Pursuant to Chapter 39.34 RCW and to other provisions of law, the State of Washington, Department of General Administration, Office of State Procurement, Purchasing and Contract Administration, (hereinafter called the “Office of State Procurement” or “OSP”), and the following named public agency, Public Utility District No. 1 of Chelan County (hereinafter called the “Cooperative member”) hereby enter into this Intergovernmental Cooperative Purchasing Agreement (hereinafter called the “Agreement”), the purpose of which is for undertaking governmental purchasing activity that each party is authorized by law to perform, upon the following terms and conditions:

1. The Cooperative member must be an agency, Cooperative member, or unit of local government of Washington state including, but not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any agency of Washington state government; any agency of the United States; any Indian tribe recognized as such by the federal government; and any Cooperative member of another state of the United States.

2. The Office of State Procurement, in contracting for the purchase of goods and services according to the laws and regulations governing purchases by and on behalf of the State of Washington, agrees to contract on behalf of the Cooperative member, to the extent permitted by law and agreed upon by both parties. The Cooperative member accepts responsibility for compliance with any additional laws and regulations governing purchases by or on behalf of the Cooperative member.

3. The Office of State Procurement shall comply with its statutory requirements regarding notice for bids or proposals for goods or services subject to this Agreement, and shall either post the bid or solicitation notice on a website established and maintained by OSP for the purposes of posting public notice of bid or proposal solicitations, or shall provide an access link on the State of Washington’s website to the notice.

4. When the Office of the State Procurement has entered into a contractual agreement for the purchase of goods or services on behalf of Cooperative member(s), the Cooperative member may purchase goods and services covered by the contract on the same terms and conditions as the State of Washington, except that the contractor has the right to modify payment terms based on their credit assessment of the Cooperative member. Purchases by the Cooperative member may be made by a purchase order issued by the Cooperative member to the state contractor. The Cooperative member accepts full responsibility for payment for any goods and services it purchases under contracts negotiated by OSP with private vendors or items it purchases directly from OSP. The Cooperative member accepts responsibility for contract monitoring related to their use of these contracts.

5. The Cooperative member reserves the right to contract independently for the purchase of any particular class of goods or services, with or without notice being given to OSP.

6. This Agreement shall be effective on the later of the two signatures dates appearing below, and shall continue in force until canceled in writing by either party.
In the event that either the Office of the State Procurement or the Cooperative member is abolished, this Agreement shall continue in operation as to any public agency succeeding to the powers and duties of the abolished party, except as canceled or modified by operation of law. The Cooperative member may request a refund of unexpired membership exceeding three months, which may be approved by OSP at their discretion.

The Cooperative member agrees to use only contracts available to the Cooperative member and only in accordance with those contract terms and conditions. The Cooperative member further agrees that all purchases from OSP contracts will be made only for the direct use of the Cooperative member's programs (as covered by this agreement) and will not be made on behalf of other jurisdictions (Cooperative member).

The Office of State Procurement is required by Chapter 236-49-060 WAC to recover the costs of administering the state purchasing cooperative program from all its members. The Membership Fee Schedule below sets forth the fee structure for Cooperative members that are not Washington State Agencies, which is based on the total expenditures less debt service and interfund transfers, as reported in the Cooperative member's last audited financial statements. The Cooperative member shall be charged a membership fee based upon the self-declaration, as indicated by their signatory's initials in the first column of the Membership Fee Schedule below. The Cooperative member's self-determined membership fee is subject to change if not validated by OSP during its subsequent reviews. This membership fee is due upon subscribing for the first year of membership and by January 31 of the membership cycle. The membership term is January 1, 2008 through December 31, 2009. The Cooperative member agrees to pay the membership fee as a part of this Agreement. New memberships beginning after June 30 may be prorated and will be established at the discretion of OSP.

Membership fees are established every two years. The State Auditors' most recently published Local Government Comparative Statistics report will be used to verify membership fee. Where a Cooperative member is not reported separately in that document, audited financial statements as published in the State Auditors' Website will be used. The Superintendent of Public Instruction (OSPI) web site will be used to verify fee issues for School Districts. The most recent audited financial statement will be used as the authoritative source to resolve any issues regarding the Annual Membership Fee due from the Cooperative member. Any Cooperative member not reported in the OSPI or State Auditor's Websites, must submit a copy of its most recent audited financial statements to OSP. When a member does not have audited financial statements, the member shall provide internal budgets or financial statements to OSP if requested.

In addition to accessing State contracts established by the Office of State Procurement, custom contracting and procurement services are available for an additional predetermined fee. These include development of contracts and/or single requisitions that meet specific needs. The cost for these optional services, typically a flat fee, is established at the time of request.

It is not the intention of the parties, nor shall this Agreement be interpreted, to create a separate legal entity for the performance of this Agreement. Instead, the Office of State Procurement shall be responsible for administering this Agreement.

The Cooperative member shall be responsible for filing a copy of this Agreement with its county auditor's office.

By its signature below, the Office of State Procurement confirms it approves of this Agreement as required by RCW 39.34.050 and it is authorized to enter into this Agreement pursuant to RCW 39.34.030 and RCW 39.34.080. Similarly, by its signature below, the Cooperative member confirms it is authorized to enter into this Agreement pursuant to RCW 39.34.030 and RCW 39.34.080.

PAYMENT and NOTICES: Payment shall be made to OSP at the address given herein. Further, any notice, demand or other communication required or permitted to be given under this Contract shall be made to the parties at the addresses provided below.
Mail: agreement and Payment to:  
State of Washington, OSP PAF-Non/Prof Fund: 422 04 20 000214,  
303 General Administration Bldg., P.O. Box 41008, Olympia, WA 98504-1008  

Cooperative member contact information:  
Contact Person (To whom contract documents and related communications are to be mailed or faxed).  
Cooperative Member Name: Public Utility District No. 1 of Chelan County  
Contact Name: Patty Etzkorn  
Address: PO Box 1231, 327 N Wenatchee Avenue  
City, St. Zip: Wenatchee, WA 98807  
Phone Number: 509-661-4462  
Federal Id #: 91-6001053  
FAX Number: 509-661-8113  
Email Address: patty.etzkorn@chelanpud.org  

Two-Year Membership Fee Schedule  

<table>
<thead>
<tr>
<th>Initial in box</th>
<th>Annual expenditures of more than</th>
<th>Annual expenditures of less than</th>
<th>Two-Year Membership Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.00</td>
<td>$3,000,000</td>
<td>$400</td>
<td></td>
</tr>
<tr>
<td>$3,000,001</td>
<td>$7,500,000</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>$7,500,001</td>
<td>$30,000,000</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>$30,000,001</td>
<td>$68,000,000</td>
<td>$4,000</td>
<td></td>
</tr>
<tr>
<td>$68,000,001</td>
<td>$90,000,000</td>
<td>$6,000</td>
<td></td>
</tr>
<tr>
<td>$90,000,001</td>
<td>$150,000,000</td>
<td>$8,000</td>
<td></td>
</tr>
<tr>
<td>$150,000,001</td>
<td>and over</td>
<td>$10,000</td>
<td></td>
</tr>
</tbody>
</table>

The undersigned has read, understands and agrees to the terms and conditions of this agreement and this Authorized Signatory for the Cooperative member attests that the expenditure level initialed in the Membership Fee Schedule above is true and correct. Cooperative member Authorized Signature: Applicant must provide an authorized signature.

Name:  
Title: GENERAL MANAGER

Address (if not the same as above): same as above
Phone Number: 509-663-8121
Date Signed: January 18, 2008

FOR OSP USE ONLY (Completed by OSP, this page will be returned to you in executed copy)  
Approved as to form: AAG Date: 07/18/07 (signature on file)  
OSP has assigned you Co-op member number. Please provide this number when ordering from contracts or communicating with OSP.  
OSP AUTHORIZED SIGNATURE

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>
RESOLUTION No. 8-1323

A RESOLUTION APPROVING A NEW REVISED INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT FOR PUBLIC AGENCIES BETWEEN THE DISTRICT AND THE STATE OF WASHINGTON, OFFICE OF STATE PROCUREMENT.

FACTUAL BACKGROUND AND REASONS FOR ACTION

Public Utility District No. 1 of Chelan County ("District") is a municipal corporation operating under the laws of the State of Washington.

Pursuant to Chapter 39.34 RCW, the Interlocal Corporation Act, and to other provisions of law, the State of Washington Department of General Administration, Office of State Procurement, Purchasing and Contract Administration, ("OSP") is authorized to enter into Intergovernmental Cooperative Purchasing Agreements with municipal corporations to enable the sharing of process that result in savings to the public and better serve the needs of the customers of the District.

An Intergovernmental Cooperative Purchasing Agreement ("Agreement") between the District and OSP has been in effect since September 23, 1996, authorizing cooperative purchasing between the District and OSP whereby various equipment and supplies could be purchased from OSP’s contracts. Since approval of the Agreement, the District has utilized its terms and purchased from the OSP contractees, the transactions are on file with the District.

OSP has proposed a new Intergovernmental Cooperative Purchasing Agreement with terms similar to those contained in the prior Agreement, allowing the District to utilize the OSP Contracts for goods and services. The subscription fee for the membership has been changed from an annual membership fee of $5,000 to two-year membership fee of $10,000, payable at the beginning of the term.

District staff recommends that the General Manager be authorized to sign the new OSP Intergovernmental Cooperative Purchasing Agreement and subsequent agreements that have been approved in the District budget.

The General Manager has reviewed the recommendations of District staff and concurs in the same.
ACTIONS

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT
NO. 1 OF CHELAN COUNTY, as follows:

Section 1 The General Manager is hereby authorized and directed to execute the
new Intergovernmental Cooperative Purchasing agreement proposed by OSP. A copy of
the new Agreement is on file in the office of the District.

DATED this 14th day of January, 2008.

[Signatures]

ATTEST:

[Signatures]

Seal