AMENDMENT NO. 3 TO INTERLOCAL COOPERATIVE AGREEMENT

This Amendment No. 3 ("Third Amendment") to the Interlocal Cooperative Agreement Between Public Utility District No. 1 of Chelan County, Public Utility District No. 2 of Grant County, Washington and Public Utility District No. 1 of Douglas County for Probabilistic Seismic Hazard Analyses Coordination And Independent Peer Review ("Interlocal Agreement") is made by and among Public Utility District No. 1 of Chelan County ("Chelan"), Public Utility District No. 2 of Grant County ("Grant") and Public Utility District No. 1 of Douglas County ("Douglas") sometimes collectively referred to herein as the "Parties" or the "PUDs", on the Effective Date.

RECITALS:

A. The PUDs entered into the Interlocal Agreement effective May 30, 2007, for the purpose of sharing services and costs of 1) a Technical Coordinator to provide overall technical management of the Probabilistic Seismic Hazard Analyses ("PSHA") for the PUDs hydroelectric projects and 2) an independent Peer Review Team for seismic source and ground motion characterization portions of the PSHA.

B. Costs of the overall shared services approved in the Interlocal Agreement were not to exceed $155,000, including up to $100,000 to be paid to the Technical Coordinator and up to $55,000 to be paid for the independent Peer Review Team.

C. Amendment No. 1 extended the term of the original Interlocal Agreement which would have expired on May 30, 2010 by one year. The term of the Interlocal Agreement as extended by Amendment No. 2 to Interlocal entered on May 21, 2010, expires May 30, 2011 and the PUDs desire to extend the agreement for an additional one year period.

I. Amendment to Interlocal Agreement:

A. Incorporation by Reference. The Recitals set forth above are incorporated herein as if fully set forth. This Third Amendment is incorporated into and becomes part of the original Interlocal Agreement. Except as herein amended, the provisions of the original Interlocal Agreement, are expressly reaffirmed and remain in full force and effect.

B. Consideration for Amendment. In consideration of the foregoing premises, the mutual covenants and promises described below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Interlocal Agreement shall be amended as described below.

II. Description of Amendment:

A. Section 4. Duration and Termination of Agreement is hereby amended to reflect an extension of one additional year, for a total term of 5 years from the effective

III. Corporate Authority; Binding Signatures. The individuals executing this Third Amendment on behalf of the Chelan, Douglas and Grant warrant they are authorized signatories of the entity for which they are signing, and have sufficient corporate authority to bind the entity and execute this Third Amendment.

IV. Filing. The administrators shall, in compliance with RCW 39.34, upon execution of this Third Amendment, file copies of the Third Amendment with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties' websites at the following addresses: Chelan: www.chelanpud.org ; Grant: www.gcpud.org ; Douglas: www.dcpud.org.

APPROVED:

PUD NO. 1 OF CHelan COUNTY

By: [Signature]
Title: General Manager
Date: 5/12/11

PUD NO. 2 OF GRANT COUNTY

By: [Signature]
Title: Hydro Director
Date: 12-2-2011

PUD NO. 1 OF DOUGLAS COUNTY

By: [Signature]
Title: General Manager
Date: May 23, 2011
AMENDMENT NO. 2 TO INTERLOCAL COOPERATIVE AGREEMENT

This Amendment No. 2 ("Second Amendment") to the Interlocal Cooperative Agreement Between Public Utility District No. 1 of Chelan County, Public Utility District No. 2 of Grant County, Washington and Public Utility District No. 1 of Douglas County for Probabilistic Seismic Hazard Analyses Coordination And Independent Peer Review ("Interlocal Agreement") is made by and among Public Utility District No. 1 of Chelan County ("Chelan"), Public Utility District No. 2 of Grant County ("Grant") and Public Utility District No. 1 of Douglas County ("Douglas") sometimes collectively referred to herein as the "Parties" or the "PUDs", on the Effective Date.

RECOLALS:

A. The PUDs entered into the Interlocal Agreement effective May 30, 2007, for the purpose of sharing services and costs of 1) a Technical Coordinator to provide overall technical management of the Probabilistic Seismic Hazard Analyses ("PSHA") for the PUDs’ hydroelectric projects and 2) an independent Peer Review Team for seismic source and ground motion characterization portions of the PSHA.

B. Costs of the overall shared services approved in the Interlocal Agreement were not to exceed $155,000, including up to $100,000 to be paid to the Technical Coordinator and up to $55,000 to be paid for the independent Peer Review Team.

C. The term of the Interlocal Agreement as extended by Amendment No. 1 entered on May 21, 2009, expires May 30, 2010, and the PUDs desire to extend the agreement for an additional one year period.

I. Amendment to Interlocal Agreement:

A. Incorporation by Reference. The Recitals set forth above are incorporated herein as if fully set forth. This Second Amendment is incorporated into and becomes part of the original Interlocal Agreement. Except as herein amended, the provisions of the original Interlocal Agreement, are expressly reaffirmed and remain in full force and effect.

B. Consideration for Amendment. In consideration of the foregoing premises, the mutual covenants and promises described below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Interlocal Agreement shall be amended as described below.

II. Description of Amendment:

A. Section 4. Duration and Termination of Agreement is hereby amended to reflect an extension of one additional year, for a total term of 4 years from the effective date of the Interlocal Agreement, May 30, 2007, to terminate on May 30, 2011, unless extended by mutual written agreement of the Parties.
III. **Corporate Authority; Binding Signatures.** The individuals executing this Second Amendment on behalf of the Chelan, Douglas and Grant warrant they are authorized signatories of the entity for which they are signing, and have sufficient corporate authority to bind the entity and execute this Second Amendment.

IV. **Filing.** The administrators shall, in compliance with RCW 39.34, upon execution of this Second Amendment, file copies of the Second Amendment with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties’ websites at the following addresses: Chelan: [www.chelanpud.org](http://www.chelanpud.org); Grant: [www.gcpud.org](http://www.gcpud.org); Douglas: [www.dcpud.org](http://www.dcpud.org).

**APPROVED:**

**PUD NO. 1 OF CHELAN COUNTY**  
By: [Signature]  
Title: General Manager  
Date: 5-20-10

**PUD NO. 2 OF GRANT COUNTY**  
By: [Signature]  
Title: Acting Director  
Date: 5/20/10

**PUD NO. 1 OF DOUGLAS COUNTY**  
By: [Signature]  
Title: General Manager  
Date: 5-21-10
AMENDMENT NO. 1 TO INTERLOCAL COOPERATIVE AGREEMENT

This Amendment No. 1 ("First Amendment") to the Interlocal Cooperative Agreement Between Public Utility District No. 1 of Chelan County, Public Utility District No. 2 of Grant County, Washington and Public Utility District No. 1 of Douglas County for Probabilistic Seismic Hazard Analyses Coordination And Independent Peer Review ("Interlocal Agreement") is made by and among Public Utility District No. 1 of Chelan County ("Chelan"), Public Utility District No. 2 of Grant County ("Grant") and Public Utility District No. 1 of Douglas County ("Douglas") sometimes collectively referred to herein as the "Parties" or the "PUDs", on the Effective Date.

RECITALS:

A. The PUDs entered into the Interlocal Agreement effective May 30, 2007, for the purpose of sharing services and costs of 1) a Technical Coordinator to provide overall technical management of the Probabilistic Seismic Hazard Analyses ("PSHA") for the PUDs hydroelectric projects and 2) an independent Peer Review Team for seismic source and ground motion characterization portions of the PSHA.

B. Costs of the overall shared services approved in the Interlocal Agreement were not to exceed $155,000, including up to $75,000 to be paid to the Technical Coordinator and up to $80,000 to be paid for the independent Peer Review Team.

C. After reviewing the services rendered to date under the terms of the Interlocal Agreement, the PUDs desire to re-allocate the $155,000 the overall shared services as follows: up to $100,000 to be paid to the Technical Coordinator and up to $55,000 to be paid for the Peer Review Team services.

D. The term of the Interlocal Agreement expires May 30, 2009 and the PUDs desire to extend the agreement for an additional one year period.

I. Amendment to Interlocal Agreement:

A. Incorporation by Reference. The Recitals set forth above are incorporated herein as if fully set forth. This First Amendment is incorporated into and becomes part of the original Interlocal Agreement. Except as herein amended, the provisions of the original Interlocal Agreement, are expressly reaffirmed and remain in full force and effect.

B. Consideration for Amendment. In consideration of the foregoing premises, the mutual covenants and promises described below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Interlocal Agreement shall be amended as described below.
II. **Description of Amendment:**

A. Section 2. **Technical Coordinator** is hereby amended to reflect that the costs for the Technical Coordinator’s services will not exceed $100,000, without the mutual written agreement of the Parties.

B. Section 3. **Independent Peer Review** is hereby amended to reflect that the costs for the Independent Peer Review Team will not exceed $55,000 without the mutual written agreement of the Parties.

C. Section 4. **Duration and Termination of Agreement** is hereby amended to reflect an extension of one additional year, for a total term of 3 years from the effective date of the Interlocal Agreement, May 30, 2007, to terminate on May 30, 2010, unless extended by mutual written agreement of the Parties.

III. **Corporate Authority: Binding Signatures.** The individuals executing this First Amendment on behalf of the Chelan, Douglas and Grant warrant they are authorized signatories of the entity for which they are signing, and have sufficient corporate authority to bind the entity and execute this First Amendment.

IV. **Filing.** The administrators shall, in compliance with RCW 39.34, upon execution of this First Amendment, file copies of the First Amendment with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties’ websites at the following addresses: Chelan: [www.chelanpud.org](http://www.chelanpud.org); Grant: [www.gcpud.org](http://www.gcpud.org); Douglas: [www.dcpud.org](http://www.dcpud.org).

**APPROVED:**

**PUD NO. 1 OF CHELAN COUNTY, WA**

By: [Signature]
Title: **EXECUTIVE OPERATIONS**
Date: 5-21-09

**PUD NO. 2 OF GRANT COUNTY, WA**

By: [Signature]
Title: **General Manager**
Date: 5-13-09

**PUD NO. 1 OF DOUGLAS COUNTY, WA**

By: [Signature]
Title: **General Manager**
Date: 5-11-09
INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN
PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY,
PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON AND
PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
FOR
PROBABILISTIC SEISMIC HAZARD ANALYSES COORDINATION AND
INDEPENDENT PEER REVIEW

THIS AGREEMENT is made by and between Public Utility District No. 1 of
Chelan County ("Chelan"), Public Utility District No. 2 of Grant County, Washington
("Grant") and Public Utility District No. 1 of Douglas County ("Douglas"), sometimes
collectively referred to as the "Parties."

Recitals

A. Chelan, Grant and Douglas are public utility districts incorporated under the laws
of the State of Washington.

B. Chelan is the owner of three (3) hydroelectric projects, namely Rocky Reach,
Rock Island and Lake Chelan.

C. Grant is the owner of one (1) hydroelectric project, namely Priest Rapids,
comprised of two developments, Priest Rapids and Wanapum.

D. Douglas is the owner of one (1) hydroelectric project, namely, Wells.

E. Chelan, Grant and Douglas are working with the Federal Energy Regulatory
Commission ("FERC") to evaluate the level of seismic hazard in the geographic
area of the hydroelectric projects to determine the appropriate ground motions for
use in future analyses.

F. The Parties currently have separate contracts with independent contractors
("Technical Integrators") for performing Probabilistic Seismic Hazard Analyses
("PSHA") for the area of their hydroelectric projects ("Projects").

G. The Parties have determined that it is in their mutual best interests and to their
mutual benefit to cooperatively participate in the coordination of Technical
Integrators and an independent peer review of the PSHAs being done for their
Projects.

H. The Parties enter into this Interlocal Cooperation Agreement ("Agreement")
under the authority of RCW Chapter 39.34.

NOW, THEREFORE, in consideration of the premises and promises, terms and
conditions set forth below, it is hereby agreed as follows:
1. **Purpose.** The purpose of this Agreement is to set forth the terms and conditions under which Chelan, Grant and Douglas will cooperatively participate in the coordination of Technical Integrators and an independent peer review of the PSHAs being performed for the Projects.

2. **Technical Coordinator.** Chelan will hire a consultant as a Technical Coordinator to provide overall technical management of the PSHA project. This responsibility includes organizing and executing the project and supporting the PUDs’ technical interface with FERC. In particular the Technical Coordinator will manage development of the project scope and schedule; work with the Technical Integrators representing the PUDs to manage the project scope, schedule and budget; report progress and issues to the PUDs’ project managers as needed; provide technical coordination with other related industry efforts as directed by the PUDs’ project managers; arrange and participate in project meetings; assist in forming and managing a peer review team; and work with the Technical Integrators to prepare the final report.

   The cost for these services will not exceed $75,000 throughout the term of the contract without mutual written agreement of the Parties. Chelan will be responsible for the payment of the consultant’s invoices. Grant and Douglas will be responsible for reimbursing Chelan as follows: Grant will reimburse Chelan for 1/3 of the total invoiced amount. Douglas will reimburse Chelan for 1/6 of the total invoiced amount.

3. **Independent Peer Review Team.** Chelan is responsible for hiring three firms or persons mutually agreed upon by the Parties to perform an independent peer review of the seismic source and ground motion characterization parts of the PSHA being performed by the Technical Coordinator and the individual Technical Integrators working on the Projects. The Peer Review Team will review the technical aspects of the PSHA during the course of the project and provide comments on the implementation of the Senior Seismic Hazard Analysis Committee guidelines and goals as carried out to develop the PSHA inputs. In particular, the Peer Review Team will review data collection efforts, development of the seismic source and ground motions, and the final draft report based on these efforts to assess their quality and completeness. The Peer Review Team’s work will include attendance of meetings to discuss results and preparation of written project reports.

   The cost for these services will not exceed $80,000 throughout the term of the contract without mutual written agreement of the Parties. Chelan will be responsible for the payment of the Peer Review Team’s invoices. Grant and Douglas will be responsible for reimbursing Chelan as follows: Grant will reimburse Chelan for 1/3 of the total invoiced amount. Douglas will reimburse Chelan for 1/6 of the total invoiced amount.

4. **Duration and Termination of Agreement.** This Agreement shall be effective upon execution by all Parties and continue for a two (2) year period from the effective date. A Party may unilaterally terminate this Agreement without cause by providing thirty (30) days prior written notice of termination to the other Parties.
5. **Invoices.** Chelan will invoice Grant and Douglas for reimbursement of the charges for the Technical Coordinator and the Independent Peer Review Team. Payment is due within thirty (30) days of receipt of the invoice from Chelan. Interest at the rate of twelve percent (12%) per annum will be charged if the invoices are not paid when due.

6. **No Liability.** Nothing in this Agreement or the provision of services or materials pursuant thereto shall create or impose liability on Chelan, Grant or Douglas for the acts of the other or for facilities or damage to facilities of the other as a result of advice or work by the Technical Coordinator or the Peer Review Team.

Chelan, Grant, and Douglas each agree to be responsible and assume liability for their own wrongful and/or negligent acts or omissions, or those of their officers, agents or employees to the fullest extent required by law, and further agree to save, indemnify, defend and hold the other party harmless from any such liability.

7. **Administrators.** This Agreement shall be jointly administered by a representative of Chelan, Grant, and Douglas. Absent written notice by one party to the other, the administrators shall be: Gene Yow (Chelan), David Moore (Grant), and Kenneth A. Pflueger (Douglas).

Each Administrator shall see to it that all activity/work shall be performed in accordance with good practice and in full compliance with all obligations and responsibilities imposed by any applicable laws or regulations, including but not limited to RCW 39.12.

8. **Attorneys’ Fees and Venue.** In the event it is necessary for either Party to utilize the services of an attorney to enforce any of the terms of this Agreement, such enforcing Party shall be entitled to compensation for its reasonable attorneys’ fees and costs. In the event of litigation regarding any of the terms of this Agreement, the substantially prevailing Party shall be entitled, in addition to other relief, to such reasonable attorneys’ fees and costs as determined by the court. The venue of any legal action shall be in the Superior Court of the county in which a defendant(s) is headquartered.

9. **Notices.** Any notices shall be effective if personally served upon the other Parties or if mailed by registered or certified mail, return receipt requested, to the following addresses, or such other address as a Party may designate in writing:

Public Utility District No. 1 of Chelan County  
Attn: Gene Yow, Principal Civil Engineer  
P. O. Box 1231  
327 N. Wenatchee Avenue  
Wenatchee, WA 98807  
gene@chelanpud.org
Public Utility District No. 2 of Grant County, Washington
Attn: David Moore, Dam Safety Supervisor
15655 Wanapum Village Lane SW
Beverly, WA 99321
damoore@gcpud.org

Public Utility District No. 1 of Douglas County
Attn: Kenneth A. Pflueger, Chief Engineer
1151 Valley Mall Parkway
East Wenatchee, WA 98802
kenp@dcpud.org

10. **Governing Law.** This Agreement shall be governed exclusively by the laws of the State of Washington.

11. **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings between the Parties with respect thereto.

11. **Filing.** The administrators shall, in compliance with RCW 39.34, upon execution of this Agreement, file copies of the Agreement with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties’ websites at the following addresses: Chelan: www.chelanpud.org; Grant: www.gcpud.org; Douglas: www.dcpud.org.

Adopted: 5/30/07

Public Utility District No. 1 of Chelan County

By: 

Richard Riauzzi, General Manager

Adopted: __________

Public Utility District No. 2 of Grant County, Washington

By: 

Dawn Woodward, Hydro Director

Adopted: May 7, 2007

Public Utility District No. 1 of Douglas County

By: 

William C. Dobbins, General Manager