

MEMORANDUM OF UNDERSTANDING
REGARDING INTERIM REALLOCATION OF RECLAIMED WATER SUPPLY
FROM CITY OF OLYMPIA TO CITY OF TUMWATER

I. RECITALS

This Memorandum of Understanding (“MOU”) is made and entered into as of the last date affixed below between and among the City of Olympia (“Olympia”), City of Tumwater (“Tumwater”), and LOTT Clean Water Alliance (“LOTT”), referred to collectively as “Parties.”

WHEREAS, the Parties, along with the City of Lacey and Thurston County, entered into a General Interlocal Agreement (“General Agreement”) in 2004 to provide a regional framework for the distribution and use of reclaimed water produced by LOTT, which General Agreement is hereby incorporated into this MOU by reference; and

WHEREAS, subsequent to approval of the General Agreement, a Reclaimed Water Supply Agreement (“Supply Agreement”) regarding the Budd Inlet Reclaimed Water Facility was entered into between LOTT and Olympia, which Supply Agreement is hereby incorporated into this MOU by reference; and

WHEREAS, said Supply Agreement included Distribution Agreement No. 1 (“Distribution Agreement”) appended and labelled Exhibit A to the Supply Agreement; and

WHEREAS, said Distribution Agreement provided for Olympia to receive 100% of the reclaimed water volume available for distribution from the first capacity Increment at the LOTT Budd Inlet Reclaimed Water Facility, an amount equal to 460,000 gallons per day (gpd) (“Allocation”); and

WHEREAS, Olympia currently is not using its full Allocation and does not anticipate expanding reclaimed water use in the near future; and

WHEREAS, subsequent to the Agreements, LOTT has extended reclaimed water pipelines and built a storage tank, which will expand LOTT’s capacity to provide reclaimed water to both Olympia and Tumwater from the Budd Inlet Reclaimed Water Facility; and

WHEREAS, Olympia and Tumwater desire to temporarily redistribute Olympia’s uncommitted and unused portions of Olympia’s Allocation of Reclaimed Water pending planned construction of additional reclaimed water treatment capacity by LOTT, or renegotiation or amendment of the General Agreement and subsidiary agreements described therein under the terms and conditions as set forth below.

II. MEMORANDUM OF UNDERSTANDING TERMS AND CONDITIONS

- A. Olympia's Reclaimed Water Allocation under the current Supply Agreement will be available for use by Tumwater upon the effective date of this MOU to the extent such Allocation is not needed by Olympia.
- B. Olympia maintains Reclaimed Water Service Agreements which commit approximately 260,000 gpd (of its 460,000 gpd Allocation) to its current customers' needs.
 - i. Olympia agrees to reallocate to Tumwater 200,000 gpd of Olympia's original Allocation, representing the amount of reclaimed water currently uncommitted under Olympia's customer Reclaimed Water Service Agreements, until such time Olympia has need to use this, or a portion of this, uncommitted Allocation.
 - ii. Olympia further authorizes Tumwater to access an additional 200,000 gpd of its committed Allocation that is currently not used by Olympia's customers, until such time Olympia has need to use this, or a portion of this, committed but unused Allocation.
 - iii. Olympia reserves the remaining 60,000 gpd of its committed Allocation to account for historical demand, seasonal variability and potential increased need for reclaimed water by its existing customers.
- C. Should Olympia indicate need for all or a portion of the 200,000 gpd of committed but currently unused Allocation, temporarily authorized for use by Tumwater as provided in paragraph B (ii) above, Olympia agrees to give Tumwater a minimum of 10 business days' written notice to support smooth operational transition from reclaimed water to other water source(s).
- D. Should Olympia indicate need for all or a portion of the 200,000 gpd of its uncommitted Allocation as provided in paragraph B (i) above, Olympia will give written notice to LOTT and Tumwater as far in advance as possible, but not less than one year, to assist with regional reclaimed water supply planning.
- E. The Parties intend for the reallocation of Reclaimed Water as described herein to be temporary and to remain in effect until renegotiation of the General Agreement and subsidiary agreements, or until construction of additional reclaimed water treatment capacity by LOTT is completed, and subject to Olympia's needs as described above.
- F. In the event any terms or conditions of this MOU are inconsistent with the General Agreement, and its subsidiary agreements, said agreements will control.
- G. Any disagreements under this MOU, and any allocation of liability, will be addressed as provided by the General Agreement and subsidiary agreements, which are incorporated by reference.

H. Tumwater and Olympia agree to reconsider the reclaimed water quantities specified if and when additional amounts become available, and will subsequently amend this agreement in writing.

SIGNATURES

CITY OF OLYMPIA

By: _____

MAYOR

Date: _____

Approved as to form:

By: Mark Barker

City Attorney

CITY OF TUMWATER

By: _____

MAYOR

Date: _____

Approved as to form:

By: _____

City Attorney

LOTT CLEAN WATER ALLIANCE

By: _____

Its: _____

Date: _____

Approved as to form:

By: _____

General Counsel