INTERAGENCY AGREEMENT

between

PUBLIC UTILITY DISTRICT No. 1 of CHELAN COUNTY

AND

WASHINGTON DEPARTMENT of FISH and WILDLIFE

This Agreement is made and entered into by and between Public Utility District No. 1 of Chelan County (District) and the Washington Department of Fish and Wildlife (WDFW), together referred to as the Parties.

Both Parties acknowledge that the District is responsible, per their Federal Energy Regulatory Commission (FERC) licenses for the hydroelectric projects of Rock Island (FERC License No.: 943), Rocky Reach (FERC Licenses No. 2145), and Chelan Falls (FERC License No.: 637) to fund hatchery operations. The activities under this Agreement support the implementation of such licenses and shall not conflict with the licenses.

THEREFORE, IT IS MUTUALLY AGREED THAT:

STATEMENT OF WORK
WDFW shall, incubate, hatch, and rear juvenile white sturgeon at the WDFW Columbia Basin fish Hatchery, subject to the provisions and details specified in Attachment A (Scope of Work) and B (Budget) attached hereto and incorporated herein.

PERIOD OF PERFORMANCE
The period of performance of this Agreement shall commence upon execution of this Agreement, and be completed on June 30, 2014, unless terminated sooner as provided herein.

PAYMENT
Compensation for the work provided in accordance with this Agreement will be paid by the District to WDFW monthly, based on the work undertaken pursuant to Attachment A. Payment for satisfactory performance of such work shall not exceed $37,876, unless the Parties mutually agree to a higher amount prior to the commencement of any work which will cause the maximum payment to be exceeded. Compensation for services shall be based on the rates and terms set forth in Attachment B.

BILLING PROCEDURE
WDFW shall submit invoices and expenditure detail reports on a monthly basis to the District. Payment will be made by warrant or account transfer by the District within 30 days of receipt of the invoice.

Upon expiration of this Agreement, any claim for payment not already made shall be submitted within 60 days after the expiration date or the end of the calendar year, whichever is earlier.
RECORDS MAINTENANCE
WDFW shall maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review or audit by the District, other personnel duly authorized by the District, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained in accordance with Washington State law, and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access to and the right to examine any of these materials during this period. The District in requesting access to records shall provide reasonable notice.

Records and other documents, in any medium, furnished by one Party to this Agreement to the other Party, will become the property of both Parties, unless otherwise agreed.

RIGHTS IN DATA
All rights in the various data which originates from this Agreement, including but not limited to reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound production, shall belong jointly to the District and WDFW. Either party may use, analyze, publish, or distribute the data freely without a need to consult the other party.

WDFW shall provide acknowledgement of the District’s funding of this work in any publication generated by WDFW which cites or contains any/all data generated under this Agreement.

INDEPENDENT CAPACITY
The employees or agents of each Party who are engaged in the performance of this Agreement shall continue to be employees or agents of that Party and shall not be considered for any purpose to be employees or agents of the other Party. The conduct and control of the work and safety measures required of either Party shall be the responsibility of that Party.

PUBLIC RECORDS REQUEST
Both parties are public entities subject to the public disclosure laws of the State of Washington. Neither Party shall release the studies, reports, and other information not otherwise available to the public, resulting from the work to be performed by Chelan PUD and its contractors, consultants and other third-Party entities to any person who requests public records without first consulting with the other Party. If a Party receives a public disclosure request for a third Party for such information, that Party will notify the other Party within five (5) business days of such request. The Parties will discuss the appropriate action to be taken, including release of the requested information, seeking a protective order, or other action prior to any release of information. If the Parties are unable to agree upon the appropriate action, the dispute resolution provisions of this Agreement shall apply or the Party wishing to protect the requested information may seek a protective order at its sole expense. The other Party agrees to cooperate in such action. This provision shall not be interpreted to require a Party to delay in providing requested information to the person requesting public records.
AGREEMENT ALTERATIONS AND AMENDMENTS
This agreement may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the Parties.

TERMINATION
The term of this Agreement shall be effective from execution of this Agreement and shall remain in full force and effect until June 30, 2014. This Agreement may be terminated earlier by written notice issued to the other party at least thirty (30) days in advance of the date of termination.

DISPUTES
If a dispute arises out of or relates to this Agreement, the Parties agree to first use their reasonable best efforts to cooperatively resolve such dispute. The District and the WDFW shall use their reasonable best efforts to resolve disputes arising in the normal course of business at the lowest organizational level between each Party’s staff with appropriate authority to resolve such disputes. When a dispute arises between the District and the WDFW, which cannot be resolved in the normal course of business, each Party shall notify the other of the dispute, with a Notice specifying the disputed issues.

The District and WDFW coordinators shall use their reasonable best efforts to resolve the dispute within five (5) business days of submission by either Party to the other of such dispute notice. If the District and WDFW coordinators are unable to resolve the dispute within such five (5) business day period, they shall immediately escalate the matter to the WDFW’s senior official(s) with appropriate authority to resolve the dispute and the District’s appropriate Managing Director, or designee who shall have ten business days to resolve the dispute. If these representatives are unable to resolve the dispute within such period, either Party may pursue its available legal and equitable remedies.

WDFW and District agree that the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Agreement that are not affected by the dispute.

If the subject of the dispute is the amount due and payable by District hereunder, WDFW shall continue providing the work pending resolution of the dispute provided District pays WDFW the amount District, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount WDFW, in good faith, believes is due and payable.

INDEMNIFICATION
Each Party to this Agreement shall be responsible for its own acts and/or omissions and those of its officers, employees, subcontractors and agents. Except as provided in the preceding sentence, no Party to this Agreement shall be responsible for the acts and/or omissions of entities or individuals not a party to this agreement.

This indemnity obligation specifically includes liability or alleged liability that may arise from injury or loss suffered by any employee of either Party or any subcontractor regardless of any immunity provided by the Washington Industrial Insurance Act, RCW Title 51, or any other applicable law. THE TERMS OF THIS SECTION, SPECIFICALLY INCLUDING THE
PRECEDING WAIVER OF IMMUNITY, SHALL BE DEEMED MUTUALLY NEGOTIATED TO THE FULLEST EXTENT ALLOWED BY THE LAWS OF WASHINGTON.

APPLICABLE LAWS AND POLICIES
Both Parties are forms of government under the laws of the State of Washington, and as such, except as provided in this Agreement, each Party shall be subject to its applicable laws, authorities, and policies. In the event authorities or policies conflict, the Parties agree to meet to discuss how to resolve the differences. Furthermore, the Parties agree that the rights and obligations set forth in this Agreement shall be binding upon and inure to the benefit of the Parties successors and assigns, including specifically without limitation any successor entities or agencies.

GOVERNANCE
This contract is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by applicable state and federal law and the District’s federal licenses.

ASSIGNMENT
The work to be provided under this Agreement, and any claim arising there under, is not assignable or delegable by either Party in whole or in part, without the express prior written consent of the other Party, which consent shall not be reasonably withheld.

FORCE MAJUERE
No Party shall be liable to the other Party for breach of this Agreement as a result of a failure to perform or for delay in performance of any provision of this Agreement if such performance is delayed or prevented by Force Majeure. Force Majeure shall be defined as an event not foreseeable by or within control of the Party. The Party whose performance is affected by Force Majeure shall notify the other Party in writing within 24 hours, or as soon thereafter as practicable, after becoming aware of any event that such affected Party contends constitutes Force Majeure. Such notice will identify the event causing the delay or anticipated delay, estimate the anticipated length of delay, state the measures taken or to be taken to minimize the delay, and estimate the timetable for implementation of the measures. The affected Party shall make all reasonable efforts to promptly resume performance of this Agreement and, when able, to resume performance of its obligations and give the other Party written notice of that effect. Upon receipt of notice of a Force Majeure event, any Party may request that the Parties engage in discussion in an effort to modify this Agreement in a mutually satisfactory manner.
WAIVER
A failure by either Party to exercise its rights under this Agreement shall not preclude that Party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached to the original Agreement.

SEVERABILITY
If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

ALL WRITINGS CONTAINED HEREIN
This Agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

CONTRACT MANAGEMENT
The program coordinator for each of the Parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Program Coordinator for WDFW is: Mike Lewis, Washington Department of Fish and Wildlife, 6785 Rd. K NE., Moses Lake, Washington, 98837.

The Program Coordinator for the District is Lance Keller; Chelan County PUD No. 1, Post Office Box 1231, Wenatchee, Washington, 98807

IN WITNESS WHEREOF, the parties have executed this Agreement.

WASHINGTON DEPARTMENT OF FISH & WILDLIFE
By: [Signature]
Title: Jeffrey R. Hugdahl
Contracts and Purchasing Manager
Date: 6/4/13

PUBLIC UTILITY DISTRICT NO. 1 OF CHelan COUNTY, WA
By: [Signature]
Title: [Title]
Date: 6/10/13
ATTACHMENT A

Chelan PUD SA No. 13-136
WDFW No. 13-1427

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

PRIEST RAPIDS COMPLEX

COLUMBIA BASIN HATCHERY

WHITE STURGEON PROJECT

STATEMENT OF WORK

PREPARED BY:

MIKE LEWIS: PRIEST RAPIDS COMPLEX MANAGER
STEVEN MANSFIELD: FISH HATCHERY SPECIALIST 3
WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

Project Title: White Sturgeon Project - Hatchery O & M

Organization: Washington Department OF Fish and Wildlife
600 Capitol Way N.
Olympia, WA 98504

Administrative Contact
Theresa Walker
600 Capitol Way N.
Olympia, WA 98504
Telephone: (360) 902-2439
Fax: (369) 902-2943
Email: Theresa.walker@dfw.wa.gov

Project Leader: Mike Lewis: Complex Manager
Columbia Basin Hatchery WDFW
6785 Rd. K NE
Moses Lake, WA 98837
Telephone: (509) 765-7714
Fax: (509) 766-2275
Email: lewismrl@dfw.wa.gov

Key Personnel
Steve Mansfield: Hatchery Specialist 3
Columbia Basin Hatchery WDFW
6785 Rd. K NE
Moses Lake, WA 98837
Telephone: (509) 765-7714
Fax: (509) 766-2275
Email: steven.mansfield@dfw.wa.gov

Starting Date: Execution of this Agreement

Ending Date: June 30, 2014
INTRODUCTION

At the request of Chelan County Public Utility District (CCPUD) it is being proposed to incubate, hatch, and rear juvenile white sturgeon at the Washington State Department of Fish and wildlife's (WDFW) Columbia Basin Fish Hatchery (CBH).

Operated by WDFW, CBH is located in central Washington near the town of Moses Lake. Water temperatures at this facility make it a reasonable choice to aid in the recovery of the Columbia River White Sturgeon. The facility and staff is noted for its ability to produce healthy yearling age white sturgeon.
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1.0 PROJECT GOAL:

This contract provides funding for operational and maintenance costs associated with the sturgeon program at CBH.

The production goal for this project is to provide juvenile white sturgeon to Chelan PUD for release into the mid-Columbia river. CBH has a capacity for up to 190,000 sturgeon eggs. This could represent up to 12 individual families depending on broodstock availability and spawning matrix.

This temporary program would import white sturgeon green eggs from the Marian Drain hatchery (MDH) into CBH for rearing to yearling age or approximately twelve months. CBH will serve as a safety net to the Chelan Hatchery white sturgeon programs that provide mitigation for Chelan PUDs.

For this project, CBH will import up to 180,000 white sturgeon green eggs from one or more spawning events held at MDH. Imported green eggs will be hatched at CBH and reared to a size of approximately 5-7 fpp. CBH staff will perform grading and culling of fry to produce a target of 3,500 fish available for transfer.

During the rearing cycle, the WDFW will provide assistance to the PUD to aid in finding an outlet for any fish that may not be needed for the sturgeon program. In any case these fish are the property of the PUD and as such the PUD will determine their outcome or destination.

It has been determined that the PUD will provide all necessary resources to meet the needs of any fish marking requirements for this project.

2.0 WORK TO BE PERFORMED

Criteria for Holding BY 2013 White Sturgeon at Columbia Basin Hatchery

1. The white sturgeon held and spawned at Marion Drain facility will be sampled at spawning for viral pathogens.
   a. If one of the females sampled is positive for White Sturgeon Iridovirus or a regulated finfish pathogen the progeny from that female will be euthanized.

2. Upon receipt, the white sturgeon eggs will be surface disinfected with a minimum of 75 ppm iodophor for 15 minutes.

3. The white sturgeon must be held in a Fish Health Unit approved isolation facility. The effluent from this facility must be discharged directly into the hatchery outfall. Dedicated tools and equipment are required. Bio-security signs in place with foot baths will be required.
4. The affected PUD agrees to fund any one time only expenses to modify or alter the Columbia Basin Hatchery. This is to include but not limited to physical barriers to the dedicated sturgeon area, with dedicated ingress and egress.

5. The affected PUD agrees to fund labor and benefit expenses specifically associated with the sturgeon culture at the Columbia Basin Hatchery. Newly feeding sturgeon requires extensive care from the actual act of feeding to keeping the rearing units free from wasted feed and fish waste.

6. The affected PUD also agrees to fund the enhanced fish health monitoring required of a juvenile white sturgeon program. This would include all costs of viral testing/histology. It has been determined at this time that there will not be any Fish Health staff time (labor) charges to this contract.

7. If at any time mortality reaches epizootic levels, as defined in WAC 220-77-020, WDFW will notify within one (1) working day, representatives from the affected natural resource agencies and involved parties.

8. All of the involved natural resource agencies and affected parties will agree to, in advance, the euthanasia of the juvenile white sturgeon if they exhibit clinical symptoms of White Sturgeon Iridovirus or any other regulated fish pathogen as determined by Fish Health staff and exceed mortality levels of 0.1% per day for five consecutive days or exceed mortality levels greater than 0.5% per day for three consecutive days.

9. CCPUD funding this work includes overheads which are properly allocable in accordance with generally accepted accounting standards consistently applied. In no event however, shall the total amount paid to WDFW by CCPUD exceed the sum of $37,876.
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<tr>
<th>Personnel</th>
<th>Direct</th>
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<td>Hatchery Specialist 3</td>
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<td>Fish Hatchery Technician</td>
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<td>Goods and Services</td>
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<td>CBH Miscellaneous supplies (feeder repair/plumbing)</td>
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<td>CBH Utilities (power costs for wells/abatement pumps)</td>
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<td>CBH Vehicle mileage for sturgeon related activities</td>
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<td>Fish Food</td>
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