

**INTERLOCAL AGREEMENT BETWEEN THE CITIES of
PORT ANGELES and SEQUIM, OLYMPIC MEDICAL CENTER,
CLALLAM TRANSIT and CLALLAM COUNTY for
RESOURCE CONSERVATION MANAGEMENT SERVICES**

This Interlocal Agreement is made and entered into this 1st day of March, 2010, by and between the City of Port Angeles, Washington, a municipal corporation (hereinafter referred to as "Port Angeles"), the City of Sequim, Washington, a municipal corporation (hereinafter referred to as "Sequim"), the Olympic Medical Center, a public hospital district (hereinafter referred to as "OMC"), Clallam Transit, a public transit agency (hereinafter referred to as "Transit") and Clallam County, a political sub-division of Washington State government (hereinafter referred to as "County"); the five collectively hereinafter referred to as "the Parties."

WHEREAS, the Parties are coordinating their effort to pursue a two-year Resource Conservation Management Grant ("Grant") from the Washington State Department of Commerce ("Commerce"), which, if received, will be used to start a shared Resource Conservation Management Program ("Program") to serve all the Parties for at least those two years; and

WHEREAS, the Program would study and address how each Party could use and conserve utility resources, particularly electricity, more efficiently thereby reducing utility expenses; and

WHEREAS, Washington State University Extension Energy Program ("WSU Energy") acting as an agent and advisor to the County and the Parties at the direction of the funder/grantor Dept of Commerce, shall provide program and technical support to assist with the Program; and

WHEREAS, the County is willing to take the lead in securing the Grant and providing administrative oversight of the Program, and to become the "organization of record" pursuant to the Grant requirements; and

WHEREAS, this Interlocal Agreement ("Agreement") is entered into for the mutual benefit of the Parties; and is specifically authorized by the Interlocal Cooperation Act set forth in Chapter 39.34 of the Revised Code of Washington;

Now, therefore, for and in consideration of the services to be rendered, resources to be shared, and the payments to be made, the parties hereby recite, covenant and agree as follows:

1. **Resource Conservation Manager Position & Work Plan.** If a \$75,000 Grant is received by the County, a Resource Conservation Manager (“RCM”) will be contracted or hired as a temporary two (2) year term, full-time equivalent (“FTE”) to provide RCM services to the Parties. Prior to advertising for a contractor or an employee, the Parties shall meet to cooperatively prepare a written Job Description and a Two Year Work Plan for the RCM.

At a minimum, the Work Plan shall address, and the RCM is expected to implement, the following:

- RCM Program to produce at least at least a 5% overall utility bill savings for each party beginning in the first year.
 - Energy Accounting (utilizing software provided under the Grant) for each Party
 - Basic utility efficiency and resource management action plan for each facility owned by each Party, within first year
 - Review of resource use and comparison to benchmarks
 - Implementation of no-cost measures and activities, and measurement of results
 - Identification of low-cost measures and activities to be considered by each Party
 - Assistance for the Parties in securing additional grant funding and assisting in securing rebate programs that support relevant energy efficiency projects
 - Participation in technical and software training
 - Report generation of results to all Parties’ administrations on a periodic basis
 - Report updates of results and successes to Commerce and WSU Energy
2. **Selection of RCM.** County will take the lead in contracting with or hiring the individual or firm selected to do the work on behalf of the Parties. If the County elects to retain a contractor, County will assemble and advertise a Request for Proposals, with the assistance of WSU Energy. The Parties shall have the option to attend interviews conducted pursuant to the RFP, and may provide opinions to County as to the most qualified contractor or employee.

3. **Compensation.** County will make payments due to the contractor under the RCM contract, or shall pay the FTE’s salary if an employee is hired, and shall prepare billing statements for distribution to the Parties. The County shall keep timecard records available for review by the Parties if requested. The reimbursement schedule will be established consistent with the allocation terms set forth in Section 4 of this Agreement. The County shall be solely responsible for compliance with all contracting or employment requirements including, but not limited to labor law issues and discrimination issues.

4. **Allocation of RCM time and Budget.** The estimated total cost of the two year program \$200,000; the grant will fund \$50,000 in year one and \$25,000 in year two. The Parties will fund \$50,000 in year one and \$75,000 year two. The estimated \$125,000 net cost to the Parties for the two years of the grant period for the RCM shall be allocated to each party as set forth in this Section.

The RCM shall initially allocate his or her time according to the amount each Party spends on electricity in relation to the other Parties. For example, if the County spends 16% of the sum total of electrical expenses of the five Parties combined, the RCM will spend 16% of his/her time performing RCM services on behalf of the County consistent with the duties outlined in the RCM contract.

The following proportions will hold for the first 12 months of the Agreement, and will be reevaluated in the eleventh month of the first year of this Agreement, and annually thereafter as long as the contract with the RCM remains in place. If operations require or result in a notable change in resource consumption with one or more of the Parties within a given 12-month period, County can, at the request of any Party or of its own accord, call for a joint reevaluation of the established annual proportion. Adjustments can then be made with the agreement of all Parties.

YEAR 1-- With WSU contribution	Total Utility Expense	Partnership Share	Partner Contribution Amount
Clallam	\$ 328,798	16%	\$ 7,812
City of Sequim	\$ 234,400	11%	\$ 5,569
City of Port Angeles	\$ 730,526	35%	\$ 17,356
Olympic Medical Center	\$ 759,194	36%	\$ 18,037
Clallam Transit	\$ 51,600	2%	\$ 1,226
Totals	\$ 2,104,518	100%	\$ 50,000

YEAR 2--With WSU contribution	Total Utility Expense	Partnership Share	Partner Contribution Amount
Clallam	\$ 328,798	16%	\$ 11,718
City of Sequim	\$ 234,400	11%	\$ 8,353
City of Port Angeles	\$ 730,526	35%	\$ 26,034
Olympic Medical Center	\$ 759,194	36%	\$ 27,056
Clallam Transit	\$ 51,600	2%	\$ 1,839
Totals	\$ 2,104,518	100%	\$ 75,000

5. **Status and Workspace.** If desired by the RCM, the County shall make a workspace available, to include a desk, chair, and access to standard office equipment and computer connections. The Parties may agree to provide the RCM a workstation at their individual locations when the RCM is working on their proportion of the Work.

6. **Additional County Responsibilities.** As the lead Party, County shall have the following additional responsibilities:
 - Oversee Work Plan implementation, and monitor progress (See 7 below).
 - Represent all Parties in communication with Commerce and WSU Energy.
 - Provide WSU Energy, and the Parties, with summarized monthly activity reports, showing activities associated with the Program requirements as stated above.
 - Provide WSU Energy, and the Parties, with quarterly reports indicating resource usage and savings, resource expenditure amounts and savings.
 - Provide Commerce with reports as per the anticipated agreement between Commerce and County, acting as lead for the Grant.

7. **Support and Monitoring of RCM.** The Parties shall support and monitor the performance and progress of the RCM in the following ways:
 - Meet at regular intervals to assess RCM progress, which shall occur on a frequency as determined by the Parties and at least quarterly.
 - Seek support of the City of Port Angeles Electric Utility and the Public Utility District #1 of Clallam County energy conservation programs.
 - Each Party must provide the necessary data and application materials to apply for grant or applicable energy conservation rebate funds.

- Establish a performance evaluation process for the RCM within three months of the execution of this Agreement.
 - Provide access of all owned facilities to RCM.
 - Provide access to RCM of all utility bills, statements, and data.
 - Facilitate meetings between RCM and facilities managers, and RCM and other appropriate staff.
8. **Term.** This agreement shall only take effect after the Grant is approved, and thereafter shall continue in force and effect for the duration of the two-year grant program. Extension of the terms of this agreement beyond the initial two-year grant period may be effected by written agreement of all of the Parties.
9. **Termination.** This Agreement shall terminate if a grant is not approved by Commerce within 90 days of its execution. Any Party may terminate its participation in this Interlocal Agreement, or its receipt of RCM services, at any time for any reason by providing at least sixty (60) days advance notice of termination in writing to the other Parties.
10. **Hold Harmless.** Each party to this Agreement shall defend, indemnify and hold each other party, its appointed and elected officers and employees, harmless from claims, actions, injuries, damages, losses or suits including attorney fees, arising or alleged to have arisen directly or indirectly out of or in consequence of the performance of this Agreement to the extent caused by the fault or negligence of the indemnitor, its appointed or elected officials, employees, officers, agents, assigns, volunteers or representatives.
11. **Applicable Law and Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a dispute, such dispute shall be litigated in the Superior Court of Clallam County, Washington, or in another venue mutually agreed to.
12. **Non-Discrimination.** Parties shall not discriminate in any manner related to this Agreement on the basis of race, color, national origin, sex, religion, age, marital status or disability in employment or the provision of services.