DOCUMENT TITLE: Interlocal Cooperative Agreement Between Public Utility District No. 1 of Skagit County and Skagit County Drainage and Irrigation Districts Consortium, LLC

DATE SIGNED: ____________________ (“Effective Date”)

PARTIES:

Skagit County Drainage and Irrigation District Consortium, LLC, a Washington limited liability company

Public Utility District No. I of Skagit County, Washington
THIS INTERLOCAL COOPERATIVE AGREEMENT (“Agreement”) is made and entered into by and between the Skagit County Drainage and Irrigation District Consortium, LLC, a Washington limited liability company ("Consortium") and Public Utility District No. 1 of Skagit County, Washington ("PUD") pursuant to the authority granted by Chapter 39.34 RCW, the Interlocal Cooperation Act. The Consortium and the PUD are collectively referred to herein as the “Parties” and individually as a “Party.”

PURPOSE

The purpose of this Agreement is to provide a framework under which the Parties may work with one another with respect to mutual objectives, including for technical support related to agricultural water supply analyses, coordinating with one another regarding capital improvement projects in the Consortium’s Member Districts, as defined below, considering the Member Districts’ irrigation and water supply needs, and additional technical services as requested, all as agreed to by the Parties.

RECITALS

A. The PUD is authorized to operate water systems pursuant to Title 54 RCW and employs certified water system operators for its water systems in Skagit County.

B. The Consortium’s members are comprised of the following special purpose districts: Skagit County Diking District No. 3; Skagit County Dike, Drainage, and Irrigation Improvement District No. 5; Skagit County Dike, Drainage, and Irrigation Improvement District No. 12; Skagit County Drainage and Irrigation Improvement District No. 14; Skagit County Drainage and Irrigation Improvement District No. 15; Skagit County Drainage and Irrigation Improvement District No. 16; Skagit County Drainage and Irrigation Improvement District No. 17; Skagit County Drainage and Irrigation Improvement District No. 18; Skagit County Drainage and Irrigation Improvement District No. 19; Skagit County Consolidated Diking, Drainage, and Irrigation Improvement District No. 22; Skagit County Drainage and Irrigation District No. 22; and Skagit County Dike and Drainage District No. 25 (collectively “Member Districts”)

C. One of the Consortium’s objectives is to operate a Waterhead Management Partnership, as defined and provided for in RCW 39.34.190, to adopt and implement a Watershed Interlocal Cooperative Agreement -Page 2 of 10
Management Plan, addressing water supply, water transmission, quality, treatment, and protection and other water-related purposes.

D. The PUD is willing to assist the Consortium in advancement of its goals and to provide to the Consortium and its Member Districts resources to accomplish those goals.

E. From time to time the Consortium and/or its Member Districts have a need for technical assistance with respect to their operations, maintenance, and construction activities. The PUD is willing to provide such assistance to the Consortium.

F. The Consortium is willing to assist the PUD in the advancement of its mission to provide its customers with high quality water services at an affordable price.

G. The Parties wish to enter into this Agreement pursuant to RCW 39.34, the Interlocal Cooperation Act, to provide for collaboration with one another and to advance the Consortium’s Waterhead Management Plan goals, to continue discussion of the short and long-term agricultural water supply needs of the Consortium’s Member Districts, to assist the PUD in the efficient operation of its water systems, and to coordinate capital improvement projects within the Member Districts (collectively, “Projects”).

NOW, THEREFORE, in light of the foregoing Recitals, which are incorporated herein as part of the agreement of the Parties, and the mutual terms, conditions, and covenants set forth below, the Parties agree as follows:

**AGREEMENT**

1. **Purpose and Recitals.** The Purpose and Recitals set forth above are incorporated herein as facts and part of this Agreement. The Parties, consistent with the terms and obligations of this Agreement, intend to cooperate and work with one another to achieve their common goals, and those of the Member Districts.

2. **Projects and Obligations.** In order to request that a project be undertaken under this Agreement, the requesting Party will present a written proposal, which shall include information regarding the anticipated estimated impact, budget, and time commitment involved in the Project, as well as any other information reasonably requested or necessary in order for the other Party to make an informed decision. The Consortium will serve as a point of contact and resource between the Member Districts and the PUD. Specific agreements will be negotiated between the respective Member Districts and the PUD, and the Consortium shall not be a party to such agreements and shall have no obligations thereunder.
3. **Organization/Administration.**

   3.1. The General Manager, or his or her designee, shall be the Administrator of this Agreement for the PUD insofar as it relates to the coordination and implementation of the PUD’s services, and/or use of water as provided for under this Agreement.

   3.2. The Consortium itself is a Party to this Agreement with its Executive Director, and/or its Executive Committee, acting in their representative capacity on behalf of the Consortium.

4. **Miscellaneous Provisions.**

   4.1. **No Separate Entity.** It is not the intention that a separate legal entity be established to conduct this cooperative undertaking, and no separate legal entity is established by this Agreement.

   4.2. **Property and Equipment.** Except as otherwise expressly agreed by the Parties, the Consortium shall be the owner of all property and equipment purchased or obtained by the Consortium in furtherance of its Projects.

   4.3. **Attorneys' Fees and Costs.** In the event any legal action is brought to enforce this Agreement, or any of its provisions, the substantially prevailing party shall be entitled, in addition to such other relief as may be awarded, to recover its reasonable attorneys’ fees and costs in connection with the action as determined by the court.

   4.4. **Independent Contractor.** The PUD is an independent contractor with respect to all activities associated with this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the Parties. The PUD and its employees shall not be entitled to any benefits afforded the Consortium’s employees or the employees of the Member Districts. The PUD shall be solely responsible for withholding federal income tax and associated employment related taxes from wages paid to its employees.

   4.5. **Each Party Responsible for its Own Negligence.** Each Party to this Agreement shall be responsible for the acts and omissions of its own officers, employees, and agents in the performance of this Agreement. Neither of the Parties will be considered the agent of the other and neither of the Parties will assume any responsibility to the other Parties for the consequences of any act or omission of any person, firm, governmental authority or agency or entity not a Party to this Agreement. The Parties shall each indemnify and hold harmless one another, and their respective elected officials, officers, employees, and agents, from any and all liabilities, damages, fees, costs, and expenses, including but not limited to, claims, judgments, or awards of damages arising out of the acts or omissions of any of them or of their respective elected officials, officers, employees, and agents, and shall process and defend at their 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 any of them, arising out of, in connection with, or incident to this Agreement and/or any of their performance, or failure to perform, any aspect of this Agreement.

4.6. Notices. Any notices shall be deemed effective if personally served upon the other Party if mailed by registered or certified mail, with postage prepaid and return receipt requested, to the following addresses, or such other address as a Party may designate in writing and shall be deemed given on the date of mailing:

To Consortium: Skagit County Drainage and Irrigation District Consortium, LLC
   Attn: Ms. Jenna Friebel
   2017 Continental Pl. Suite 4
   Mount Vernon, WA 98273

To PUD: Public Utility District No. 1 of Skagit County
   Attn: General Manager
   1415 Freeway Drive
   Mount Vernon, WA 98273

4.7. Remedies. In the event of default of any provision of this Agreement, the non-defaulting Party shall have all rights and remedies existing at law including the right to recover monies paid and wrongfully expended, and to seek other damages allowed by law.

4.8. Amendment. This Agreement may be amended, in writing, by the mutual consent of all of the Parties. No additions to or alterations of the terms of this Agreement shall be valid unless made in writing, formally approved, and executed by duly authorized agents of all Parties.

4.9. Complete Agreement. This Agreement contains the complete and integrated understanding and agreement between 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. The Parties have read and understand each of the terms of this Agreement, and affirm that no representation, promise, or agreement not expressed in this Agreement has been made to induce them to execute this Agreement.

4.10. Severability. In the event any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

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4.11. **Filing of Agreement.** This Agreement shall become effective immediately after it is duly adopted and executed by both Parties and shall be filed and/or posted as required by RCW 39.34.040 of the Interlocal Cooperation Act.

4.12. **Term and Effective Date of Agreement.** The effective date of this Agreement shall be ________. This Agreement may be terminated upon either Party providing sixty (60) days written notice to the other Party.

4.13. **Counterparts.** This Agreement may be executed in any number of counterparts, each of whom shall be an original, but those counterparts will constitute one and the same instrument.

*(Signatures on following page.)*
SKAGIT DRAINAGE AND IRRIGATION DISTRICT CONSORTIUM, LLC, a Washington limited liability company

By Its Executive Committee:

Skagit County Consolidated Diking, Drainage, and Irrigation Improvement District No. 22

By: [Signature]
John Wolden, its Commissioner

Skagit County Dike, Drainage, and Irrigation Improvement District No. 5

By: [Signature]
Norman Hoffman, its Commissioner

Skagit County Drainage and Irrigation Improvement District No. 19

By: [Signature]
William Roozen, its Commissioner

Skagit County Drainage and Irrigation Improvement District No. 14

By: [Signature]
Steven Sakuma, its Commissioner

Skagit County Diking District No. 3

By: [Signature]
Brad Smith, its Commissioner

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

By: [Signature]
George Sidhu, P.E., General Manager
STATE OF WASHINGTON )
                              ) ss.
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that George Sidhu is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the General Manager of Public Utility District No. 1 of Skagit County, Washington, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

Dated this 11 day of March, 2020

[Signature]

Notary Public in and for the State of Washington
Residing at: Arlington
My Commission Expires: 11-6-2021

STATE OF WASHINGTON )
                              ) ss.
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that John Wolden is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Skagit County Consolidated Diking, Drainage and Irrigation Improvement District No. 22, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

Dated this 11 day of March, 2020

[Kara Symonds]

Notary Public in and for the State of Washington
Residing at: Skagit County
My Commission Expires: 07-01-2021
STATE OF WASHINGTON  )
   ) ss.
COUNTY OF SKAGIT  )

I certify that I know or have satisfactory evidence that **Norman Hoffman** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Skagit County Dike, Drainage, and Irrigation Improvement District No. 5, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

Dated this 11 day of March, 2020

[Signature]

Notary Public in and for the State of Washington
Residing at: Skagit County
My Commission Expires: 07-01-2021

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STATE OF WASHINGTON  )
   ) ss.
COUNTY OF SKAGIT  )

I certify that I know or have satisfactory evidence that **William Roozen** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Skagit County Drainage and Irrigation Improvement District No. 19, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

Dated this 11 day of March, 2020

[Signature]

Notary Public in and for the State of Washington
Residing at: Skagit County
My Commission Expires: 07-01-2021
STATE OF WASHINGTON  )
COUNTY OF SKAGIT  ) ss.

I certify that I know or have satisfactory evidence that **Steven Sakuma** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Skagit County Drainage and Irrigation Improvement District No. 14, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

Dated this 11 day of March, 2020

\[Signature\]

Notary Public in and for the State of Washington
Residing at: Skagit County
My Commission Expires: 07-01-2021

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STATE OF WASHINGTON  )
COUNTY OF SKAGIT  ) ss.

I certify that I know or have satisfactory evidence that **Brad Smith** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as a Commissioner of Skagit County Diking District No. 3, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

Dated this 11 day of March, 2020

\[Signature\]

Notary Public in and for the State of Washington
Residing at: Skagit County
My Commission Expires: 07-01-2021