

AGREEMENT
Water Supply Agreement Between the Cities of Lacey and Olympia
For the Use of Emergency Water System Intertie

THIS AGREEMENT is made and entered into this ____ day of _____, 2018 by and between the City of Lacey, a municipal corporation of the State of Washington, hereinafter referred to as "Lacey," and the City of Olympia, a municipal corporation of the State of Washington, hereinafter referred to as "Olympia", collectively hereinafter referred to as the "parties".

WHEREAS, the Parties recognize that water resources are finite and vulnerable, and the prudent use and management of these resources requires cooperation among water utilities, and

WHEREAS, the purpose of this Agreement between the Parties is to provide for immediate assistance and coordinated interconnection of the respective potable water system of each city with the other to maintain levels of service during temporary periods of water production insufficiency; and

WHEREAS, this Agreement is authorized under Chapter 39.34 RCW, WAC 246-290-131 and WAC 246-290-132; and

WHEREAS, Olympia provided wholesale water to Lacey until June 30, 2016 under an Intergovernmental Agreement for the Sale of Water through the intertie covered by the Agreement, and

WHEREAS, the Parties recognize entering into this agreement does not provide a guarantee of water resource availability, and

WHEREAS, this Agreement is consistent with the North Thurston County Coordinated Water System Plan;

NOW, THEREFORE, the parties agree to this Agreement as follows:

I. SPECIFIC CONDITIONS

1. Each signatory to this Agreement agrees that for purposes of this Agreement a water supply emergency is defined as an emergency resulting from a major water line break, contamination to the water supply system, mechanical equipment failure, electrical equipment failure or any other mutually agreed upon emergency affecting the water supply system.

2. Olympia agrees in the event that Lacey requests potable water service to address a water supply emergency as defined in item 1 above to provide potable water service to Lacey if Olympia has the capacity to do so. Neither agency is obligated under this agreement to provide potable water service to the other in all circumstances.
3. Water may be provided to Lacey following a mutually agreed to water supply emergency by Olympia whenever water is requested and available, but the water use will never exceed water rights (unless permitted by law or by the Department of Ecology), taking into consideration water stored in reservoirs. Washington Department of Health requirements for minimum water storage and minimum water line pressures will also be maintained (unless permitted by law or the Department of Health).
4. Water use by Lacey under this Agreement shall be limited to up to two million gallons per day of water during the months of November through June, and up to one million gallons per day of water during the months of July through October. Such water supply limitations may be revised by Olympia at its discretion and do not represent a guarantee to Lacey of water availability. There are no additional water conservation programs, data collection, water demand forecasting, and other operational matters required by this Agreement.
5. The aforementioned potable water service shall be supplied through an emergency water system intertie located at Mountain Aire Location A (Exhibit A). The Parties agree said intertie shall be utilized only in a mutually agreed to water supply emergency unless converted by mutual agreement to a regular wholesale service.
6. Activation of said emergency intertie for water used under this Agreement shall be coordinated and administered by Olympia's and Lacey's Public Works Departments. Activation of the emergency intertie may occur only after the duration of time, the amount of water and any other conditions deemed appropriate to apply have been mutually agreed to.
7. No emergency intertie activation shall take place without a representative from Olympia and Lacey present at the emergency intertie location at the time of activation.
8. The purpose of this Agreement is for the benefit of Lacey; therefore, there shall be a service charge for water service provided.

9. Starting from the beginning of water service provided to Lacey under this Agreement, Olympia shall be reimbursed for water used based on the most recent Olympia wholesale water rates for Lacey in effect at the time of water use under this Agreement, adjusted annually at the same rate as the published Seattle Consumer Price Index (CPI). The most recent Olympia wholesale water rate for the City of Lacey is a fixed monthly charge of \$16,852.32 plus volume charges of \$0.220 per ccf (hundred cubic feet), prorated for the actual amount of time water is used, provided that a weekly fixed charge, plus volume, will serve as the minimum charge for water used under this Agreement. The wholesale water rate will be re-evaluated by December 31, 2020.
10. Lacey shall, to the extent feasible, implement conservation measures that restrict non-emergency water consumption to levels that will not impinge on water service levels necessary to protect health and safety, and to meet the reasonable expectations of the customers of Olympia.
11. Olympia shall retain the right to deny or withdraw some or all of its resources at any time should assistance to Lacey impinge on the protection of property and life in Olympia, as determined by Olympia.

II. INTERLOCAL ELEMENTS:

1. Duration. This agreement shall be "on-going" until terminated by the parties as provided by paragraph 6 of this section.
2. No separate legal entity is created by this agreement.
3. No joint organization whatsoever is created.
4. No common budget is to be established.
5. No personal or real property is to be jointly acquired.
6. This Water Supply Agreement shall be effective immediately upon signature by both parties and shall remain in effect indefinitely, unless terminated by either:
 - A. Unilateral written notice by one party to the other that it intends to withdraw from this Agreement, in which case the termination will be effective immediately, unless otherwise specified, or
 - B. Written agreement signed by both parties, in which case the termination shall be effective immediately upon signature by both parties, unless another termination date mutually agreed to by both parties is specified.

7. The Contract Administrator for Olympia shall be the Olympia Water Resources Director. The Contract Administrator for Lacey shall be the Lacey Water Resources Manager.

8. This agreement shall be recorded with the Thurston County Auditor's Office prior to being effective, and in accordance with the requirements of RCW 39.34.040.

9. Each party shall be responsible for its own finances and for its own personal and real property.

III. GENERAL CONDITIONS

1. All lawsuits whatsoever in regards to this agreement shall be brought in Thurston County Superior Court. The governing law shall be laws of Washington State.

2. All notices with regard to this agreement shall be sent in addition to any other legal requirement to:

City of Olympia:

City of Olympia Public Works
Attention: Andy Haub, P.E., Water Resources Director
PO Box 1967
Olympia, WA 98507-1967

City of Lacey:

City of Lacey
Attention: Peter C. Brooks, P.E., Water Resources Manager
420 College Street SE
Lacey, WA 98509-3400

CITY OF LACEY

CITY OF OLYMPIA

By: _____
City Manager

By: _____
City Manager

ATTEST:

By: _____
City Clerk

By: _____
City Clerk

APPROVED AS TO FORM:

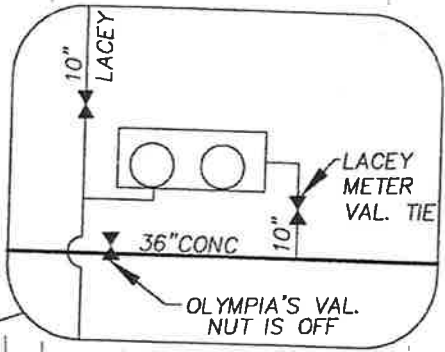
By: _____
City Attorney

By: Mark Barber
City Attorney

8004
PACIFIC
NEIGHBORHOOD
ALLIANCE
CHURCH

LACEY
BOOSTER
PUMP

1106
87

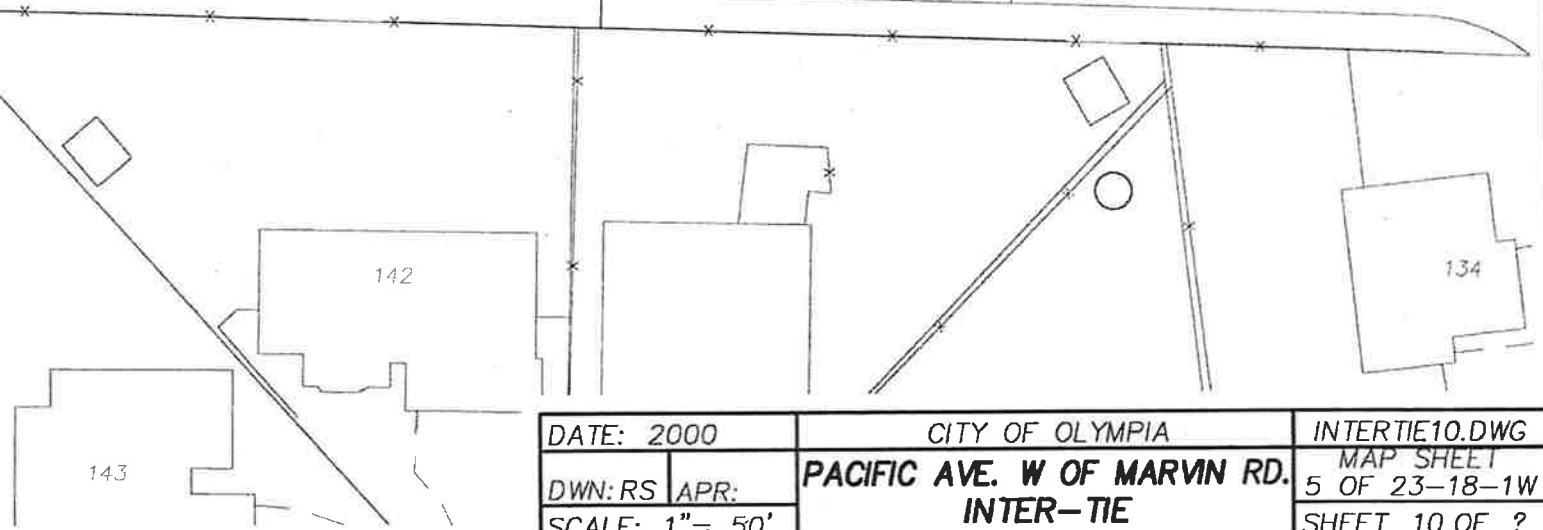


36" CONC

LACEY METER VAL. TIE

PACIFIC AVE.

LACEY
LOCATION
UNKNOWN



DATE: 2000	CITY OF OLYMPIA	INTERTIE10.DWG
DWN: RS	APR:	MAP SHEET
SCALE: 1" = 50'	PACIFIC AVE. W OF MARVIN RD. INTER-TIE	5 OF 23-18-1W
		SHEET 10 OF ?