

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF LEAVENWORTH**

**AND**

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY**

**REGARDING THE ASSESSMENT OF REAL PROPERTY FOR THE POTENTIAL SITING OF A PUBLIC FACILITY**

**THIS MEMORANDUM OF UNDERSTANDING (MOU)** is hereby made and entered into by and between the City of Leavenworth (the “City”), and Public Utility District No. 1 of Chelan County (the “District”), sometimes collectively referred to as the “Parties.”

**1. Recitals**

- A. The City proposes to explore the potential siting of a public facility on a portion of undeveloped District land located within the city limits of Leavenworth and having a general address of 222 Chumstick Highway (Chelan PUD Leavenworth office).
- B. In addition to adjacent and abutting transmission and distribution line corridors, the District owns approximately 13 acres of land around its Leavenworth office and it is estimated that several undeveloped acres of the site might be surplus to District need and may be suitable for sale or lease at fair market value to the City to support the provision of public services, including but not limited to a City municipal campus, or a public works campus, and a location for a satellite office for the Chelan County Sheriff.
- C. Parties agree to work in good faith to evaluate real property and explore cooperative opportunities that may exist throughout the City and adjacent areas, including the analysis of long-term District needs. This could include the City making surplus its existing public works campus, and the City making available by right of first refusal at fair market value its building and property where the Community Cupboard is located to Upper Valley MEND, a Washington nonprofit corporation.
- D. It is understood that existing District facilities, buildings and electrical infrastructure are to remain on the 13 acres and are not intended to be a substantive part of the analysis contemplated by this MOU, unless otherwise included by the District.
- E. It is understood that City will assist District in identifying a site for an additional substation upon request.
- F. The Parties are under no obligation to complete any sale, purchase or lease of lands contemplated under the process set forth in this MOU and any such action would be detailed in a subsequent agreement and be subject to legislative approval where required (Leavenworth City Council and Chelan PUD Board of Commissioners).

**2. Purpose**

The purpose of this MOU is achieve the goals of the Recitals and to establish the cooperative effort between the Parties for the review and assessment of the mutual benefit associated with the potential lease or sale of District land to further a public purpose and to allow the City to perform feasibility studies on District lands and for other transfers of property between the Parties.. The Parties hereby enter this Memorandum of Understanding to summarize their mutual intent relating to the potential

long-term lease or sale of a portion of the District's Leavenworth "campus" (Chelan County Property ID #27384, #27715). In addition, this effort may identify cooperative opportunities associated with long-term District and City needs to best serve the community with utility and municipal services. It is understood by the Parties that mutual agreement on the final disposition of property may not be reached, though it is the desire of the Parties to be collaborative, forthright, and timely.

### **3. Term**

This MOU is effective upon execution by both Parties and being publicly filed or posted pursuant to RCW 39.34.040. This MOU will terminate on December 31, 2026, or earlier upon mutual consent or upon written notice by either party. This MOU may be extended or amended upon mutual consent.

### **4. Scope of Work – Joint Responsibilities.**

- A. Review and analysis of District property. The City may conduct site inspections and other normal and accustomed due diligence of District property to assess site suitability for the City's desired public purpose. This assessment may include reviewing environmental, land use, technical, and other constraints that may impact the desired use, including environmental (Phase 1/2) and cultural assessments. The City agrees that any assessments that require earth disturbing activities shall be pre-approved by the District and appropriate permits acquired, if any, including a permit from the District.
- B. Review and analysis of other sites. Collaboration between Parties may lead to the identification of sites and opportunities that help meet District needs to best serve the community with utility services. To the extent said properties are owned by the City, the District may conduct site inspections and other normal and accustomed due diligence (cultural and environmental assessments) to assess site suitability for the desired public purpose. The District agrees that any assessments that require earth disturbing activities shall be pre-approved by the City and appropriate permits acquired, if any, including a permit from the City.
- C. Cost of studies. Generally, the cost of studies associated with this effort should be born by the party conducting or requesting the effort, though mutual participation may also occur and should be detailed in writing in advance.
- D. Consultation. The Parties agree to meet on a regular basis to further the activities noted herein. Consultation is likely to include regular meetings, discussions and the exchange of relevant documents and data. Written reports, findings and/or recommendations may result and should be coordinated between the Parties in advance of public meetings or public release of information.
- E. Timeframe. This assessment and scope of work is expected to take between 6 and 18 months to complete.

### **5. Records.**

The Parties shall keep and maintain accurate and complete records pertaining to all related agreements, costs and work. Each party shall have full access and right to examine any records during the term of this MOU and for six (6) years thereafter. All records, books, documents and other materials maintained,

prepared or issued by each party in the implementation of this MOU shall be the property of the issuing party, and each party shall have the responsibility of the retention and release of these materials. The records retention period shall be tolled during the pendency of any claims or suits related in any way to this MOU and any records for which a party has custody or responsibility shall not be destroyed or purged until final resolution of all claims or lawsuits.

**6. Mutual Indemnity.**

Each party shall indemnify, defend and hold harmless the other Parties, their commissioners, officers, agents and employees, from and against any and all claims, losses or liability, or any portion thereof, arising from injury or death to persons or damage to property occasioned by any negligent act, omission or failure of the party, its officers, agents, and employees, in connection with this MOU.

The indemnification obligation of each party shall not be limited in any way by the application of any workmen’s compensation acts, disability benefit acts or other employee benefit acts, and the Parties expressly waive the protection afforded by such laws. The foregoing waiver and indemnification obligations have been mutually negotiated.

**7. Public Disclosure.**

The obligations of the parties regarding confidential information may be subject to state and federal public disclosure laws, as now exist or as may be hereafter amended. The parties may disclose confidential information to the extent it is required to be disclosed pursuant to the public disclosure laws. If a public disclosure of confidential information is requested, the party receiving the request agrees to notify the other of such request at least ten (10) business days prior to disclosure being made. The other party may immediately seek a protective order in the appropriate court. The receiving party will reasonably cooperate with the other in such action, but is under no obligation to obtain or seek any court protection.

**8. Public Outreach.**

The Parties agree to coordinate on any public outreach, press releases and related information associated with this effort, including agenda items noted for discussion or action at City Council or District Board meetings.

**9. Non-Binding Nature.**

The Parties reiterate that this MOU is intended as an expression of mutual interest and cooperation and shall not create a legally binding commitment on the part of either party to a particular outcome or result including, without limitation, the sale, lease or disposition of real property. Further, either party may terminate this MOU on written notice to the other Party.

**10. Contacts.**

City of Leavenworth  
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Chelan County PUD  
Justin Erickson, Chief Strategy & Stakeholder Officer  
Justin.erickson@chelanpud.org  
(509) 661-4379

APPROVED BY:

CITY OF LEAVENWORTH

This \_\_ day \_\_\_\_\_, 2024.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

APPROVED BY:

CHELAN COUNTY PUBLIC UTILITY DISTRICT NO. 1

This \_\_ day of \_\_\_\_\_, 2024.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

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