

**INTERLOCAL AGREEMENT
BETWEEN THURSTON COUNTY AND THE LOTT ALLIANCE FOR RECEIVING
WASTE SLUDGE**

This agreement is made and entered into this 8th day of October, 2008 by and between the LOTT Alliance, herein referred to as "LOTT," and THURSTON COUNTY, herein referred to as "COUNTY."

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 thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

Whereas, pursuant to RCW 39.34.080, each party is authorized 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 shall be authorized by the governing body of each party to the contract and shall set forth its purposes, powers, rights, objectives and responsibilities of the contracting parties;

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

I. Purpose

The purpose of this Agreement is to allow waste sludge from COUNTY's three treatment facilities, Grand Mound, Tamoshan, and Boston Harbor to be delivered to LOTT's Budd Inlet Treatment Plant for final treatment and disposition.

II. Scope of Work Agreement

A. LOTT agrees to accept waste sludge from COUNTY's three treatment facilities, Grand Mound, Tamoshan, and Boston Harbor, and to treat said sludge which is to be delivered up to eight times a month to the Budd Inlet Treatment Plant by COUNTY or their designee approved by LOTT. The hauler will deliver COUNTY's waste sludge to LOTT's Budd Inlet Treatment Plant. The parties agree upon a quantity up to but not more than 52,000 gallons per month at an average solids concentration no greater than 3%.

B. COUNTY agrees to supply LOTT with a Customer Survey List identifying potential industrial dischargers to their system and to notify LOTT of changes to this list as they are made.

C. The parties agree that this is not the long-term solution for disposal of COUNTY's biosolids, but is intended as a temporary solution while the COUNTY develops a comprehensive plan for biosolids management.

D. Any contracted work related to this Agreement shall be in accordance with this Agreement and all applicable city, state, and federal laws and regulations.

III. Payment

A. LOTT agrees to provide complete treatment of COUNTY's waste sludge. The treatment requirements for waste sludge received by LOTT are similar to that of domestic septage loads. As a result, LOTT will charge COUNTY the current domestic septage disposal rate, which for 2008 is \$11.14 per 100 gallons of waste received. Beginning January 1, 2009, the rate charged COUNTY will increase to \$11.76 per 100 gallons of waste sludge received to correspond with the scheduled increase in the domestic septage disposal rate. See Exhibit A.

B. LOTT will also charge COUNTY for any additional treatment, labor, biosolids hauling or disposal, or any other costs incurred by LOTT that are directly related to the receiving of COUNTY's waste sludge, and deemed not to be covered by the waste receiving rate charged COUNTY, as described in III A. above.

C. COUNTY shall remit payment to LOTT monthly for all outstanding charges at the time of payment. The amounts paid shall include all applicable sales and use tax.

IV. Indemnification

A. LOTT agrees to defend, indemnify and hold COUNTY, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or in connection with the LOTT'S performance of the Agreement, except to the extent such injuries and damages are caused by the negligence of COUNTY, its officers, officials, employees and volunteers.

B. COUNTY agrees to defend, indemnify and hold LOTT, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including reasonable attorney fees, arising out of or in connection with COUNTY's performance of this Agreement, except to the extent such injuries and damages are caused by the negligence of LOTT, its officers, officials, employees and volunteers.

V. Joint Board

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

VI. Duration of Agreement

This Agreement shall be effective until 12:00 PM on December 31, 2009 unless the parties agree in writing to extend the Agreement up to, and including, 12:00 PM on December 31, 2010. This Section shall not affect the termination provisions of Section VII.

VII. Termination of Agreement

This Agreement may be terminated upon thirty (30) days' notice to the other party using the method of notice provided for in this Agreement.

VIII. Entire Agreement

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

IX. Recording

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.

X. Notice

Any notice required under this Agreement shall be to the party at the address listed below and shall become effective three days following the date of deposit in the United States Postal Service.

Mark Petrie, Utility Operations Manager
Thurston County Department of Water and Waste Management
929 Lakeridge Dr. SW
Bldg. 4, Room 100
Olympia, WA 98502

Laurie Pierce, Facilities Director
LOTT Alliance
500 Adams Street NE
Olympia, WA 98501

XI. Equal Opportunity to Draft

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

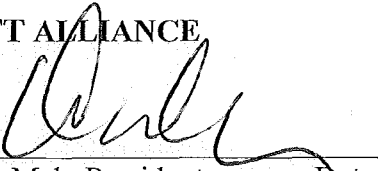
XII. Interpretation and Venue

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.

XIII. Effective Date

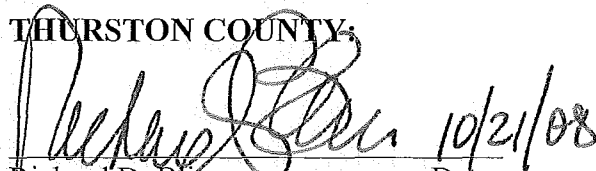
This Agreement shall take effect on the date of the last authorizing signature affixed hereto.

LOTT ALLIANCE



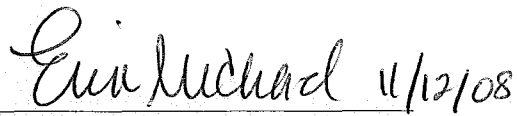
Doug Mah, President Date

THURSTON COUNTY



Richard D. Blinn Date
Director of Water and Waste Management

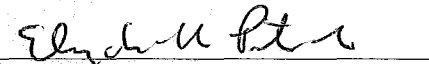
ATTEST:



Erin Michael Date
Corporate Secretary

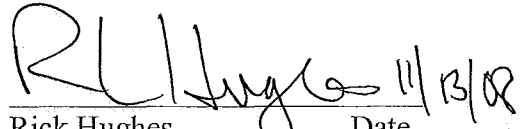
ATTEST:
Approved as to form:

Edward G. Holm
Prosecuting Attorney



Elizabeth Petrich
Deputy Prosecuting Attorney

Approved as to form:



Rick Hughes Date
General Counsel

EXHIBIT A
Rate Calculation

RESOLUTION 02-0141
Page 3 of 3

ATTACHMENT A
RESOLUTION 02-0141

METHOD FOR ESTABLISHING
SEPTAGE AND NON-SEPTAGE DUMPING FEES
BASED ON THE LOTT WASTEWATER SERVICE CHARGE

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39 Applying domestic septage monitoring data contained in the Environmental Protection Agency
40 Handbook for Septage Treatment and Disposal, (EPA-625/6-84-009) to the current LOTT formula for
41 calculation of Equivalent Residential Units (ERU) gives a value of 0.3173 monthly ERU of domestic sewage
42 equivalent to 100 gallons of domestic septage. Further, the LOTT Alliance Board of Directors has
43 determined the overhead necessary to provide, operate and collect for domestic septage and non-septage
44 dumping equal to a factor of 30%.

45
46 To determine the Domestic Septage Dumping Fee using the LOTT monthly Wastewater Service
47 Charge (WSC), the following calculation shall be used:

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49 $(\text{Current WSC}) \times 0.3173 \times 1.30 = \text{Domestic Septage Dumping Fee}/100 \text{ gals.}$

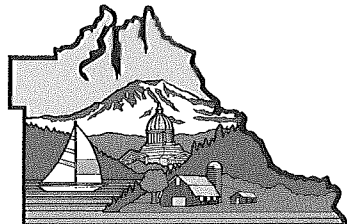
50
51 Whereas: 0.3173 = Domestic sewage equivalent factor; and
52 1.30 = Directly related costs factor

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54
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56 Applying LOTT non-septage monitoring data to the current LOTT formula for calculation of
57 Equivalent Residential Units (ERU) gives a value of 0.0822 monthly ERU of domestic sewage equivalent to
58 100 gallons of non-septage. Further, the LOTT Alliance Board of Directors has determined the overhead
59 necessary to provide, operate and collect for septage and non-septage dumping equal to a factor of 30%.

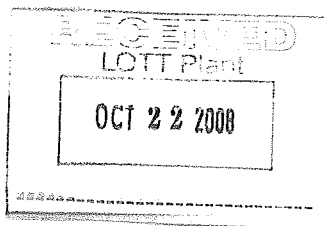
60
61
62 To determine the Non-Septage Dumping Fee using the WSC, the following calculation shall be
63 used:

64
65 $(\text{Current WSC}) \times 0.0822 \times 1.30 = \text{Non-Septage Dumping Fee}/100 \text{ gals.}$

66
67 Whereas: 0.0822 = Domestic sewage equivalent factor; and
68 1.30 = Directly related costs factor
69
70



THURSTON COUNTY
WASHINGTON
SINCE 1852



COUNTY COMMISSIONERS

Cathy Wolfe
District One

Diane Oberquell
District Two

Robert N. Macleod
District Three

DEPARTMENT OF WATER AND WASTE MANAGEMENT

Creating Solutions for Our Future

Richard D. Blinn, P.E.
Director

October 21, 2008

Ms. Laurie Pierce
Facilities Director
LOTT Alliance
500 Adams Street NE
Olympia, Washington 98501

Dear Ms. Pierce:

Subject: Interlocal Agreement between Thurston County and the LOTT Alliance for Receiving Waste Sludge

Enclosed are two originals of the Interlocal Agreement between Thurston County and the LOTT Alliance for Receiving Waste Sludge. Both documents have been signed by Richard D. Blinn, Director of the Department of Water and Waste Management.

After the documents are signed by the representatives of the LOTT Alliance, please return one copy to the attention of Mark Petrie at the address below.

If you have questions regarding this Interlocal Agreement, please contact Mark Petrie at (360) 754-2930. Thank you for your assistance.

Sincerely,

Sue Stedman
Administrative Assistant

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