PLEDGE OF ALLEGIANCE

CONSENT AGENDA
1. Approval of Agenda 08/14/18
2. Approval of Minutes 07/24/18 Meeting
3. Ratification of Vouchers 07/31/18
4. Approval of Vouchers 08/14/18

AUDIENCE COMMENTS

OLD BUSINESS
5. Manager’s Report
6. Quarterly Report – Human Resources

NEW BUSINESS
7. Recommendation to Amend Interlocal Agreement with City of Sedro-Woolley – Action
   Water System Improvements – State Street from Walley Street to 3rd Street
8. Interlocal Agreement with City of Mount Vernon – Potential Action
   Water System Improvements - E College Way, Freeway Drive E to west of Riverside Drive
   Deferred from 07/24/18 Meeting
9. Resolution No. 2258-18 – Potential Action
   Adoption of PURMS 2018 Amended and Restated Interlocal Agreement for Public Utility
   Risk Management Services Joint Self Insurance Fund
   PURMS Board Resolution No. 6-7-18-1

MISCELLANEOUS

COMMISSIONER COMMENTS

ADJOURNMENT

JUDY RESERVOIR ELEVATION
MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

July 24, 2018

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington, on July 24, 2018.

The meeting was called to order at 4:30 PM. Those Commissioners in attendance were: Robbie Robertson, President; Eron Berg, Vice President; and Al Littlefield Secretary. Also in attendance were: Kevin Tate, Acting General Manager; Mark Handzlik, Engineering Manager, Sally Saxton, Treasurer, Peter Gilbert, Attorney; and Kim Carpenter, Clerk of the Board; Audience: Judy Littlefield, Les Walker, Mark Kaushg, Mark Parris, Ashlee Johnson, and District Employees: Mark Semrau, Bill Trueman, Doug Streeter, Kathy White, Wes Stene, Ed McCoy, Matt Walker, Tyrone Kaech, Dean Myers, Ron Humerickhouse, Eddie Johnson, Jay Sedivy and Luis Gonzalez.

Commissioner Littlefield led the Pledge of Allegiance.

Commissioner Robertson stated that the Agenda would be amended with the removal of Item #10 (Interlocal Agreement with City of Mount Vernon-E College Way from Freeway Drive E to West of Riverside Drive) which will be deferred until the meeting of August 14.

Commissioner Littlefield moved to approve the Consent Agenda for July 24, 2018:

1. Approval of Agenda 07/24/18
2. Approval of Minutes 07/10/18 Commission Meeting
3. Ratification of Vouchers 07/17/18
   No. 2807 - Voucher Nos. 13017-13094 ($547,021.56)
4. Approval of Vouchers 07/24/18
   No. 2808 - Voucher Nos. 13095-13159, Payroll Check Nos. 23398-23482
   ($772,801.77)
5. Project Acceptance
   Dairy Valley Distributing First Street (Mount Vernon)
   Plat of Rivers Edge (Burlington)
   Rita Street Mixed Use Development (Sedro-Woolley)
   Bulson Creek Subdivision (Sinnes Road) (Mount Vernon)

The motion passed.

Treasurer Saxton presented the Treasurer’s Report for June 2018.

There were no audience comments.

Under Old Business:

6. Manager Sidhu is on vacation and Community Relations Manager Tate is the Acting General Manager in his absence. Acting Manager Tate introduced the District’s new
Safety Coordinator, Jay Sedivy who gave a brief background bio about himself.

7. Project Acceptance - Saratoga Passage – **Discussion and Potential Action**
   Capital Project Manager Semrau presented an update regarding the project and stated that all documents are finalized and will be signed once the Summary Judgment has been entered. Discussion ensued. Commissioner Berg moved to delegate authority to the General Manager to accept and approve Stackpole Road, Saratoga Passage View Project contingent upon the final judgment being entered. Commissioner Robertson asked about the bentonite needing to be replaced or refilled in the tank; Engineering Manager Handzlik replied that the tank has been dry for a couple of years and the bentonite clay needs time to reactivate, but if it doesn’t it will be included on their maintenance bond. The motion passed.

Under New Business:

8. McLean Road, Wall Street to Best Road, Phase 1-Recommendation to Award-**Action**
   Engineering Manager Handzlik stated that the project was first presented to the Commission for a budget amendment and the project was bid in order to complete work prior to a county paving project and recommended award to Faber Construction. Commissioner Berg moved to authorize the General Manager to execute and enter into a contract with Faber Construction Corporation in the amount of $2,333,195.58 for the McLean Road, Wall Street to Best Road Phase I improvements. The motion passed.

9. WSDOT Utility Construction Agreement - **Action**
   Raising Valve Boxes in Conjunction with Downtown Mount Vernon Paving from I-5 to the Skagit River Bridge (SR 536-Memorial Highway)
   Commissioner Berg asked what the cost of the project would be as it is not well written in the requested action; Engineering Manager Handzlik replied $51,541.71. Commissioner Littlefield moved to authorize the General Manager to execute Utility Construction Agreement UTB 1279 with WSDOT in the amount of $51,541.71 for raising of 32 valve boxes to accommodate the grinding and paving work through downtown Mount Vernon from I-5 to the Skagit River Bridge (SR536-Memorial Highway). The motion passed.

Under Commissioner Comments, Commissioner Littlefield reported on his attendance at the WA PUD Association (WPUDA) meetings in Chehalis which were very good and well attended. He stated the highlight was the tour of the Veteran’s Museum.

Having no further business to come before the Board, Commissioner Littlefield moved for adjournment. The motion passed and the meeting of July 24, 2018 was adjourned at 4:51 PM.

Respectfully submitted:

__________________________
Kim Carpenter
Clerk of the Board
August 9, 2018

TO: George Sidhu, P.E., General Manager
FROM: Mark Handzlik, P.E., Engineering Manager
BY: Mike Benton, Project Manager

SUBJECT: Request to Amend Interlocal Agreement with the City of Sedro-Woolley

Requested Action:
Amend the Interlocal Agreement with City of Sedro-Woolley for water system improvements along State Street from Walley Street to 3rd Street, by contributing 30% (approximately $19,800) toward Bid Schedule “A”, Line Item 2 Traffic Control.

Background:
On April 10, 2018, the Commission authorized the General Manager to enter into an Interlocal Agreement with the City of Sedro-Woolley in the amount of $7,350.00 with future commitments up to $296,835.00 for water system improvements along State Street, from Walley Street to 3rd Street in conjunction with the City’s 2018 State Street Pavement Improvement Project. The Interlocal stipulated that the District pay costs associated with Bid Schedule “B” while the City would fund work under Bid Schedules “A” and “C”.

Upon evaluating the bids for errors, the City noticed that there was a significant cost imbalance associated with Traffic Control between the City’s Schedule “A” and the District’s Schedule “B”.

The District’s obligation as currently bid is $66,877.55 or 22.5%, less than anticipated and the City is concerned with the potential risks and cost escalations associated with rebidding the project next year. Contributing 30% to Bid Schedule “A” lump sum Traffic Control would keep the District’s contract costs below those anticipated, would allow the City to move forward with their project, and would maintain the mutual benefits provided by coordinating with the City.

This proposal is a result of good faith negotiations to meet the interest of each municipal partner and preserve the mutual benefit of bidding and constructing these projects under one contract.

Fiscal Impact:
The Commission has previously authorized an expenditure of $296,835.00 for this joint project. With this amendment, the revised costs remain below the estimated amounts and would not require additional authorization.

kac
INTERLOCAL AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND SKAGIT COUNTY PUBLIC UTILITY DISTRICT NUMBER 1

THIS AGREEMENT is made and entered into this 2nd day of April, 2018, by and between the City of Sedro-Woolley, a Washington Municipal Corporation, herein referred to as "CITY," and Public Utility District Number 1 of Skagit County, herein referred to as "PUD."

WHEREAS, the City is in the process of constructing the 2018 State Street Overlay Project, City Project 2018-PW-03,

WHEREAS, PUD desires to replace and upgrade an existing PUD water main located within the project limits,

WHEREAS, the parties believe the project will be completed most efficiently and cost effectively if the PUD work is conducted pursuant to the City's contract with the prime contractor,

WHEREAS, the City and PUD are each independently authorized by law to conduct such activity; and,

WHEREAS, RCW 39.34.080 authorizes a public agency to contract with another public agency to perform any governmental service, activity, or undertaking which each public agency is authorized to perform, provided that such contract shall be authorized by the governing body of each party to the contract; and,

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities, including an agency of state government, on a basis of mutual advantage; and,

WHEREAS, it is of mutual advantage to the City and PUD to enter into this Agreement providing a mechanism for the PUD's work related to the City's project to be constructed by the City and paid for by the PUD as part of the 2018 State Street Overlay Project (the Project); and,

WHEREAS, it is necessary for the City and the PUD to enter into an agreement setting forth the terms, conditions, and requirements for completing the Project.

NOW, THEREFORE, in consideration for the terms and conditions contained herein and in the documents incorporated herein, the parties agree as follows:
Agenda Item #7

STATEMENT OF WORK

1. The City will assist the PUD in conducting the following:

Bid Schedule B: Skagit County PUD No. 1 Water Main Improvements

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Measure</th>
<th>Unit Price</th>
<th>Amount</th>
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<tbody>
<tr>
<td>xx</td>
<td>CONSTRUCTION PHASE – TO BE DETERMINED</td>
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<td>Construction Phase - Schedule B SUB-TOTAL</td>
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<td>Tax at 8.5 Percent</td>
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<td>Total Schedule B including Tax</td>
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<td>Design Engineering –</td>
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<td>EST</td>
<td>$3,500.00</td>
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<td>Construction Engineering Coordination</td>
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<td>Construction Surveying (estimated)</td>
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<td>$1,500.00</td>
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<td>Soils Testing (estimated)</td>
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<td>Contract Administration</td>
<td>5%</td>
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<td>TOTAL (ROUNDED)</td>
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<td>$7,350.00</td>
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</table>

COMPENSATION

2. City will charge PUD for its portion of the services described above at its actual costs plus 5% for Administration for a maximum compensation not to exceed $7,350.00 without further authorization from PUD. Requests by PUD for any other services by the City shall be negotiated as a mutually agreed amendment to this Agreement prior to the City providing the service. Upon reaching the maximum compensation, the City will have no further responsibility or obligation regarding the provision of services under this Agreement unless it is amended by mutual written agreement to authorize additional compensation.

It is contemplated that the City will contract for all aspects of the job, and the PUD will reimburse the City for its respective share of the contract costs associated with the scope of work identified above.

PUD will review and approve design documents, furnish design survey data in electronic format, and provide field inspection services for their portion of the work. City’s contract manager and inspector will coordinate with PUD and schedule testing and administer change orders and pay requests.

Design and construction phase engineering coordination, construction surveying and soils testing costs shown above are estimates. The actual cost will be billed based on invoices from the appropriate sub-consultant. Construction Phase Services and Construction Contract will be determined after close of bids.

In the event a dispute arises between the City and a contractor that may affect the costs of the work for which PUD is responsible, the City will consult with PUD concerning the dispute and the method of resolution.
In the event the work requires change orders due to unforeseen conditions or other matters, the City is authorized to approve change orders related to the portion of the work for which PUD is responsible, after consultation with PUD, for a total amount not to exceed the amount provided for in the construction contract for changes, overruns and contingencies.

PAYMENT PROCEDURE

3. The City shall submit invoices to PUD on a monthly basis. Payment shall be made by warrant or account transfer by PUD to the City within 30 days of receipt of the invoice. Details of payment process shall be determined by the parties' respective financial offices.

INDEPENDENT CAPACITY

4. The officials, employees or agents of each party who are engaged in the performance of this Agreement shall continue to be officials, employees or agents of that party and shall not be considered for any purpose to be officials, employees or agents of the other party.

LEGAL RELATIONS

5. Neither party shall be liable for damage or claims which arise from or relate to the performance or non-performance of this Agreement by the other party. Each party shall be responsible only for the negligent acts and omissions of its own officers, employees, and agents, and no party shall be considered the agent of the other.

ASSIGNMENT

6. PUD understands that the City will contract for services to be provided under this agreement and amendments thereto. However, neither party shall assign or convey its interests or obligations under this Agreement without the written consent of the other. There are no third-party beneficiaries of this agreement.

DISPUTES

7. It is expected that any conflicts arising out of the implementation of this Agreement will be resolved at the staff level. In the event that issues cannot be resolved by staff in a timely fashion, the parties agree to elevate the dispute through equivalent management levels of each party, and if necessary to the general manager and City Supervisor or designee.

In the event that a dispute cannot be resolved in the manner described above, they shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, contract terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto.
AMENDMENT

8. This Agreement shall be amended only by written mutual consent of the parties. Amendments to this agreement may be initiated by any of the parties and will become final after written agreement by all parties and appropriate signatories is executed.

TERMINATION

9. This agreement is effective from the date of signature by all parties and remains in effect until modified by written mutual consent or terminated. Either party may terminate this Agreement upon thirty (30) days written notification to the other party. If this Agreement is so terminated, PUD shall be responsible to the City for performance rendered or costs incurred or contracted for in accordance with the terms of this Agreement prior to the effective date of termination, including the cost of any work contracted for by the City or the cost to the City to terminate the contract for said work.

CONTRACT MANAGEMENT

10. The contract administrators shall be the persons listed below. The contract administrator for each party shall be responsible for and shall be the contact person for all notices and communications regarding the performance of this Agreement.

    Mike Benton
    Project Manager
    Skagit County PUD No. 1
    POB 1436
    1415 Freeway Drive
    Mount Vernon, WA 98273
    (360) 848-4439
    benton@skagitpud.org

    David Lee, PE
    City Engineer
    City of Sedro-Woolley
    325 Metcalf Street
    Sedro-Woolley, WA 98284
    (360) 855-0771
    dlee@ci.sedro-woolley.wa.us

GOVERNANCE

11. This Agreement is entered into 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 giving precedence in the following order:

- Applicable state and federal constitution statutes and rules;
- Statement of work; and
- Any other provisions of the Agreement, including materials incorporated by reference.
WAIVER

12. 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 writing signed by an authorized representative of the party and attached to the original Agreement.

SEVERABILITY

13. 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 the Agreement, and to this end the provisions of this Agreement are declared to be severable.

ALL WRITINGS CONTAINED HERIN

14. 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.

ADDITIONAL PROVISIONS

15. This Agreement does not create any separate legal entity, create any joint organization, establish any common budget, nor authorize the joint acquisition of any personal or real property.

DATED this 2nd day of April, 2018.

CITY OF SEDRO-WOOLLEY

Mayor

ATTEST:

Finance Director

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

George Sidhu, P.E. - General Manager

APPROVED AS TO FORM:

PETER GILBERT

PUD Interlocal Agreement 2018 State Street Overlay Project
PUD Project Description: State St., Walley St. to Third St.
July 31, 2018

TO: George Sidhu, P.E., General Manager
FROM: Mark Handzlik, P.E., Engineering Manager
BY: Mike Benton, Project Manager

SUBJECT: Interlocal Agreement with the City of Mount Vernon

Requested Action:
Authorize the General Manager to execute and enter into an Interlocal agreement with the City of Mount Vernon in the amount of $20,167.11, with future commitments totaling up to $508,211.19 for water system improvements along East College Way from Freeway Drive east to the District’s existing 12-inch ductile iron main west of Riverside Drive, and revise budget line item #60 Mandated By Other Agencies with funds from line item #54 Annual Pipe Replacement.

Background:
The City of Mount Vernon will be performing surface improvements along East College Way between Freeway Drive and Riverside Drive, including adding two lanes under Interstate 5 (see attached Exhibit “A”).

These segments of the District’s water system have been on the pipe replacement program since 2013. The existing pipes are 6-inch and 8-inch cast iron and ductile iron pipe that were installed in 1958 and 1970. While cast iron and ductile iron pipes can have a very long service life, the pipe diameters do not provide sufficient capacity for current fire flow demands; therefore, considering age, capacity, and timing efficiencies, the District will replace this infrastructure with 12-inch ductile iron pipe matching the capacity of the pipes west of this project where it will be connected. In addition to the water main replacement, the District is using this opportunity to have underground communications conduit and appurtenances installed underneath the I-5 corridor for connections to future projects.

Historically, the District has found advantage when projects can be incorporated into other municipal work. The intention of this Interlocal Agreement is to secure that advantage.

Through an Interlocal with the City of Mount Vernon, the District will reimburse the City for contract administration and payments to the Contractor. The design work has already been contracted directly between the District and the City’s design engineering firm. This request includes funding for construction, City administration fees, sales taxes, contingencies and cost escalation.

At the time of award, the Commission will receive updated information regarding scope and fee; however, no additional funding approval will be sought unless the bid amount exceeds the estimated project authorization of $508,211.19.
An estimated breakdown of costs follows.

<table>
<thead>
<tr>
<th>Item</th>
<th>Costs</th>
</tr>
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<tbody>
<tr>
<td>Engineers Estimate for Contract</td>
<td>$371,060.00</td>
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<tr>
<td>Sales Tax 8.7% (City of Mount Vernon)</td>
<td>$32,282.22</td>
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<tr>
<td>Contract Admin Fee 5% (City of Mount Vernon)</td>
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<td><strong>Subtotal including WSST</strong></td>
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<td>Contingency 10%</td>
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<tr>
<td>10% Cost Escalation Allowance</td>
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<tr>
<td><strong>Total Project Estimate</strong></td>
<td><strong>$508,211.19</strong></td>
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<tr>
<td>including contingency &amp; WSST</td>
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</table>

**Fiscal Impact:**
Funding for the project under this Interlocal agreement will come from Budget Line Item #60-Mandated by Other Agencies which holds $810,000.00. This request includes the transfer of $303,141.79 from the 2018 Pipe Replacement Budget Line Item to Line Item #60. This work is consistent with the intended use of these funds.

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<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>ITEM</th>
<th>UNIT</th>
<th>QUANTITY</th>
<th>UNIT PRICE</th>
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**TOTAL SCHEDULE A**

$494,600

$67,951.75

$417,648.25

$67,371.00

$417,648.25

$67,951.75

$494,600

$147,911.00

$147,911.00
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**SUB-TOTAL**

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**State Sales Tax**

| ITEM | 5.32% | $19.895.00 |

**TOTAL SCHEDULE C**

| ITEM | 5.32% | $26,385.22 |

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| Bid Amount Schedule A | $406,532.00 | $517,051.00 |
| Bid Amount Schedule B | $177,718.00 | $244,780.00 |
| Bid Amount Schedule C | $16,572.50 | $19,093.10 |
| Total Bid Amount: Sub A + Sub B + Sub C | $728,448.00 | $934,924.00 |

| Item 8 | -1.8% | -1.8% | -1.8% | -1.8% | -1.8% |
| Item 8 | -3.8% | -3.8% | -3.8% | -3.8% | -3.8% |

*Indicates total due to math error.*

*Indicates revised totals due to math error.*
After Recording Return to:

Attn: Kevin Rogerson
City Attorney’s Office
City of Mount Vernon
PO Box 809
910 Cleveland Avenue
Mount Vernon, WA 98273

THIS AGREEMENT is made and entered into this ___ day of ________________, 2018, by and between the PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, a Public Utility District of the State of Washington, (hereinafter referred to as the “PUD”); and the CITY OF MOUNT VERNON, a municipal corporation of the State of Washington, (hereinafter referred to as the “City”),

WHEREAS the City is in the process of constructing street improvements to the City of Mount Vernon’s College Way street at, under and near the Interstate Five Exchange (hereinafter, the “City’s Project”); and

WHEREAS the PUD has budgeted for the upgrade and installation of a waterline facilities following the City’s Project alignment and within the City’s Project limits (hereinafter, the “PUD’s Project”); and

WHEREAS, the parties are each independently authorized by law to construct their respective projects and to contract with another; and

WHEREAS, supplemental to each parties authority, RCW 39.34.080 authorizes a public agency to contract with another public agency to perform any governmental service, activity, or undertaking which each public agency is authorized to perform, provided that such contract shall be authorized by the governing body of each party to the contract; and

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage; and

WHEREAS, it is of mutual advantage to the City and the PUD to enter into this Agreement providing a mechanism to seek bids for PUD’s waterline work and the City’s project to be constructed by a single contractor through the City’s public works process and paid for by the PUD as sub-element to the City’s Project; and

WHEREAS, it is necessary for the City and the PUD to enter into an agreement setting forth the terms, conditions, and requirements for completing the Project; and
WHEREAS in preparation for construction, the PUD engaged the services of Reichardt & Ebe Engineering, Inc., (the "Designer"), for the purposes of providing construction drawings and specifications for the PUD Project in accordance with the agreement entered between the PUD and the Designer; and

WHEREAS the City has also retained the Designer for the purpose of preparing construction drawings and specifications for the City’s Project to be installed on the same right-of-way; and

WHEREAS the plans and specifications for the PUD Project were prepared by the Designer as a subset of the plans and specifications of the City’s Project, which specifications are intended to be consistent; and

WHEREAS RCW 39.34.080 and RCW 39.34.030 of the Interlocal Cooperation Act allows any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform: provided, that such contract is authorized by the governing body of each party to the contract and sets forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties

WHEREAS the parties have agreed to seek construction of the City’s Project and include the PUD Project as an additive, alternative within its call for public bids in accordance with the project specifications. To this end, the PUD Project is considered by the parties to be a potential sub-element of the City’s Project for the purposes of Title 39 Chapter 34 RCW.

NOW, THEREFORE, in consideration of the mutual promises and obligations hereinafter set forth, the parties hereto agree as follows:

1. **Bid Package, Solicitation, and Award.** The City shall cause or have caused to be prepared a bid package for construction of the City’s Project and shall include the PUD Project as an additive, alternative. The City’s Project shall be considered the base bid. The PUD Project shall be an additional body of work that the City may, at its discretion, award consistent with this Agreement. The PUD Project is a body of work that isn’t critical for the City Project, but as an additive shall allow the parties to consider bids without having to re-advertise the PUD Project. An award that includes the PUD Project and the City Project shall be known in this Agreement as “the Project”.

The bid package shall be prepared in compliance with Chapter 39.04 RCW, all applicable federal and state regulations applicable to the City’s Project. City makes no warranty or representation that the bid conforms to PUD ordinances, local rules, or other law applicable to the PUD. Bid
documents shall be in accordance with this Agreement and include the approved plans and specifications for the City’s Project and the PUD Project, and the contract documents attached hereto and incorporated herein as Exhibit “A” (“the Project Contract”).

The PUD shall require all design professionals who designed the PUD Project provide information and clarifications to potential bidders, assist in bid openings and assist in the evaluation of bids, including recommendation of award in compliance with Chapter 39.04 RCW. The bid package shall identify the City as the “Owner” and contracting party for construction of the Project. The Project shall be put out to bid at times sufficient for completion of the Project pursuant to a construction schedule established jointly by the PUD and the City. The City shall prepare the bid packages, soliciting bids and the award of the bid.

The City shall award the base bid work to the lowest responsive and responsible bidder (the “Contractor”); provided however, the City reserves the right to reject all bids without cause for the City’s Project or the Project.

The City shall not be obligated to award the Project to the Contractor. The City reserves the right to reject all bids for the Project without cause and award the base bid for the City’s Project in lieu. In the event the City, in its sole discretion, elects to award the base bid for the City’s Project without including the PUD Project as an additive, alternative then the Agreement shall terminate.

While the City shall not be obligated to award the Project, the City shall not award the Project (which includes the PUD Project as an additive, alternative) unless the PUD provides written approval of the bid amount of the additive, alternative prior to the City’s award of the Project.

2. Construction of PUD Project. Consistent with the City’s Project specifications and construction drawings and with the drawings and specifications for the PUD Project, the City shall authorize and direct the Contractor to construct and install the PUD Project in the College Way right-of-way.

The specifications and drawings for the PUD Project and the City’s Project are hereby incorporated into this agreement as an element of the Project Contract. In the event of a conflict between this Agreement, the Project Contract, or in case of a conflict between the specifications and drawings for the PUD Project and the specifications and drawings for the City’s Project, such conflict shall be resolved in the following order, with the first named document taking precedence over subsequently named documents:
A. This Agreement;
B. The City’s Project specifications and/or drawings as set forth in Exhibit B.
C. The PUD’s Project specifications and drawings as set forth in Exhibit B.
D. Remaining Project Contract documents not specifically identified above.

In the event of a conflict, the parties shall meet and confer as soon a reasonably practicable to reconcile any inconsistencies or conflicts. In the event such conflicts cannot be resolved, the PUD sole remedy shall be to request the City to terminate the PUD Project; provided, however any and all costs including legal fees and all claims raised by the Contractor as a result of PUD termination of PUD Project work shall be paid by the PU including all costs of issuing a change order to delete the PUD Project from the Project, and costs attributable to the Contractor’s overhead and profit, shall be borne by the PUD.

3. **Project Management.** The City (or its contractor) shall be the entity primarily responsible for construction management of the Project.

A. Contractual Privity – Contractor. For the purposes of this Agreement, the City shall be deemed to be the sole entity in contractual privity with the Contractor for construction of the Project.

B. Tort Claims. It is the intent of the parties that the Contractor and the Contractor’s insurance polices shall fully indemnify the City from any claims or causes of action resulting in whole or in part from the Contractor’s negligent or intentionally tortuous acts. The PUD agrees that it shall provide to the City within one (1) business day of receipt a copy of any notice of claim the PUD receives that implicates the Project.

C. Contractual Privity – Designer. Both the PUD and the City are deemed to be in contractual privity with the Designer, pursuant to their respective contracts.

D. Supplemental Estimates. Supplemental estimates of the cost of construction for the PUD Project that may be prepared in accordance with RCW § 39.04.040 shall be prepared by the PUD. Supplemental estimates of the cost of construction for the City’s Project that may be prepared in accordance with RCW § 39.04.040 shall be prepared by the City.
E. Engineering and Design Costs. All engineering or design related costs for work performed to the design or engineering of the City Project shall be paid by the City, in accordance with the terms and conditions of the agreement between the City and the Designer. All engineering related costs for work performed to the design or engineering related to the design of the PUD Project shall be billed directly to the PUD by the Designer in accordance with the terms and conditions of the agreement between the PUD and the Designer.

F. Delivery of the plans and specifications to the City by the PUD shall be construed as a warranty of the quality or adequacy of the plans or specifications. In particular, the PUD warrants that (i) the materials described in the PUD plans and specifications are commercially available; (ii) that the delivery of plans and specifications to the City shall constitute a full disclosure of all material information relevant to the construction of the improvements anticipated by this Agreement; (iii) and that by delivering the plans and specifications, the PUD shall assume sole responsibility for interpreting the intent of the plans and specifications, and shall be solely responsible for any latent ambiguities appearing in the plans or specifications.

4. Standards of Construction. Construction of the PUD Project shall be in accordance with this Agreement and the Project Contract which includes the approved plans and specifications for the improvements of the PUD Project.

5. Inspection. The PUD shall inspect the Contractor's work in accordance with the PUD's Project plans and specifications. In addition, the City will inspect the Contractor's work on the City's Project to determine conformance with the City Project's plans and specifications. The PUD is hereby authorized to enter the job site to inspect the work performed by the Contractor on the PUD Project; provided however, such entry shall be coordinated by the City with the Contractor and may be reasonably limited pursuant to the City's agreement with the Contractor. PUD shall be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of their elected officials, officers, agents, or employees to the fullest extent required by law, and further agrees to save, indemnify, defend, and hold the City harmless from any such liability resulting from negligence in performing inspections.

A. Rejection of Work. PUD inspectors shall have the authority to request rejection of defective material and/or work that is being done improperly. Such rejection shall be accomplished by providing written notice to the City's representative, describing in
detail all discrepancies between the PUD Project plans and specifications and the work performed by the Contractor on the PUD Project pursuant to the Project Contract and all related documents, and also describing in detail, as appropriate, such actions as may be necessary to correct the defective work. Such notice shall be provided to the City within two (2) working days of observation of the defective work. The City's representative shall forward a copy thereof to the Contractor.

B. Acceptance of Defective Work. PUD inspectors shall not have authority to accept work, to accept materials, to issue instructions to the Contractor, or give advice contrary or inconsistent to the PUD Project plans and specifications.

6. **Construction Payments.** Construction payment requests shall be submitted by the Contractor to the City pursuant to the Project Contract. The City shall forward to the PUD the portion of the payment request attributable to the PUD Project plus five percent (5%) for administration of the Project. In the event of any contract dispute, claim, or change order between the City and the Contractor resulting from the PUD Project (in whole or in part) the PUD shall pay its proportionate share of all actual costs, including legal fees, judgments, demands, and awards related to the contract dispute, claim, or change order and shall indemnify, defend, and hold the City harmless from any claims, demands, or lawsuits brought by the Contractor alleging damages or further costs resulting from such dispute, claim, or change order.

A. Payment Approval. The PUD shall approve the payment request. In the event of disapproval, the PUD shall provide written notice to the City of the amount approved together with a description of the amounts disapproved and the reasons for such disapproval, within five (5) working days of receipt of the pay request from the City. The PUD shall reimburse the City the gross amount of the approved payment request within ten working days of receipt of the pay request from the City.

B. Failure to Make Timely Payment. The PUD shall indemnify, defend, and hold harmless the City, its officials, officers, agents, employees, and volunteers from any and all claims, demands, damages, lawsuits, liabilities, losses, liens, expenses and costs arising out of any failure by the PUD to make progress payments. This provision shall apply to interest expenses paid by the City.

C. Final Payment. Final Payment for the PUD Project, including the release of any retainage held by the City, shall be made by the City
after receipt from the PUD of written authorization to make such final payment, and acceptance of the PUD Project which shall not be unreasonably withheld. Such written authorization and acceptance, or a written explanation of denial thereof, shall be promptly provided upon request by the PUD. In the event of denial of written authorization and acceptance, the PUD agrees that it shall indemnify, defend, and hold the City harmless from any claims, demands, or lawsuits brought by the Contractor alleging damages resulting from such denial.

7. **Permits and Approvals.** The Contractor shall be responsible for obtaining all applicable permits and approvals necessary to construct the PUD Project as set forth in the Project Contract. Additional permits and approvals necessary to construct the PUD Project, if any, not addressed in the Project Contract, shall be obtained by the PUD.

8. **Modifications With Significant Cost Implications.** For the purpose of this paragraph, the term "Modification with Significant Cost Implications" shall refer to a change to be incorporated in the PUD Project that increases the cost of construction in an amount estimated by the Designer to exceed twenty thousand dollars ($20,000.) Any change in the work that is not defined as a Modification with Significant Cost Implications shall be considered to be a change order, as defined below. If the City determines it necessary to consider a Modification with Significant Cost Implications, the parties agree to renegotiate the terms of this Agreement in good faith.

9. **Change Orders.**

   A. **Right to Modify Design.** The City reserves the right, at any time, to require modification of the plans due to errors or mistakes in the drawings or new information that requires a change in the plans to accomplish properly the PUD Project, provided the City first provides the PUD with five working days notice of the required modification, together with an explanation of the reasons why the City believes the modification is necessary and gives the PUD a reasonable opportunity to comment on the need for the change and/or alternative methods to accomplish a similar function or result. Within the parameters described in this Section, the City Engineer shall have sole authority to implement modifications within the general scope of the Project. In the event such modifications are deemed by the City to be necessary, the cost of delays incurred by the PUD shall not be compensable by the City.

   B. **Change Orders Attributable to City’s Project.** Increased design and construction costs resulting from change orders including as a result of unforeseen conditions and revisions necessary to accommodate redesign of the City’s Project shall be paid by the
City. The PUD hereby waives any damages for delay in completing the PUD Project that the PUD may have against the City, provided that this provision shall not operate to waive damages to the extent that such damages are the responsibility of the Contractor.

C. Change Orders Attributable to the PUD Project. Increased design and construction costs resulting from any change orders including as a result of unforeseen conditions and revisions necessary to accommodate redesign of the PUD Project shall be paid by the PUD. The City hereby waives any damages for delay in completing the City's Project that the City may have against the PUD, provided that this provision shall not operate to waive damages to the extent that such damages are the responsibility of the Contractor.

D. Change Orders Due to Environmental Protection Requirements. The parties shall be equally responsible for increased costs to construct the Project resulting from change orders and revisions issued by the City in order to comply with new environmental protection requirements or the amendment of existing requirements occurring after the execution of this Agreement, all as set forth in RCW 39.04.120. Such change orders shall not invalidate this Agreement. In the event of a dispute between the PUD and the Contractor as to the allowable costs of such change orders or revisions, the City shall not object to participation by the PUD in any mediation, arbitration, or litigation brought to resolve such dispute.

10. **Completion of the Improvements.** The PUD shall be responsible for producing an original as-built set of plans of the PUD Project.

11. **Ownership of the Improvements.** Improvements as a result of the City’s Project ("City Improvements") shall be exclusively owned by the City which shall have the sole obligation to maintain the City Improvements. The PUD shall, upon request, execute any reasonable document establishing the City’s ownership of the City Improvements. Any third-party warranties attaching, and/or claims related, to the City Improvements are hereby assigned to the City. A party shall, upon request, cooperate with the other party to document such assignment and/or to pursue a claim or warranty claim against a third party. Improvements as a result of the PUD’s Project ("PUD Improvements") shall be exclusively owned by the PUD which shall have the sole obligation to maintain the PUD Improvements. The City shall, upon request, execute any reasonable document establishing the PUD’s ownership of the PUD Improvements. Any third-party warranties attaching, and/or claims related, to the PUD Improvements are hereby assigned to the PUD. A party shall, upon request, cooperate with the other party to document such assignment and/or to pursue a claim or warranty claim against a third party.
12. **Shared Duties- Exchange of Material Information.** Each party shall keep the other party reasonably informed as to material facts concerning the design and construction of the Project contemplated by this Agreement and the payment therefor. The parties shall communicate by such means as is reasonably prudent, except where written notices are required as set forth in this Agreement. Written notices shall be provided by hard copy, either by personal delivery, postal mail, facsimile or by e-mail. The parties shall establish a reasonable schedule for regular communications during the course of the administration of this Agreement. The parties shall agree upon the form and content of information required to be exchanged hereby.

13. **Waiver of Damages for Delay.** The PUD hereby waives any damages for delay, attributable to the City. The provisions of this section shall survive the termination of this Agreement.

14. **Right to Review:** This contract is subject to review by the State auditor’s office. Each party, or the party’s designee, shall have the right to review and monitor the financial components of this project. Such review may include, but is not limited to, on-site inspection by agents or employees, inspection of all records or other materials. Each party shall preserve and maintain all financial records and records relating to this project under this Agreement for 3 years after contract termination, and shall make them available for such review, within Skagit County, State of Washington, upon request.

15. **Contractual Relationships.** This Agreement does not establish that a party may act as the agent or legal representative of the other for any purpose whatsoever. Neither party is granted any express or implied right or authority to assume or create any obligation or responsibility on behalf the other in the name of the other or to bind the other in any manner or thing whatsoever.

16. **Notice of Claims.** In the event a claim should be brought or an action filed with respect to the subject matter of this agreement, the parties agree that each party shall give endeavor to provide written notice to the other party of any act or occurrence that the party reasonably believes may lead to a claim or demand, that may be subject to the indemnity or shared defense provisions of this agreement.

17. **Mutual Indemnity.**

   A. The City shall indemnify and hold the PUD and its agents, employees, and/or officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of
whatsoever kind or nature, brought against the PUD arising out of, in connection with, or incident to the execution of this Agreement and/or the City's negligent performance or negligent failure to perform this Agreement.

B. The PUD shall indemnify and hold the City and its agents, employees, and/or officers, harmless from and shall process and defend at its own expense any and all claims, demands, suits, at law or equity, actions, penalties, losses, damages, or costs, of whatsoever kind or nature, brought against the City arising out of, in connection with, or incident to the execution of this Agreement and/or the PUD's negligent performance or negligent failure to perform any aspect of this Agreement.

C. If such claims are caused by or result from the concurrent negligence of the parties, or their agents, employees, and/or officers, then these indemnity provisions shall be valid and enforceable only to the extent of the negligence of the indemnifying party; provided that nothing herein shall require either party to hold harmless or defend the other party or the other party's agents, employees and/or officers from any claims arising from the sole negligence of the other party, or its agents, employees, and/or officers.

D. Each party specifically assumes potential liability for actions brought by that party's own employees against the other party and, solely for the purpose of this indemnification and defense, the parties specifically waive any immunity under the State Industrial Insurance Law, RCW 51. THE PARTIES RECOGNIZES THAT THIS WAIVER WAS SPECIFICALLY ENTERED INTO PURSUANT TO THE PROVISIONS OF RCW 4.24.115 AND WAS THE SUBJECT OF MUTUAL NEGOTIATION.

18. Termination.

A. Termination Before the Start of Construction. The PUD may terminate this Agreement prior to the commencement of construction of the PUD Project, by giving ten (10) days' notice to the City in writing. In the event of termination by the PUD, all costs of issuing a change order to delete the PUD Project from the Project, including costs attributable to the Contractor's overhead and profit, shall be borne by the PUD.

B. Termination After the Start of Construction. Either party may terminate this Agreement after the commencement of construction of the Project, by giving ninety (90) days' notice to the other party in writing. In the event of termination by the PUD, all costs of issuing a change order to
delete the PUD Project from the Project, including costs attributable to the Contractor's overhead and profit, shall be borne by the PUD. In the event of termination by the City, all costs of issuing a change order to delete the City's Project from the Project, including costs attributable to the Contractor's overhead and profit, shall be borne by the City.

19. **Duration.** The term of this Agreement shall commence upon mutual acceptance by the parties and the City's acceptance of a bid and award for the Project as set forth in Section One. The Agreement shall terminate when the City's Project and PUD Project are complete, final acceptance has been made, all expenses have been paid and any disputes resolved; provided, that the parties accrued rights and obligations at the time of termination as established herein and reserved shall survive termination.

20. **Administration:** The following individuals are designated as representatives of the respective parties. The representatives shall be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the party making the change shall notify the other party:

   The PUD's representative shall be the Engineering Manager.

   The City's representative shall be ____________.

21. **Notices.** All notices provided for in this Agreement shall be in writing, addressed to the appropriate party and its designated representative at the respective address set forth below or to such other address or representative as is specified by notice.

   CITY:  
   CITY OF Mount Vernon
   Attn:
   Mount Vernon, WA

22. **Assignment.** Neither party shall assign or transfer any obligation, interest, or claim under this Agreement without the prior written consent of the other party.
23. **Interpretation and Venue.** Washington law shall govern the interpretation of this Agreement. Skagit County shall be the venue of any arbitration or lawsuit arising out of this Agreement.

24. **Unenforceability.** If one or more of the clauses of this Agreement is found to be unenforceable, illegal, or contrary to public policy, the Agreement will remain in full force and effect except for the clauses that are unenforceable, illegal, or contrary to public policy.

25. **Force Majeure.** If either party is rendered unable, wholly or in part, by force majeure or any other cause of any kind not reasonably within its control to perform or comply with any obligation or condition of this Agreement upon giving written notice to the other party, such obligation or condition shall be suspended during the continuance of the inability so caused and such party shall be relieved of any liability during such period. The term force majeure shall include, without limitation by the following enumeration, acts of God, federal, state, county, or municipal orders, regulations or directives of any governmental authority or persons purporting to act therefor, or when the supply of product or any facility of production, manufacture/storage, transportation, distribution or delivery contemplated by either party is prevented or delayed by terrorist or enemy attack, riots, other disturbances, earthquakes, hurricanes, strikes, or lockouts of any class of workmen, or stoppage of labor, or damage to piers or essential equipment, floods, fire, explosion, or destruction from any cause of any character either similar or dissimilar to the foregoing and reasonably beyond the control of the party failing to perform.

26. **Signing/Recording.** This Agreement may be executed in counterparts and may be recorded with the Skagit County Auditor.

27. **Dispute Resolution.** In the event of a dispute between the City and the PUD regarding the rights, duties, or liabilities of the parties under this Agreement, or the delivery of services under this Agreement, the PUD Commissioners and the City Council shall designate representatives who shall review such dispute and discuss options for resolution.

If any dispute, controversy or claim arising out of or relating to this Agreement or the alleged breach of such Agreement cannot be resolved by the parties, such dispute shall be submitted to binding arbitration in accordance with the rules and procedures of the Commercial Rules and Expedited Procedures of the American Arbitration Association, with appeal limited to that set forth in Chapter 7.04 RCW. The judgment or award rendered by the arbitrator may be entered and enforced in Skagit County Superior Court.
In any arbitration or suit to compel arbitration or to enforce an arbitrator's award, the prevailing party shall receive an award of its reasonable attorney fees and costs, including those incurred on appeal.

24. **Complete Agreement.** This Agreement constitutes the complete and final agreement of the parties and replaces and supersedes all oral and/or written proposals and agreements heretofore made on the subject matter and may be modified only by a writing signed by both parties.

25. **Captions.** The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the day and year first above written.

**CITY OF MOUNT VERNON**

By: __________________________
Mayor

Approved as to form:

____________________________
City Attorney

____________________________
Finance Director

**PUBLIC UTILITY DISTRICT NO. 1**

By: __________________________

Approved as to form:

____________________________
RESOLUTION NO. 2258-18

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON (the “DISTRICT”):

1. DECLARING ITS APPROVAL OF PUBLIC UTILITY RISK MANAGEMENT SERVICES (“PURMS”) RESOLUTION NO. 6-7-18-1 AND RATIFYING THE AFFIRMATIVE VOTE ON SAID RESOLUTION BY THE DISTRICT’S VOTING REPRESENTATIVE AT THE PURMS SEMI-ANNUAL BOARD MEETING ON JUNE 7, 2018; and


PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
Skagit County, Washington

BE IT RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, as follows:


WHEREAS, Public Utility District No. 1 of Skagit County, Washington (“District”) is a municipal corporation organized and existing under and by virtue of the Constitution and the laws of the State of Washington;

WHEREAS, Public Utility Risk Management Services (“PURMS”) is an unincorporated association of Local Government Entities organized and existing under the laws of the State of Washington, including RCW 48.62 et. seq. (re “Local Government Insurance Transactions”), RCW 39.34 et. seq. (the “Interlocal Cooperation Act”) and other applicable statutes enacted to permit and facilitate the joint exercise by Local Government Entities of their powers;

WHEREAS, the District is currently a signatory to the PURMS’ Interlocal Agreement, originally dated December 20, 1976 (then called the “Self-Insurance Agreement” or “SIA”), as most recently amended and restated and adopted by PURMS’ Members, effective as of November 10, 2011 (hereinafter, “2011 ILA”);

WHEREAS, PURMS is also subject to WAC § 200-100 et. seq. governing local government entity liability and property joint self-insurance programs, and WAC § 200-110 et. seq. governing health and welfare joint self-insurance programs (collectively, “Programs”);

WHEREAS, PURMS exists and operates pursuant to the terms of its Interlocal Agreement for the purpose, among other things, of providing its Members with joint self-insurance coverage and jointly purchased excess or stop-loss coverage for liability claims, property losses and health and welfare benefits, and joint administration and handling of claims relating to such coverages, through three separate Risk Pools known as the “Liability Pool”, the “Property Pool” and the “Health & Welfare Pool” (collectively, PURMS’ “Risk Pools”);

WHEREAS, pursuant to ¶ 6 of the 2011 ILA, the business and affairs of PURMS and its Risk Pools are managed and governed by and through its Board of Directors (“Board”) and implemented day-to-day by PURMS’ Administrator (“Administrator”);
WHEREAS, the District is currently a Member of PURMS and participates in one or more of PURMS’ Risk Pools; and

WHEREAS, the District has determined that its ongoing participation as a Member of such Risk Pool(s) provides the District with the benefits and costs savings of joint self-insurance coverage, jointly purchased excess or stop-loss insurance and common administration through the Risk Pool(s).

B. Notice and Publication of Proposed 2018 Amended and Restated PURMS Interlocal Agreement – Waiver of any Defects in Notice

WHEREAS, the PURMS 2011 ILA is being amended and restated in the form of the 2018 Amended and Restated ILA (sometimes referred to as the “2018 ILA”) in order to incorporate certain amendments that have already been approved by the PURMS Board and Members via previously adopted PURMS Resolutions, as well as additional proposed amendments that were considered for the first time by the Board and Members at the PURMS Semi-Annual Board Meeting on June 7, 2018;

WHEREAS, the 2018 Amended and Restated ILA, reflecting the provisions of the 2011 ILA that are being substantively amended, was published to the Members of PURMS on PURMS Website on May 10, 2018, with Notice and a link thereto provided by email to the Members on that same date;

WHEREAS, ILA ¶ 5.4.5(a) and WAC 200-100-02019 require thirty (30) days’ notice to Program Members and the Washington State Risk Manager (“SRM”) of any amendments to a Program’s interlocal agreement;

WHEREAS, the May 10, 2018, Notice regarding adoption of the 2018 Amended and Restated ILA technically was 2 days short of the required thirty (30) notice to Members regarding amendment of the ILA for consideration at the June 7, 2018, Semi-Annual Board Meeting;

WHEREAS, the provisions of the 2011 ILA that are being substantively amended in the 2018 ILA were identified and generally described in the PURMS Resolution No. 6-7-18-18, which was provided to PURMS’ Members, including the District, via email link to PURMS Website ten (10) days before the PURMS Board’s Semi-Annual Board Meeting at which the Vote on the amendments and the 2018 Amended and Restated ILA was set to be taken;

WHEREAS, a Director or Voting Representative for every Member was present at or participating by telephone conference call in the June 7, 2018, Semi-Annual Board Meeting and all were provided an opportunity to object to the 2-day shorter-than-required notice and no verbal or written objection was made;

WHEREAS, PURMS Resolution No. 6-7-18-1 constitutes a written waiver of any defective Notice as contemplated by ILA ¶ 5.4.5(a); and

WHEREAS, this Authorizing Resolution hereby affirms the District’s Voting Representative’s waiver of any defects in the Notice relating to amendments reflected in the 2018 Amended and Restated ILA, as contemplated by ILA ¶ 5.4.5(a) and WAC 200-100-02019.

C. Regulatory Requirements for Government Entity Joint Self-Insurance Programs to Amend their Interlocal Agreements.

1. Requirement of Thirty Days’ Notice to Members and State Risk Manager for Changes to a Program’s “Interlocal Agreement” or “Bylaws”.

WHEREAS, WAC 200-100-065(2) requires written notification to SRM prior to implementing any changes to a liability or property Program’s interlocal agreement or bylaws;
WHEREAS, WAC 200-110-270 includes the same requirement of written notification to Members and SRM with respect to any changes to the interlocal agreement governing Health and Welfare Programs; and

WHEREAS, SRM was provided with the same Notice and access to the 2018 Amended and Restated ILA as was provided to the PURMS Members, as identified in ¶ B. above.

2. Requirements that Members of a Program must Adopt Authorizing Resolutions approving Amendments to the Program’s “Interlocal Agreement” and Sign a Copy of the Amendments.

WHEREAS, WAC 200-100-02021(2) requires:

a. That changes to a liability or property Program’s interlocal agreement be adopted by ordinance or resolution of the governing body of each member (“Authorizing Resolution”);

b. That a copy of the Amendments be signed by each member’s “authorized representative” (hereinafter, referred to as “Signing Representative”); and

c. That a copy of the adopted Authorizing Resolution and the signed Amendments be provided to and retained by the Program.

WHEREAS, WAC 200-110-280(2) contains identical requirements for changes to a health and welfare Program’s interlocal agreement;

WHEREAS, the 2011 ILA also requires the same or similar notice, procedures and documentation (see ¶¶ 5.4.3 – 5.4.5);

WHEREAS, therefore, as a result of these WAC and ILA requirements:

a. The “governing body” of each PURMS Member must adopt this Authorizing Resolution approving the 2018 Amended and Restated ILA and designating the Member’s “Signing Representative”; and

b. In addition, since the Amendments to the 2011 ILA are incorporated into the 2018 Amended and Restated ILA, each Member’s Signing Representative must execute a Duplicate Original Signature Page to the 2018 Amended and Restated ILA.

D. District’s Ratification of Vote of Voting Representation approving PURMS Resolution No. 6-7-18-1.

WHEREAS, on June 7, 2018, the PURMS Board met for its Semi-Annual Meeting and, among other things, considered Resolution No. 6-7-18-1;

WHEREAS, the Voting Standard applicable to adopting the 2018 Amended and Restated ILA is a Unanimous Vote of all PURMS Members;

WHEREAS, a Voting Representative for each of the nineteen (19) current Members of PURMS participated in the Semi-Annual Board Meeting, either in person or via telephone conference call, as established by a Roll Call at the meeting;

WHEREAS, the District’s Director, Al Littlefield (“Voting Representative”), attended the Semi-Annual Board Meeting, Voted in favor of PURMS Resolution No. 6-7-18-1 approving the 2018 Amended and Restated ILA, and signed the Resolution on behalf of the District;

WHEREAS, the District hereby approves PURMS Resolution No. 6-7-18-1 and ratifies the affirmative Vote of its Voting Representative at the PURMS Semi-Annual Board Meeting; and
WHEREAS, a copy of PURMS Resolution No. 6-7-18-1, as unanimously approved and executed at the June 7, 2018, Semi-Annual Board Meeting, is attached to this Authorizing Resolution as Exhibit 1.

E. The District’s Adoption of the Authorizing Resolution is in the Best Interest of the District.

WHEREAS, the Commission, as governing body for the District, has reviewed and considered PURMS Resolution No. 6-7-18-1, the amendments to the 2011 ILA as incorporated into the 2018 Amended and Restated ILA, and the terms of the 2018 Amended and Restated ILA and finds them acceptable and consistent with the insurance needs of the District as a Member of PURMS and a continuing participant in one or more of its Risk Pool(s); and

WHEREAS, the Commission, as governing body for the District, further finds the terms of this Authorizing Resolution acceptable and consistent with the insurance needs of the District as a Member of PURMS and a continuing participant in one or more of its Risk Pool(s).

F. Effective Dates of the Amendments to the 2011 ILA and the PURMS 2018 Amended and Restated ILA.

WHEREAS, the District approves the Effective Dates for the various Amendments to the 2011 ILA, and for the 2018 ILA itself, as provided in ¶ VIII. of PURMS Resolution No 6-7-18-1; and

WHEREAS, the District further approves and ratifies the de facto earlier implementation of certain of the Amendments to the PURMS 2011 ILA, as provided in prior PURMS’ Resolutions or in the Amendments themselves, or as may have been directed by the Board or Executive Committee, notwithstanding whether the Effective Dates or de facto implementation dates preceded the District’s approval and adoption of this Authorizing Resolution, and the District hereby specifically approves any such earlier Effective Dates or implementation of the Amendments to the 2011 ILA.

G. Signing Representative Authorized by the District to Execute Documents relating to the PURMS 2018 Amended and Restated ILA.

WHEREAS, ¶ IX.C.1 of Resolution No. 6-7-18-1 contemplates that each Member shall identify its Director, Designated Employee or other representative specifically authorized by this Authorizing Resolution to execute the 2018 Amended and Restated ILA on behalf of and binding upon the District (“Signing Representative”); and

WHEREAS, the Commission, as the governing body for the District, hereby designates George Sidhu, holding the position of General Manager with the District, as its Signing Representative, to sign the Duplicate Original Signature Page for the PURMS 2018 Amended and Restated ILA, attached hereto as Exhibit 2.

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED, AND ORDERED as follows:

Section 1: The Commission hereby acknowledges timely receipt of Notice of PURMS publication to Members on its Website of the proposed 2018 Amended and Restated Interlocal Agreement and timely receipt of PURMS Resolution No. 6-7-18-1, and further, hereby waives any objection it might have regarding the adequacy of the Notice to the Board and Members of the amendments to the 2011 ILA.

Section 2: The Commission finds that PURMS Resolution No. 6-7-18-1 and the 2018 Amended and Restated Interlocal Agreement adequately and appropriately assist PURMS in maintaining compliance with existing applicable laws and in the prudent and efficient operation and administration of PURMS’ Risk Pools, and therefore, benefit the District as a Member thereof.
Section 3: The Commission finds that approving Resolution No. 6-7-18-1 and the 2018 Amended and Restated Interlocal Agreement are in the best interests of the District, and the District hereby approves the same.

Section 4: The Commission further hereby ratifies the affirmative Vote of its Voting Representative approving Resolution No. 6-7-18-1 at the PURMS June 7, 2018 Semi-Annual Board Meeting.

Section 5: The Commission hereby approves and adopts the PURMS 2018 Amended and Restated Interlocal Agreement, as published to Members as described in ¶ B. above, and subject to any necessary conforming changes or corrections approved by the PURMS Executive Committee prior to final publication of the 2018 Amended and Restated ILA by PURMS on its Website.

Section 6: Without limiting the generality of Section 5 above, if the District is or becomes a Member of the PURMS Liability and/or Property Pool, the District hereby expressly adopts the Liability and Property Pool “Program Funding Rules” contained in ¶ 13A. of the 2018 Amended and Restated ILA.

Section 7: Without limiting the generality of Section 5 above, if the District is or becomes a Member of the PURMS Health and Welfare Pool, the District hereby expressly adopts the Health and Welfare Pool “Program Funding Rules” contained in ¶ 13B. of the 2018 Amended and Restated ILA.

Section 8: The Commission hereby authorizes its Signing Representative designated in ¶ G. above to sign the Duplicate Original Signature Page for the PURMS 2018 Amended and Restated ILA and to provide the executed Duplicate Original Signature Page, along with a copy of this Authorizing Resolution as approved and fully executed by the Commission, to PURMS’ Administrator within forty-five (45) days from receipt of this Authorizing Resolution.

Section 9: This Authorizing Resolution shall be in effect from and after its date of passage; provided, the Authorizing Resolution hereby ratifies application of and action taken under any of the Amendments to PURMS’ Interlocal Agreement that may have Effective Dates or otherwise be or have been implemented prior to the date of passage of this Authorizing Resolution, as provided in ¶ F. above.

ADOPTED by the Commission of Public Utility District No. 1 of Skagit County, Washington, at a regular meeting thereof, held on the 14th day of August, 2018.

ATTEST

Robbie Robertson, President

Al Littlefield, Secretary

Eron Berg, Vice President
EXHIBIT 1

PURMS Board Resolution No. 6-7-18-1 re Adoption of PURMS 2018 Amended and Restated Interlocal Agreement
(Attached)
EXHIBIT 2

Duplicate Original Signature Page for
PURMS 2018 Amended and Restated Interlocal Agreement

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PURMS BOARD RESOLUTION NO. 6-7-18-1

for
PUBLIC UTILITY RISK MANAGEMENT SERVICES
JOINT SELF-INSURANCE FUND

I.
General Authority and Background

WHEREAS, pursuant to the authority granted in RCW 48.62 et. seq., Public Utility Risk Management Services ("PURMS") has established and operates three Risk Pools through which the local government entity Members of the Risk Pools jointly self-insure liability, property and health & welfare claims (respectively, "Liability Pool", "Property Pool" and "H&W Pool");

WHEREAS, the operation of these Risk Pools and the rights and obligations of the Members of the Risk Pools are governed by an agreement entitled "Interlocal Agreement for the Public Utility Risk Management Services Joint Self-Insurance Fund" ("PURMS' Interlocal Agreement" or "ILA"), which incorporates by reference the other program documents identified in § 5.1 of the ILA (including Coverages, Assessment Formulas and Claims Resolution Procedures, "Program Documents") collectively constituting the PURMS "Joint Self-Insurance Agreement" (or "SIA");

WHEREAS, the ILA, which was originally dated December 20, 1976, over the years has been amended and restated, as needed and appropriate, pursuant to RCW 48.62 et. seq. and RCW 39.34 et. seq., as most recently amended and restated pursuant to PURMS Resolution No. 11-10-11-1 on November 10, 2011 ("2011 ILA");

WHEREAS, pursuant to § 6 of the 2011 ILA, the business and affairs of PURMS are managed and governed by the Board of Directors ("Board"), which consists of one Director from each PURMS Member; and

WHEREAS, § 4.2 of the 2011 ILA provides that PURMS shall have all of the authority granted or implied by applicable Washington law.

II.
Purpose of Resolution – Adoption of 2018 Amended and Restated ILA

WHEREAS, the 2011 ILA is being amended and restated in the form of the 2018 Amended and Restated ILA ("2018 ILA") in order to incorporate certain amendments that have already been approved by the Board and Members, as well as additional proposed amendments being considered for the first time by the Board and Members, as set out in more detail in § III. below; and

WHEREAS, the amendments being approved and/or incorporated into the 2018 ILA fall into three categories:
1. The Liability and Property Pool “Funding Rules” approved by the Board in 2016 (“2016 L&P Funding Rules”; see ¶ III.A below);

2. Some general amendments being proposed on issues that have been identified based on experience under the terms of the 2011 ILA (“Experience Amendments”; see ¶ III.B below); and

3. Newly prepared “Supplemental Voting Procedures” to help ensure that PURMS can timely amend its Program Documents in the future while still complying with the requirements of WAC 200-100-02021(1) and the requirements of the Washington Open Public Meetings Act (RCW 42.30 et. seq.) (“Supplemental Voting Procedures”; see ¶ III.C below).

III. Overview of Amendments Incorporated in 2018 ILA

A. Incorporation of Previously Approved 2016 Liability and Property Pool Funding Rules.

WHEREAS, at the November 3, 2016, Board meeting, by Resolution No. 11-3-16-3, the Board adopted substantial revisions to the Program Funding Rules for the PURMS Liability and Property Pools contained in the 2011 ILA, for the reasons stated in § II thereof (“2016 L&P Funding Rules”);

WHEREAS, the 2016 L&P Funding Rules were designed to facilitate the Liability and Property Pools’ ongoing compliance with the Program Funding Requirements contained in WAC 200-100-03001 by providing mechanisms to adjust the Risk Pools’ funding from year-to-year in response to changes in the required Actuarial Funding Levels established each year by the annual Actuarial Report the Risk Pools are required to obtain under WAC 200-100-03001;

WHEREAS, Resolution No. 11-3-16-3 provided in ¶ X.D. that the Effective Date for the 2016 L&P Funding Rules would be deemed to be November 3, 2016, once sufficient Members approved the Resolution;

WHEREAS, providing Members with an Authorizing Resolution for formally adopting the 2016 L&P Funding Rules to the ILA ultimately was delayed to allow some additional amendments to the 2011 ILA so all could be adopted at one time, in one document;

WHEREAS, following their 2016 adoption by Resolution, the 2016 L&P Funding Rules have been further revised and clarified in several respects, as identified by pink font in various places in ¶ 13A of the 2018 ILA;

WHEREAS, the 2016 L&P Funding Rules that were adopted at the November 3, 2016, Board meeting and the additional revisions and clarifications referenced above are now set forth in final form in ¶ 13A of the 2018 ILA;
WHEREAS, the provisions of the L&P Funding Rules that have been clarified and amended since the original adoption of the 2016 L&P Funding Rules and incorporated into the 2018 Amended and Restated ILA are identified by paragraph reference and subject heading as set out below:

¶ 13A.2.2(b) – Replenishing Risk Pool’s Actual Balance via Assessments – Determining the Amount of the Assessment.

¶ 13A.8.2 – Funding by Contingent Reserves Assessments – Issuance and Collection.

¶ 13A.9.4 – Pre-Funding Contingent Reserves – Accounting for and Payment of Claims Costs.

¶ 13A.11.3(a) – Withdrawing Members’ and Former Members’ Ongoing Obligation to pay Assessments for Contingent Reserves.

¶ 13A.11.3(a) – Withdrawing or Former Member’s Right to Participate in Declared Refund of Surplus Contingent Reserves.

¶ 13A.13.4 – Accounting for Special Purpose Account Funds.

WHEREAS, the nature, purpose and effect of these amended provisions of the 2016 L&P Funding Rules have been reviewed and discussed at the Operations Committee meeting on May 31, 2018, and the Administrative and Executive Committee meetings on June 6, 2018, and all questions of Committee members were satisfactorily answered by the Administrator and/or PURMS Counsel.

B. Adoption and Incorporation of Previously Proposed 2017 “Experience” Amendments.

WHEREAS, the other provisions of the 2011 ILA that have been amended are identified by paragraph reference and subject heading as set out below (except for the new Supplemental Voting Procedures which are addressed in ¶ III.C. below):

¶ 9.1.4. Executive Committee Authority to Interpret and Apply the ILA and other Program Documents.

¶ 14.6 – PURMS and/or Risk Pools’ Authority to Purchase Other Excess, Different or Additional Insurance.

WHEREAS, the nature, purpose and effect of these proposed amendments have been reviewed and discussed at the Operations Committee meeting on May 31, 2018, and the Administrative and Executive Committee meetings on June 6, 2018, and all questions of Committee members were satisfactorily answered by the Administrator and/or PURMS Counsel.

C. Adoption and Incorporation of the New Supplemental Voting Procedures.

WHEREAS, the new proposed Supplemental Voting Procedures amending the 2011 ILA are identified by paragraph reference and subject heading as set out below:
Agenda Item #9

¶ 5.3.2 – Amendments to Program Documents – Adjournment and Supplemental Voting Procedure.

¶ 5.4.4. – Requirements of Authorizing Resolutions.

¶ 6.3. Board Meetings – One Member/One Vote – Majority Vote and Quorum – Other Voting Standards – Adjournment and Supplemental Voting Procedure.

WHEREAS, The changes in ¶ 6.3.4 go hand-in-hand with those in ¶ 5.3.2 (discussed above); Paragraph 5.3.2 allows the Supplemental Voting Procedure to be applied in amending the PURMS Program Documents that are subject to a Voting Standard greater than Majority Vote; Paragraphs 6.3.4 and 6.3.5 set forth the substance of the new Supplemental Voting Procedures and provide that they apply to any issue that is before the Board that is subject to a Voting Standard greater than Majority Vote:

¶ 6.3.4. Board Meeting Procedures to secure Maximum Member Participation in Board Votes on Amendments to Program Documents and Important Resolutions.

(a) Preset Time Range for Board Votes to Facilitate Member Remote Participation/Voting and Satisfying Applicable Voting Standards.

(b) Roll-Call Vote – Identification of Members Not Voting on the Decision Issue at the Board Meeting – Remotely Voting Members’ Execution of Duplicate Original Signature Page.

(c) Procedure if Decision Issue is not Finally Decided by the Votes at the Board Meeting.

¶ 6.3.5 Adjournment and Supplemental Voting Procedure to Facilitate Satisfying Voting Standards for Decision Issues that are subject to a Higher than Majority Vote.

(a) Member’s Right to Submit a Supplemental Vote at Reconvened Meeting until Final Resolution of Board Decision Issue.

(b) Providing Members with Notice of Reconvened Meeting, Decision Issue, Applicable Voting Standard and a Copy of the Signature Page, as then Executed.

(c) Reconvened Board Meeting.

(d) Documenting Vote at Reconvened Meeting.

WHEREAS, the nature, purpose and effect of the new proposed Supplemental Voting Procedures have been reviewed and discussed at the Operations Committee meeting on May 31, 2018, and the
Administrative and Executive Committee meetings on June 6, 2018, and all questions of Committee members were satisfactorily answered by the Administrator and/or PURMS Counsel.

IV. Notice to Members – Waiver of any Defects – Agenda and Resolution

WHEREAS, as required by ¶ 7.1.2(a) of the 2011 ILA, the Board’s Agenda sent to Members ten (10) days before consideration at its semi-annual meeting on June 7, 2018, includes a reference that there will be a Vote at the Board meeting on this Resolution No. 6-7-18-1 re Adoption of PURMS 2018 Amended and Restated Interlocal Agreement.

WHEREAS, by email from the Administrator, dated May 10, 2018, all Members were provided a link to the PURMS Website where the 2018 Amended and Restated ILA is fully set forth with the provisions of the 2011 ILA that are being amended identified in color font;

WHEREAS, the same information was provided at the same time in the same manner by PURMS’ Administrator to Shannon Stuber of the State Risk Manager’s Office, as required by WAC 200-100-02019;

WHEREAS, ¶ 5.4.5 of the ILA provides for notice and a copy of the proposed amendments to the ILA to be provided to Members thirty (30) days prior to the Board meeting to adopt such amendments;¹

WHEREAS, WAC 200-100-02019 requires a similar thirty (30) day notice to the Members and the State Risk Manager’ Office of any proposed amendments to the bylaws or interlocal agreement;²

WHEREAS, the May 10, 2018, notice regarding adoption of the 2018 Amended and Restated ILA (which includes the 2016 L&P Funding Rules, the two “Experience” Amendments and the new

¹ 5.4.5. Amendment of ILA – Notice and Procedure. PURMS shall provide Members of all Risk Pools with notice of any proposed Amendments to the ILA thirty (30) days in advance of the Board meeting at which such proposed Amendments are to be considered and voted upon, along with a copy of the proposed Amendments; provided, however:

(a) Written Waiver of Thirty Day Notice. Notice of amendment of the ILA less than thirty (30) days from the Board meeting may be waived by a Member’s Director in writing at the Board Meeting with the same effect as the thirty (30) day notice would have had.

² WAC 200-100-02019
Standards for operation—Notification of changes to bylaws or interlocal agreement.

Every joint self-insurance program shall provide notification of the intent to change the bylaws or interlocal agreement to each member of the joint self-insurance program and the state risk manager by regular or electronic mail at least thirty days in advance of the meeting during which a vote on the proposed change will occur. Such notification shall include a copy of proposed changes.
changes to the Supplemental Voting Procedures), technically, was 2 days short of the required thirty (30) notice to Members regarding amendment of the ILA for consideration at the June 7, 2018, Semi-Annual Board Meeting;

WHEREAS, all of the amendments in substantially their current form, except for the new changes to the Supplemental Voting Procedures, were provided to Members on October 3, 2017, thirty (30) days before the Board’s November 2, 2017, Annual Meeting at which they were originally set to be considered (hereinafter, collectively referred to as the “Proposed 2017 ILA Amendments”);

WHEREAS, all of the Proposed 2017 ILA Amendments, including the additional clarifications to the 2016 L&P Funding Rules, were presented and discussed in some detail at the October 25, 2017, Operations Committee meeting;

WHEREAS, ¶ 5.4.5(a) of the ILA provides that notice less than thirty (30) days before the Board meeting may be waived by the Directors in writing at the meeting;

WHEREAS, all Directors or Voting Representatives present at or participating in the June 7, 2018, Semi-Annual Board meeting were provided an opportunity to object to the 2-day shorter-than-required notice and no verbal or written objection was made;

WHEREAS, this Resolution No. 6-7-18-1 shall constitute such a written waiver of any defective notice as contemplated by ILA ¶ 5.4.5(a);

WHEREAS, given:

(a) PURMS’ prior discussions of the Proposed 2017 ILA Amendments, including subsequent changes and clarifications to the 2016 L&P Funding Rules; and

(b) The cover letter to PURMS Members, dated May 8, 2018, submitted by PURMS’ General Counsel along with the 2018 Amended and Restated ILA, which explains the history and reasons for PURMS’ original Supplemental Voting Procedure contained in the 2011 ILA, and further explains the reasons for the proposed amendments thereto reflected in the new Supplemental Voting Procedures;

The Board, and the Directors participating in the Board meeting, find it necessary and appropriate to waive the thirty (30) day notice requirement of ILA ¶ 5.4.5 for the two days’ short notice under the circumstances; and

WHEREAS, the Board further finds that the two days’ short notice of the amendments reflected in the 2018 Amended and Restated ILA, under the circumstances, constitutes substantial compliance with the notice requirement of WAC 200-100-02019, and to the extent they have legal authority to do so, the Board and the Members hereby waive any objection under WAC 200-100-02019 relating to the actual notice given.


V.

**Board Findings with respect to 2018 Amended and Restated ILA**

**WHEREAS,** the PURMS Administrative Committee and Executive Committee are recommending that the Board, and PURMS’ Members: (a) approve and adopt all of the proposed amendments to the 2011 Interlocal Agreement; and (2) approve and adopt the 2018 Amended and Restated ILA, as so amended;

**WHEREAS,** the Board has reviewed the amendments to the provisions of the 2011 ILA and Board members have asked whatever questions deemed necessary of the Administrator and/or General Counsel regarding the same, and the Board finds the proposed amendments to the 2011 ILA and the adoption of the 2018 Amended and Restated ILA are appropriate to the operations and funding of the Risk Pools.

VI.

**Voting Standard – Unanimous Vote**

**WHEREAS,** all PURMS Members that participate in at least one Risk Pool must be signatories to the Interlocal Agreement;

**WHEREAS,** this Resolution No. 6-7-18-1 and adoption of the amendments to the 2011 ILA require a Unanimous Vote of all PURMS’ current Members signatory to the 2011 ILA (see ILA ¶ 5.4.1(a) and 5.4.2).

VII.

**Definitions for 2018 ILA**

**WHEREAS,** most if not all of the words and phrases in the 2018 Amended and Restated ILA needing to be defined are short-titled where first used in the text of the ILA;

**WHEREAS,** for convenience of future reference, an alphabetical list of these short-titled words and phrases, with cross-references to paragraphs in the ILA where they are used, will be published on PURMS’ Website.

VIII.

**Effective Dates of Amendments Incorporated in 2018 ILA**

**WHEREAS,** the effective date for adoption of the 2018 Amended and Restated ILA shall be deemed to be as of June 7, 2018, notwithstanding the date that the last PURMS Member approves this Resolution No. 6-7-18-1 pursuant to the Unanimous Voting Standard, except to the extent provided otherwise in ¶ A., B. and C. below:

A. **WHEREAS,** the effective date for the 2016 L&P Funding Rules shall be as of November 3, 2016, as provided in Resolution No. 11-3-16-3 adopting those Funding Rules, which shall also be the effective date of the additional amendments to the 2016 L&P Funding Rules being approved pursuant to this Resolution No. 6-7-18-1, as identified in ¶ III.A;
Resolution No. 6-7-18-1 re: Adoption of PURMS 2018 Amended and Restated Interlocal Agreement

B. WHEREAS, the effective date for the Experience Amendments shall be as of the effective date of this 2018 Amended and Restated ILA, as provided in the first WHEREAS clause in this ¶ VIII; and

C. WHEREAS, the Amendments establishing or relating to the new changes to the Supplemental Voting Procedures (including the ¶¶ identified in III.C. above) shall be effective as of the effective date of the 2018 Amended and Restated ILA; provided that such Supplemental Voting Procedures shall be deemed effective and applicable, retroactively to the extent necessary for such Procedures to be applicable to the Vote to approve and adopt this 2018 Amended and Restated ILA.

IX.
RESOLUTION

NOW, THEREFORE, be it resolved that:

A. Adoption of this Resolution No. 6-7-18-1.

The Board hereby adopts this Resolution No. 6-7-18-1 in its entirety, giving substantive effect to the WHEREAS clauses where appropriate. This Resolution shall become effective, as of June 7, 2018, on the date the Voting Representative of last PURMS Member signs the Resolution or a PURMS Officer signs the Resolution on behalf of and with the express authorization of a Member, thereby making the Vote for adoption of the 2018 Amended and Restated ILA unanimous.

B. Adoption of 2018 Amended and Restated ILA.

The Board hereby Votes to adopt the 2018 Amended and Restated ILA, in the form published to the Members on PURMS Website on May 10, 2018, subject to the Executive Committee’s ongoing authority with respect to the same, as provided in ¶ 9.4.1 of the 2018 ILA, and further subject to any ministerial or non-substantive corrections or conforming changes General Counsel determines need to be made prior to final publication of the 2018 ILA on PURMS’ Website.

C. Post-Board Meeting Action – Member Adoption of 2018 Amended and Restated ILA by Authorizing Resolution – Publication of 2018 ILA.

1. Authorizing Resolutions for Members and Execution of Duplicate Original Signature Pages. Following the Board meeting, the Administrator and General Counsel shall provide each Member with a form of Authorizing Resolution for the Member to use to reflect the approval and adoption of the 2018 Amended and Restated ILA by the Member’s governing body. Each Member shall also be provided with a duplicate original signature page for the 2018 Amended and Restated ILA to be executed by the Member representative designated in the Member’s Authorizing Resolution. The adopted Authorizing Resolution and the signed duplicate original Signature Page for the 2018 ILA shall be returned to PURMS’ Administrator in due course.
2. **Publication of 2018 ILA to Members on PURMS’ Website.** The final approved and adopted 2018 Amended and Restated ILA shall be published on PURMS’ Website, with notice provided to Members thereof.

3. **ILA Table of Contents and Separate Alphabetical List of Definitions for Words and Phrases used in 2018 ILA.** To facilitate Member access to provisions and use and understanding of the 2018 ILA, the Website shall also provide a Table of Contents for the 2018 ILA and a separate alphabetical list of Definitions for the words and phrases used in the 2018 ILA.

**D. Ongoing Executive Committee Authority.** Consistent with the authority of the Executive Committee, as clarified in ¶ 9.1.4 of the 2018 ILA, the Executive Committee shall have the authority to make decisions regarding any issue that arises in connection with final adoption and publication of the 2018 Amended and Restated ILA, subject to review by the Board and provided in ¶ 9.1.4.

**X. RECORD of ROLL CALL**

**re**

**Members Present or Participating in Meeting Remotely**

1. PURMS Board consists of a total of nineteen (19) Members and the affirmative Vote of all Members is required to pass this Resolution No. 6-7-18-1.

2. The Record of the Roll Call at the Board Meeting is as follows [Note: to be completed in hand at the Meeting by or under the direction of a PURMS Officer]:

   a. **Members Participating in the Meeting Remotely (via telephone conference call):**

   - **Name of Member**
     - Kolsap PUD
     - NOAH
     - Okanogan PUD

   - **Name of Voting Representative**
     - Jack Nordsen
     - Candy Paterson
     - Don Cooke

   b. **Members Absent and not Participating or Voting Remotely:** None.

   - Skamania PUD
   - Thurston PUD

   - Randy Payne
   - Julie Parker

PURMS BOARD
RESOLUTION No. 6-7-18-1
Based on the Roll Call, a Quorum of ___ PURMS Directors entitled to Vote on this Resolution was present at or otherwise participated in this June 7, 2018 Semi-Annual Board Meeting.

### XI. RECORD OF VOTES

For Resolution No. 6-7-18-1

<table>
<thead>
<tr>
<th>Name of PURMS Member</th>
<th>Members Voting at the Meeting or Voting Remotely* [Use initials of Voting Representative]</th>
<th>Members Voting Via Reconvened Meeting [pursuant to Supplemental Voting Procedure]</th>
<th>Signature and Title of Member’s Voting Representative *</th>
<th>Date of Signature</th>
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<tr>
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<td>Whatcom PUD</td>
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* A PURMS Officer shall indicate the Vote and sign the signature space and insert the date for the Votes of any Members Voting Remotely at the Meeting.

**PURMS OFFICERS**: By signature below, the indicated PURMS’ Officers Attest to:

1. The RECORD of ROLL CALL reflected in ¶ X above.
2. The Summary of Votes from the Meeting as reflected below based on the RECORD of VOTES in ¶ XI above.

   Number of Votes Required to Pass the Resolution: 19

   Total Number of Members that Voted at the Board Meeting: 19

   Total Votes in favor of Resolution No. 6-7-18-1: 19

   Number of Members that did not Vote at Board Meeting: 0
Resolution No. 6-7-18-1 re: Adoption of PURMS 2018 Amended and Restated Interlocal Agreement

Identity of Members that did not Vote at Board Meeting: NONE.

Status of Vote as of Conclusion of Board Meeting: RESOLUTION No. 6-7-18 PASSED WITH UNANIMOUS VOTE

(3) Motion for Adjournment and Reconvened Board Meeting:

[NOTE: This section to be completed.]

By: Curtis Knapp, Commissioner, Pend Oreille PUD
PURMS President

Date: 6-7-18

By: Randy Knowles, Commissioner, Klickitat PUD
PURMS Vice-President

Date: 6-7-18

By: Don Nuxoll, Commissioner, Asotin PUD
PURMS Secretary

Date: 6-7-18