

When recorded return to:  
LOTT Clean Water Alliance  
500 Adams Street NE  
Olympia, WA 98501-6911

**AMENDMENT OF 1999 INTERLOCAL AGREEMENT  
BETWEEN AND AMONG  
THE CITIES OF LACEY, OLYMPIA, TUMWATER  
AND  
THURSTON COUNTY  
REGARDING ADOPTION OF A BIENNIAL BUDGET PROCESS**

This agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2016, between and among the the Cities of Lacey, Olympia, Tumwater, and Thurston County, herein referred to as the "Members."

**Whereas**, RCW 39.34.030(1) states that any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having the power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment.

**Whereas**, RCW 39.34.030 (2) permits any two or more public agencies to enter into agreements with one another for joint or cooperative action; and

**Whereas**, LOTT was formed under the Interlocal Cooperation Act pursuant to RCW 39.34, on or about November 5, 1999, by the Cities of Lacey, Olympia, and Tumwater, as well as the County of Thurston; and

**Whereas**, under such Interlocal Agreement, LOTT is a separate public purpose, non-profit corporation subject to the general legal requirements of public entities in the State of Washington, as well as those requirements stated in said Interlocal Agreement, and

**Whereas**, Section 3.7(a) of said Interlocal Agreement provides that LOTT is required to notify each of its jurisdictional members, to wit, Lacey, Olympia, Tumwater, and Thurston County of its proposed budget annually, more particularly described in said Section 3.7; and

**Whereas**, the LOTT Board of Directors, consisting of elected officials from each member jurisdiction, has followed the process of approving its annual budget in

**Whereas**, the LOTT Board of Directors, consisting of elected officials from each member jurisdiction, has followed the process of approving its annual budget in accordance with Section 3.7(a)(ii) of this proposed amendment to provide a more efficient and effective annual budgeting process; and

**Whereas**, the LOTT Board, for the purpose of further efficiency and effectiveness, wish to adopt a biennial budget process beginning with the biennial budget period from January 1, 2017 through December 31, 2018; and

**Whereas**, Section 1.1 of the 1999 Interlocal Agreement contemplates said Agreement will be amended or supplemented from time to time; and

**Whereas**, each of the members has the authority to adopt a biennial budget process; and

**Whereas**, the members choose to utilize the process authorized under RCW 35A.34 for a biennial budget for LOTT; and

**Whereas**, RCW 35A.34.130 requires a mid-biennial review and modification process similar to the current annual budget process; and

**Whereas**, the LOTT Board of Directors intends to adopt a resolution no later than June 30, 2016 allowing for such a biennial budget process; and

**Whereas**, adoption of said resolution requires amendment to Section 3.7 of the aforementioned 1999 Interlocal Agreement, more particularly described herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein and the documents incorporated herein, the parties agree as follows:

**I. Purpose/Objective**

The purpose of this Agreement is to amend Section 3.7 of the 1999 Interlocal Agreement to allow LOTT to budget on a biennial basis.

**II. Amendment to 1999 Interlocal Agreement**

Section 3.7 of the 1999 Interlocal Agreement is hereby replaced in its entirety and replaced to read as follows:

**Section 3.7 LOTT BUDGETING**

**a) LOTT budget.**

- i) The LOTT Board shall have the authority to implement either an annual budget or a biennial budget process as described in RCW 35A.34. If the LOTT Board chooses to implement a biennial budgeting process, the mid-

biennial review and modification process required under RCW 35A.34.130 will include reporting to each Partner as provided in this Section 3.7 (a)(ii).

ii) The schedule of budget events is summarized as follows. Each item listed shall occur on or before the date shown.

**Annual Budget**

August 31	LOTT Board advises Partners of preliminary estimate of rates to take effect January 1.
September 30	LOTT provides proposed budget and capital improvement plan for the following year to Partners for comment.
October 31	LOTT Board advises Partners of rates to take effect January 1.
December 31	LOTT Board adopts budget and capital improvement plan for the following year.

**Biennial Budget**

August 31 (even numbered year)	LOTT Board advises Partners of preliminary estimate of rates to take effect the following January 1.
September 30 (even numbered year)	LOTT provides proposed budget and capital improvement plan for the following biennium to Partners for comment.
October 31 (even numbered year)	LOTT Board advises Partners of rates to take effect the following January 1.
December 31 (even numbered year)	LOTT Board adopts budget and capital improvement plan for the following biennium.
August 31 (odd numbered year)	LOTT Board advises Partners of preliminary estimate of rates to take effect the following January 1.
October 31 (odd numbered year)	LOTT Board advises Partners of rates to take effect the following January 1.
December 31 (odd numbered year)	LOTT Board adopts budget amendment, if needed.

iii) To respond to special circumstances, the LOTT Board shall have the authority to alter the budget schedule.

b) LOTT Joint Facilities budget adjustments. The LOTT Wastewater Alliance shall operate within its approved budget. Should debt service and reserve requirements for the

LOTT Debt, or Joint Facilities Maintenance and Operation Expenses, or coverage requirements increase above budget estimates, or should the money in the Operations Account of the LOTT Joint Facilities Fund or the LOTT Wastewater Alliance Joint Facilities Fund be insufficient to meet and pay those requirements and expenses, the LOTT Wastewater Alliance may amend its budget and increase the Wastewater Service Charge after first submitting the proposed budget amendment and Wastewater Service Charge increase to the Partners for comments.

**III. Joint Board**

This Agreement creates no Joint Board and no new separate legal entity.

**IV. Effective Date of Amendment**

This Amendment shall be effective upon filing of the approved Amendment with the Washington Secretary of State and recordation described in Paragraph VII herein.

**V. Termination**

This Amendment may be terminated only upon a subsequent Interlocal Agreement by the Parties hereto either terminating or superseding the instant Amendment.

**VI. Entire Agreement**

This Agreement sets forth all terms and conditions agreed upon by each member and LOTT and supersedes any and all prior agreements oral or otherwise with respect to the subject matter addressed herein.

**VII. Recording**

Prior to its entry into force, this Agreement shall be filed with the Thurston County Auditor's Office or posted upon the websites or other electronically retrievable public source as required by RCW 39.34.040.

**VIII. Equal Opportunity to Draft**

The parties have participated and had an equal opportunity to participate in the drafting of this Agreement, and the Exhibits, if any, attached. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.

**XIII. Interpretation and Venue**

This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The parties hereby agree that venue for enforcement of this agreement shall be the Superior Court of Thurston County.

**CITY OF OLYMPIA**

**CITY OF TUMWATER**

\_\_\_\_\_  
Cheryl Selby, Mayor

\_\_\_\_\_  
Pete Kmet, Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Jane Ragland Kirkemo, City Clerk

ATTEST: \_\_\_\_\_  
Melody Valiant, City Clerk

Approved as to form:

  
\_\_\_\_\_  
Mark Barber, City Attorney

Approved as to form:

\_\_\_\_\_  
Karen Kirkpatrick, City Attorney

**CITY OF LACEY**

**THURSTON COUNTY**

\_\_\_\_\_  
Andy Ryder, Mayor

\_\_\_\_\_  
Cathy Wolfe, Vice Chair

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Carol Litten, City Clerk

ATTEST: \_\_\_\_\_  
LaBonita Bowmar, Clerk of the Board

Approved as to form:

\_\_\_\_\_  
David Schneider, City Attorney

Approved as to form:

\_\_\_\_\_  
Elizabeth Petrich, Chief Civil Deputy  
Prosecuting Attorney