Change:** Interlocal Cooperative Agreement 430-2130 was a nine-month contract which expired on June 30, 2006. It has been determined by Fish, Wildlife, and Water Quality staff that it would be prudent to leave the equipment in place for future use by Grant PUD. In the future (fall 2006 and spring 2007) the equipment (tanks, platforms, covers, plumbing, etc.) could be used to rear juvenile White River spring Chinook salmon if rearing capacity should become limited at AquaSeed and excess rearing space at the Little White Salmon National Fish Hatchery is unavailable. By exercising this option, Grant PUD will continue to preclude the need to make capital improvements at AquaSeed for juvenile rearing.

B. **Time of Completion:** The term of the Agreement is hereby extended through August 1, 2007 and Grant PUD will remove its equipment within 30 days thereafter unless this Agreement is further extended or modified.

C. **Contract Price Adjustment:** Grant shall not be required to make any payments to Chelan during or as a result of the extension of the Agreement as provided herein.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY, WASHINGTON

**Authorized Signatures:**

[Signature]

Title: **Fish & Wildlife Director**  
Date: **8/1/2006**

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

**Accepted By:**

[Signature]

Stephen Brown  
Natural Resources Director

Title: ****  
Date: **8/1/2006**
Change Order
NO. 1

Pursuant to Section 10, the following changes are hereby incorporated into the Agreement:

A. Description of Change: Interlocal Cooperative Agreement 430-2130 was a nine-month contract which expired on June 30, 2006. It has been determined by Fish, Wildlife, and Water Quality staff that it would be prudent to leave the equipment in place for future use by Grant PUD. In the future (fall 2006 and spring 2007) the equipment (tanks, platforms, covers, plumbing, etc.) could be used to rear juvenile White River spring Chinook salmon if rearing capacity should become limited at AquaSeed and excess rearing space at the Little White Salmon National Fish Hatchery is unavailable. By exercising this option, Grant PUD will continue to preclude the need to make capital improvements at AquaSeed for juvenile rearing.

B. Time of Completion: The term of the Agreement is hereby extended through August 1, 2007 and Grant PUD will remove its equipment within 30 days thereafter unless this Agreement is further extended or modified.

C. Contract Price Adjustment: Grant shall not be required to make any payments to Chelan during or as a result of the extension of the Agreement as provided herein.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY, WASHINGTON

Authorized Signatures:

Title: Fish & Wildlife Director
Date: 8/1/2006

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WASHINGTON

Accepted By:

Title:
Date: 8/1/2006

Stephen Brown
Natural Resources Director
Change Order  
NO. 2

The following changes are hereby incorporated into the Agreement:

A. Description of Change: Under Change Order #2; Fish, Wildlife, and Water Quality staff believes that it is prudent to leave the equipment in place (tanks, platforms, covers, plumbing, etc.) as it could be used to rear juvenile White River spring Chinook salmon if rearing capacity should ever become limited at AquaSeed and excess rearing space at the Little White Salmon National Fish Hatchery is unavailable.

B. Time of Completion: The term of the Agreement is hereby extended by 366 calendar days through August 1, 2008 and Grant PUD will remove its equipment within 30 days thereafter unless this Agreement is further extended or modified.

C. Contract Price Adjustment: Grant shall not be required to make any payments to Chelan during or as a result of the extension of the Agreement as provided herein.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

PUBLIC UTILITY DISTRICT NO. 1  
OF CHELAN COUNTY, WASHINGTON  

Authorized Signatures:  

Mary Grant  

Title: Natural Resources Director  

Date: 10/1/07

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON  

Accepted By:  

Stephen Brown  
Natural Resources Director

Title: Natural Resources Director  

Date: 9/4/07