INTERLOCAL AGREEMENT FOR INCOME ELIGIBLE WEATHERIZATION SERVICES BETWEEN PUBLIC UTILITY DISTRICT #1 OF CHelan COUNTY AND CHelan-DOUGLAS COMMUNITY ACTION COUNCIL

This agreement made between PUBLIC UTILITY DISTRICT NO. 1 OF CHelan COUNTY, WASHINGTON, a Public Utility District hereinafter referred to as the “District” and the CHelan-DOUGLAS COMMUNITY ACTION COUNCIL, a non-profit Washington corporation, hereinafter referred to as the “Council”.

RECITAL

A. The parties agree that the purpose of this Agreement is to provide funding, administrative and operational support for a program to be funded in part by the State of Washington as provided in Chapter 70.164 RCW, which provides weatherization for eligible low-income residences in all areas of Chelan County that are heated with electricity.

B. The Parties recognize and agree that weatherization of the residences of low-income households will conserve energy resources in Chelan County consistent with the legislative finding of RCW 70.164.010. The Commissioners of the District (“Commissioners”) find that low-income customers of the District have difficulty affording the cost of electrically heating their residences. Weatherization of residences will lower energy consumption making space heating more affordable for persons in low-income households. Weatherization will also reduce the District’s administrative costs resulting from low-income customers not being able to pay their electric bills.

C. The Council has requested that the District provide funding to be used by the Council for the weatherization of eligible low-income residences as provided in Chapter 70.164 RCW.

D. In addition, the parties recognize and agree that the purpose of this Agreement is to provide funding, administrative and operational support for a program, to meet in part, requirements of the State of Washington as provided in Chapter 19.285 RCW, Energy Independence Act and Chapter 194-37 WAC, Energy Independence.

TERMS AND CONDITIONS

1. DISTRICT CONTRIBUTION. The District agrees to provide funding to the Council in an amount to be determined each year, in the sole discretion of the District Commissioners, upon receipt of a request for funds by the Council and as part of the District’s annual budget process, provided, however, that any amount must be matched with an equal additional amount from the State of Washington pursuant to Chapter 70.164 RCW. Nothing herein shall be construed as a guarantee of funding by the District.

2. DISTRICT ASSISTANCE IN IDENTIFYING ELIGIBLE HOUSEHOLDS. The District may, in its sole discretion, provide assistance to the Council in identifying
eligible households in Chelan County, preparing conservation energy analyses, and in performing inspections of the completed work.

3. **INSPECTION OF WORK BY DISTRICT.** The Council shall require that each owner or his authorized agent execute an application for weatherization which irrevocably consents to allow District personnel to inspect the completed work at any time within one year of date of completion of the weatherization, provided that reasonable notice is given to said owner or his authorized agent by the District prior to inspection.

4. **COUNCIL REPORTING REQUIREMENTS.** The Council shall provide the District a monthly expenditure report that identifies the homes completed for each month and the cumulative completions to date resulting from the District’s current funding contribution, the detailed amount of funds expended for each project, including non-District funds used in the completion of the weatherization work, and the balance of current contribution funds available and/or on deposit including the amount of interest earned in each month from an interest bearing trust account. The Council shall also provide the District a copy of the current Energy “Matchmakers” Sponsor Agreement between the Council and the State of Washington’s Department of Community Development. In addition, the Council shall provide the District a copy of all state or independent auditor’s reports of the Council’s administration of the Weatherization program immediately upon receipt.

Beginning January 1, 2010, the Council shall provide the District a monthly expenditure report that identifies homes completed for each month resulting from the District’s current funding contribution, that specify individual measures that meet the requirements of Chapter 194-37 WAC, including, but not limited to, energy efficiency measures classified by the Northwest Planning and Conservation Council (NWPC) as “Deemed Measures.” The Council further agrees to provide a report of other “Deemed” electrical energy efficiency measures installed in homes not heated by electricity and for measures where the District furnishes energy efficiency equipment that is provided to Council clients, including but not limited to compact fluorescent lamps and Energy Star certified appliances. The District agrees to provide the Council with a table of applicable “Deemed Measures” established by the NWPC.

5. **ELIGIBILITY AND MEASURE DETERMINATION.** The Council shall be solely responsible for determining what residences and/or households qualify for weatherization work pursuant to Chapter 70.164 RCW. The Council shall also be solely responsible for determining what specific weatherization work will be done on each residence and/or household.

6. **ELECTRICAL ONLY.** The parties agree that no District funds shall be spent on weatherization of non-electrically heated residences. The Council further agrees to exert its best efforts to ensure that the matching funds received from the State of Washington shall be used solely for weatherization work of electrically heated homes.
7. **INDEMNIFICATION.** The Council will defend, protect, indemnify, save and hold harmless the District from and against any and all claims, costs, damages, expenses or liabilities, including reasonable attorneys fees and costs, arising from the indemnification provision of the current Energy "Matchmakers" Sponsor Agreement between the Council and the State of Washington’s Department of Community Development, such that any claim against the District by the State of Washington or the Community Action Council based on the indemnification paragraph in the Sponsor Agreement will be considered a claim for which the Council will be responsible for indemnifying the District. The Council also agrees to defend, protect, indemnify, save and hold harmless the District from and against any and all claims, costs, damages, expenses or liabilities, including reasonable attorney fees and costs, for any and all injuries to persons or property as a result of, or in any way related to, the acts or omissions of the Council or any subcontractors or any employees or agents of, either in the performance of any work done pursuant to this agreement or any of the obligations herein.

8. **INTEREST BEARING ACCOUNT.** The Council shall keep the funds from the District on deposit in an interest-bearing trust account until final inspection and approval by the Council of the completed weatherization work done for each residence. All earned interest paid into this trust account shall be used solely for the weatherization of low-income residences as provided herein.

9. **INSURANCE.** The Council and all contractors hired by the Council to perform work on District funded conservation projects shall, at their own expense, carry and maintain throughout the term of this Agreement Commercial General Liability Insurance in an amount of not less than $1,000,000 per occurrence/$2,000,000 aggregate. All policies shall be occurrence policies. The Council shall be solely responsible for ensuring contractors obtain and maintain insurance coverage in compliance with this Agreement. The District shall be named as an additional insured under all insurance policies required by this Agreement. Within ten (10) days after the execution of this agreement, the Council shall file with the District’s Risk Management Department a certificate of insurance from its insurance company(ies) certifying the coverage required of the Council herein.

10. **TERM.** This Agreement shall be effective upon execution by both the District and the Council and shall remain in effect until such time as it is terminated by either party as provided herein. The Council may terminate the Agreement by providing three (3) months written notice to the District. Upon termination of this Agreement, the District will no longer offer funding pursuant to Chapter 70.164 RCW. However, termination of this Agreement shall not eliminate the Council’s obligation to meet the terms of this Agreement for any funds furnished by the District but not yet used for weatherization of eligible low-income residences. The District may terminate this Agreement at any time by providing the Council with written notice three (3) months in advance of such termination.

11. **ATTORNEY FEES AND VENUE.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the substantially prevailing party shall be entitled to reasonable attorney fees, costs and necessary
disbursements, in addition to any other relief granted. Venue for any action shall be in Chelan County Superior Court.

12. **ENTIRE AGREEMENT AND APPLICATION OF AGREEMENT.** This Agreement embodies the entire Agreement between the parties. There are no promises, terms, conditions or obligations other than those contained herein.

EXECUTED THIS 17th day of February, 2010

CHelan-DOUGLAS COMMUNITY ACTION COUNCIL

By __________________________
Robert J. Soule, Executive Director

PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

By __________________________
Richard Riauzzi, General Manager