

**RECLAIMED WATER SUPPLY AGREEMENT
BETWEEN THE LOTT CLEAN WATER ALLIANCE
AND THE CITY OF OLYMPIA
REGARDING THE MARTIN WAY RECLAIMED WATER PLANT**

This agreement (“Supply Agreement”) is entered into as of the date of the latest signature below by and between the LOTT Clean Water Alliance (“LOTT”) and City of Olympia (“City”), each a “Party” and together referred to as the “Parties.”

1. RECITALS

WHEREAS:

- 1.1 LOTT owns and operates the Martin Way Reclaimed Water Plant, a municipal reclaimed water plant that generates Class A reclaimed water; and
- 1.2 LOTT and the LOTT Partners (the Cities of Lacey, Olympia, and Tumwater, and Thurston County) entered the General Interlocal Agreement Between the LOTT Alliance, Thurston County and the Cities of Lacey, Olympia and Tumwater For Distribution and Use of Reclaimed Water, dated January 16, 2004, (“General Agreement”) to provide a regional framework for distribution and use of reclaimed water and for conserving the LOTT Partners’ potable water supplies; and
- 1.3 The City adopted Ordinance No. 6359 that governs the supply of reclaimed water to End Use customers.

NOW, THEREFORE, in consideration of the recitals and the mutual promises and covenants contained herein, LOTT agrees to supply and the City agrees to purchase and use and distribute reclaimed water on the terms and conditions set forth herein.

2. RELATIONSHIP TO GENERAL AGREEMENT

- 2.1 LOTT and the City enter into this Supply Agreement to implement the General Agreement, and they intend for this Supply Agreement to be performed and interpreted consistent with the provisions of the General Agreement, which is incorporated herein by reference.
- 2.2 Definitions. Capitalized terms in this Supply Agreement have the same meanings as set forth in the General Agreement. In addition, the term “Reclaimed Water Plant” means the Martin Way Reclaimed Water Plant, a municipal wastewater treatment and reclaimed water plant that generates Class A Reclaimed Water.

3. SUPPLY AND SALE OF RECLAIMED WATER

- 3.1 LOTT agrees to deliver Class A Reclaimed Water to the City on the condition that all uses are in full and continuous compliance with the Standards, other applicable state, federal and local regulations, and the conditions in LOTT's State Reclaimed Water Permit.
- 3.2 LOTT warrants it shall deliver Class A Reclaimed Water, as defined by the Standards. LOTT makes no further express or implied warranties whatsoever as to reclaimed water supplied under this Supply Agreement.
- 3.3 Consistent with the Reclaimed Water Distribution Methodology established in the General Agreement and Reclaimed Water Distribution Agreement No. 1 included as Exhibit A hereto, the following quantities of reclaimed water produced at the Reclaimed Water Plant will be made available as follows:
- (a) LOTT intends to initially reserve up to 250,000 gallons per day of the reclaimed water produced at the Reclaimed Water Plant for its own use.
 - (b) Subject to available remaining supply of reclaimed water, the LOTT Alliance shall make available up to 300,000 gallons each day, of reclaimed water to the City at the Delivery Point(s), except when temporary interruptions in service occur due to circumstances described in section 4.3 of this agreement. At its option, the City may take some, all or none of the above quantity of reclaimed water.
 - (c) Quantities are subject to adjustment as new increments of reclaimed water treatment capacity are added or the distribution among LOTT Partners is renegotiated as set forth in the General Agreement. Renegotiations could involve reductions as well as increases, if amounts are reallocated among two or more of the parties to the General Agreement. Such adjustments will be documented through amendments to this Supply Agreement.
- 3.4 The volume of reclaimed water produced at the Reclaimed Water Plant may be adjusted to correspond to actual demand up to the amounts specified in Sections 3.3(a) and 3.3(b) herein. Reclaimed water not used or distributed by the City may be discharged to LOTT's Hawks Prairie Wetland Ponds and Recharge Basins Site and/or returned to the treatment system, or used by LOTT in addition to the volume provided in paragraph 3.3(a) herein, and will no longer be available for use .
- 3.5 The City shall pay LOTT for delivered reclaimed water from the Reclaimed Water Plant one dollar (\$1.00) per year for each year that this Supply Agreement is in effect or until it is amended by the Parties. Further consideration exchanged between the Parties to this Agreement is described in the General Agreement and the Distribution Agreement, which are incorporated by reference herein.

4. CONDITIONS OF RECLAIMED WATER SUPPLY

- 4.1 The Parties agree that LOTT's primary responsibility is to provide wastewater treatment and discharge services and capacity consistent with the terms of LOTT's State Reclaimed Water Permit. In carrying out this Supply Agreement, the Parties agree that compliance with LOTT's State Reclaimed Water Permit is the primary interest and that supply and beneficial use are a secondary interest.
- 4.2 The Parties agree that use by LOTT stipulated in this Supply Agreement has priority over supply of reclaimed water to the City under this Agreement. In event of limited supply of reclaimed water, reclaimed water deliveries to the City under section 3.3 shall be subject to available supply after satisfaction of the LOTT Alliance's uses specified in section 3.3.(a).
- 4.3 LOTT shall in good faith provide reclaimed water to the City without interruption to the best of its ability, and the City shall in good faith maintain and operate its system to the best of its ability. However, the Parties understand and agree that, with no liability or penalty to any Party, there may be temporary interruptions or limitations in supply, service, or acceptance of reclaimed water due to the following events:
- (a) Unavailability or limited quantities of reclaimed water;
 - (b) Emergencies requiring repair or replacement of Reclaimed Water Plant or conveyance system equipment;
 - (c) Routine repair or replacement of Reclaimed Water Plant or conveyance system equipment;
 - (d) The need for LOTT, in its professional judgment, to take action to comply with its State Reclaimed Water Permit (for example and without limitation, to address treatment upsets);
 - (e) As a result of regulatory or judicial orders; or
 - (f) Other circumstances beyond the control of a Party.

If the performance by any Party is prevented or delayed by any of the foregoing events, the Party shall have a reasonable period of time after each such event to resume performance under this Agreement. When possible, planned curtailments will be scheduled by LOTT to avoid occurrences during the irrigation season or other time periods critical to users. In the event of a planned curtailment of flow, LOTT will provide notice as far in advance as reasonable under the circumstances, but no less than 72 hours in advance. In the event LOTT has less than 72 hours advance notice of an interruption of supply, it will provide advance notice within one hour of learning of the need for an interruption. Where advance notice is not possible, the LOTT Alliance will notify the City within one hour of

the event preventing delivery and provide an estimated duration of the supply interruption.

5. DESCRIPTION OF FACILITIES

- 5.1 LOTT's Facilities. LOTT owns, operates and maintains the Reclaimed Water Plant and all associated facilities up to the Delivery Point.
- 5.2 City's Facilities. The City will install, own, operate, and maintain a water meter on the downstream end of each Delivery Point. The City owns, operates, and maintains all facilities on the downstream side of the Delivery Point, up to and including the End Users' water meters.

6. RESPONSIBILITY FOR PRODUCTION, DISTRIBUTION, AND USE OF RECLAIMED WATER

Consistent with Washington State requirements, the Parties shall have the following responsibilities for the reclaimed water produced, distributed, and used pursuant to this Agreement.

- 6.1 Production. LOTT shall maintain control over, and be responsible for, all facilities and activities relating to the production of reclaimed water and conveyance of reclaimed water to the Delivery Point to ensure that the Reclaimed Water Plant operates as approved by the Washington Departments of Health and Ecology. LOTT's responsibility for the reclaimed water made available to the City, as to production reliability requirements, reclaimed water quality, disposition, or otherwise, shall end at the Delivery Point.
- 6.2 Distribution. The City shall maintain control over, and be responsible for, all of its facilities and activities relating to the distribution of the reclaimed water once it passes the Delivery Point. The City shall ensure that its distribution system operates as approved by the Washington Departments of Health and Ecology. The City's responsibility for the reclaimed water, as to its quality, disposition, or otherwise, shall begin at the Delivery Point.
- 6.3 Commencement of Supply. Supply of reclaimed water by the LOTT Alliance to the City will commence after the City's facilities described above have been completed and begun operation.
- 6.4 Connection to LOTT Facilities. All facilities to be connected directly to LOTT reclaimed water transmission lines or other LOTT reclaimed water facilities by the City are subject to LOTT's review and approval prior to installation.
- 6.5 Disconnection from LOTT Facilities. If service is discontinued from any Delivery Point or this Agreement is terminated for any reason, the City will assure

proper abandonment or disconnection of its facilities from LOTT facilities. The City shall notify LOTT of such abandonment or disconnection.

6.6 Inspection. Consistent with LOTT's obligations under its State Reclaimed Water Permit, the City shall allow an authorized representative of LOTT or of the Washington State Departments of Health or Ecology, upon the presentation of credentials:

- (a) To enter upon the premises where reclaimed water is distributed or used under this contract; or
- (b) To inspect at reasonable times any facilities, equipment, meters, records, or premises involved in the distribution and use of the reclaimed water under this contract, and to take samples of the water or soil, and make copies of records.

7. RESALE TO END USE CUSTOMER

7.1 The City may resell or otherwise supply reclaimed water purchased from LOTT to any of its End Users for those purposes authorized in the State Reclaimed Water Permit or other uses as additionally approved by the Washington State Departments of Health and Ecology.

7.2 The City has adopted Ordinance No. 6359 that governs the supply of reclaimed water by the City to End Users. The Parties intend for the City to serve as the supplier and to regulate the delivery and use of reclaimed water to and by its End Users. The Parties intend for LOTT to become involved with End Users only as necessary to provide technical or other assistance at the request of a LOTT Partner, or as a last resort to ensure permit compliance.

7.3 The City may resell or otherwise supply reclaimed water purchased from LOTT to an End User only where a binding End User Agreement exists between the City and the End User. The End User Agreement shall be substantially and materially in the form set out in Exhibit B to this Agreement, as approved by the Washington State Departments of Ecology and Health. Any changes in the End User Agreement must be approved in advance by LOTT.

7.4 The City shall maintain all End User Agreements for the duration of LOTT's State Reclaimed Water Permit, and shall provide copies of all new or revised End User Agreements to LOTT to meet annual reporting requirements of the Departments of Health and Ecology.

8. DESIGNATED REPRESENTATIVES AND NOTICES

8.1 To facilitate communication between the Parties and cooperative implementation of this Agreement, each Party shall name a designated representative to receive all notices under this Agreement. The initial designated representatives are as follows:

LOTT Clean Water Alliance:

Karla Fowler, Director of Community Relations & Environmental Policy
LOTT Clean Water Alliance
500 Adams St NE
Olympia, WA 98501
Phone: (360) 528-5712
E-mail: karlafowler@lottcleanwater.org

City of Olympia:

Rich Hoey, Acting Public Works Director
City of Olympia
PO Box 1967
Olympia, WA 98507-1967
Phone: (360) 753-8495
E-mail: rhoey@ci.olympia.wa.us

A Party's designated representative or place of business may be changed with advance notice to the other Party.

8.2 LOTT will maintain 24-hour emergency response personnel for the project, who can be reached by calling (360) 527-5700.

8.3 The City will maintain 24-hour emergency response personnel for the project, who can be reached by calling (360) 753-8333.

9. TERM OF AGREEMENT

The term of this Agreement shall commence on the date of the later signature below and continue until terminated by written agreement of both Parties, with 30 days notice.

10. TERMINATION

10.1 The City may terminate this Supply Agreement for any reason at any time.

10.2 LOTT may terminate this agreement if the City violates terms of this Agreement, LOTT's State Reclaimed Water Permit, state Standards, or other requirements of the Washington State Departments of Health and Ecology; or if the termination is

necessary due to regulatory mandate or termination of LOTT's State Reclaimed Water Permit; or if terminated for other reasons by the LOTT Board of Directors.

- 10.3 This Supply Agreement will terminate if the City withdraws from the General Agreement, or if the General Agreement is terminated.
- 10.4 Prior to termination, the Parties shall fulfill all financial commitments made under this Supply Agreement, except as agreed by the Parties.

11. SHARING OF INFORMATION

The Parties agree, to the fullest extent permitted by law, to exchange information about all aspects of reclaimed water programs and projects including but not limited to operations, maintenance, customer comments, metering data, water quality analyses, and regulatory compliance.

12. LEGAL RELATIONS AND INTERPRETATION OF AGREEMENT

- 12.1 Each Party shall negotiate in good faith and use its best efforts to resolve any dispute which may arise. If a dispute cannot be resolved initially by the designated representatives, the designated representatives shall prepare a joint statement describing the dispute and refer the dispute to the Technical Sub-Committee that advises the LOTT Board of Directors. If the dispute is not resolved after consultation with the Technical Sub-Committee, then the designated representatives shall refer the dispute to the LOTT Executive Director, the three City Managers, and the County Chief Administrative Officer. These officials shall meet and confer regarding the issue. If they are unable to resolve the dispute, then the designated representatives shall bring the matter before the LOTT Board. At a Board meeting, the LOTT Board shall consider the issues and attempt to resolve the dispute. Only upon failure to resolve the dispute at the LOTT Board meeting may a Party institute legal action.
- 12.2 This Supply Agreement shall be governed by the laws of the State of Washington. The exclusive jurisdiction and venue for any lawsuit between the Parties arising out of this Supply Agreement shall be in Thurston County Superior Court.
- 12.3 The Parties expressly do not intend to create any right, obligation or liability, or promise any performance, to any third party. The Parties have not created any right for any third party to enforce this Supply Agreement.
- 12.4 It is the belief of the Parties that all provisions of this Supply Agreement are lawful. If any covenant or provision of this Supply Agreement is invalid or unenforceable due to changes in applicable law, whether by legislation, administrative procedure, or judicial decision, such shall not affect the validity,

obligation, or performance of any other covenant or provision, or part thereof, which in itself is valid if such remainder conforms to the terms and requirements of applicable law and the intent of this Supply Agreement. In such event, the Parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such covenant or provision, or renegotiation of the terms of the Supply Agreement.

- 12.5 Waiver of any breach of any provision of this Supply Agreement shall not be deemed to be a waiver of any prior or subsequent breach, and shall not be construed to be a modification of this Supply Agreement.
- 12.6 This Supply Agreement shall be binding on a Party's assigns and successors. A Party may not assign its rights or delegate its duties under this Supply Agreement in any respect without the written consent of the other Party.
- 12.7 To the maximum extent permitted by law, each Party shall protect, defend, indemnify and hold harmless the other Party and its officials and employees from and against all claims, demands, suits, actions, costs, damages, liability, or loss of any kind whatsoever arising from the acts or omissions of the indemnifying Party and its officials, employees, agents and contractors. The indemnifying Party specifically assumes liability for actions brought by its own employees against the other Party arising out of this Agreement and for that purpose the indemnifying Party specifically waives, as respects the other Party only, any immunity under the Worker's Compensation Act, RCW Title 51. The indemnifying Party recognizes that this waiver was the subject of mutual negotiation and is expressly entered into pursuant to the provisions of RCW 4.24.115, if applicable. In the case of joint negligence, any damages allowed shall be levied in proportion to the percentage of negligence attributed to each Party. This indemnification shall survive the termination of this Supply Agreement.
- 12.8 LOTT shall defend the City at LOTT's sole cost from and against any cause of action in which LOTT's and the City's right to use reclaimed water pursuant to state statute and LOTT's State Reclaimed Water Permit is challenged in said cause of action. Where multiple causes of action are brought against the City in the same suit, LOTT's obligation to defend shall extend only to the cause or causes of action that expressly apply to LOTT and the City as described in the preceding sentence of this section. LOTT is not obligated to indemnify the City under any circumstances involving a cause or causes of action as described in this section. LOTT is not obligated to provide a defense to the City where LOTT's Articles of Incorporation would be violated, or where said defense would be contrary to any applicable law. LOTT's obligation to defend shall take effect only after the City has first tendered defense to any and all insurers that may defend the City and said tender is denied in writing. LOTT will not be obligated to defend the City where any insurer agrees to defend the City, notwithstanding a defense provided under reservation of rights by any covering insurer. LOTT shall have no duty to defend where the City, by and through its agents and employees,

intentionally or recklessly fails to act in good faith, or acts contrary to law, and such is a substantial factor in bringing about the cause or causes of action against which LOTT would otherwise be obligated to defend.

13. ATTACHMENTS

The following documents are attached hereto and incorporated by reference herein:

- Exhibit A – Reclaimed Water Distribution Agreement No. 1
- Exhibit B – Form of End User Agreement (called a Class “A” Reclaimed Water Service Agreement)

IN WITNESS WHEREOF, each Party has caused this Supply Agreement to be signed by its duly authorized officer or representative as of the date set forth below its signature.

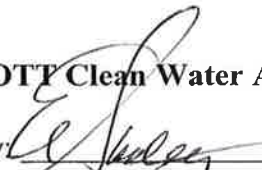

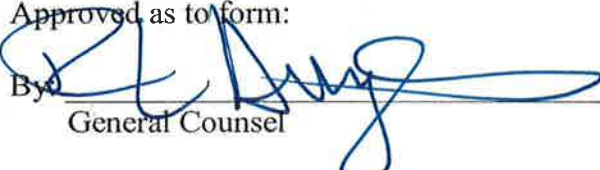
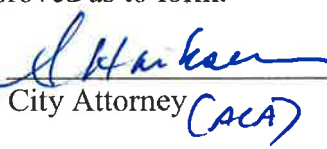
LOTT Clean Water Alliance:	City of Olympia:
By: 	By: 
Print Name: <u>AD STANLEY</u>	Print Name: <u>DOUG MAH</u>
Its: <u>BOARD PRESIDENT</u>	Its: <u>MAYOR</u>
Date: <u>MARCH 9, 2011</u>	Date: <u>MARCH 8, 2011</u>
Approved as to form:	Approved as to form:
By: 	By: 
General Counsel	City Attorney (CACA)

EXHIBIT A

RECLAIMED WATER DISTRIBUTION AGREEMENT NO. 1 BETWEEN THE LOTT WASTEWATER ALLIANCE, THURSTON COUNTY AND THE CITIES OF LACEY, OLYMPIA AND TUMWATER

This Agreement ("Distribution Agreement") is entered into as of the date of the latest signature below by and between the LOTT Wastewater Alliance ("LOTT Alliance"), Thurston County, and the Cities of Lacey, Olympia, and Tumwater, each a "Party" and together referred to as the "Parties."

1. RECITALS

WHEREAS:

1.1 The Parties entered into the General Interlocal Agreement Between the LOTT Wastewater Alliance, Thurston County and the Cities of Lacey, Olympia and Tumwater For Distribution and Use of Reclaimed Water ("General Agreement"), dated January 16, 2004, to provide a regional framework for distribution and use of reclaimed water and for conserving potable water supplies; and

1.2 Exhibit A of the General Agreement is a "Reclaimed Water Distribution Methodology," which defines a process for distribution of reclaimed water among the four LOTT Partner jurisdictions; and

1.3 The LOTT Partner representatives have completed negotiations for distribution of the first 1.0 million gallon per day increments of reclaimed water from all four planned LOTT reclaimed water facilities, consistent with the Reclaimed Water Distribution Methodology; and

1.4 The LOTT Partner representatives have further completed negotiations for distribution of the second 1.0 million gallon per day increment of reclaimed water from the Hawks Prairie Reclaimed Water Project, consistent with the Reclaimed Water Distribution Methodology; and

1.5 Table #1 attached hereto and incorporated by reference documents the negotiated distributions for the aforementioned increments of reclaimed water.

NOW, THEREFORE, in consideration of the recitals and the mutual promises and covenants contained herein the Parties commit to the negotiated distributions as follows.

2. AGREEMENT

2.1 The Parties agree to the reclaimed water distributions documented in Table #1 attached hereto.

2.2 The distributions documented in Table #1 shall be in effect until superseded by any future Reclaimed Water Distribution Agreement negotiated and approved consistent with the Reclaimed Water Distribution Methodology, or until the General Agreement is terminated, or until some other action is taken by the Parties that supersedes Table #1.

2.3 LOTT will incorporate documentation of the negotiated distribution in its next annual Flow and Capacity Report update.

2.4 This Reclaimed Water Distribution Agreement No. 1, or successor agreement(s), will be appended to the Supply Agreements for the Budd Inlet Reclaimed Water Facility, Hawks Prairie Reclaimed Water Satellite, Chambers Prairie Reclaimed Water Satellite, and Tumwater Reclaimed Water Satellite as each of those Supply Agreements is developed.

(continued on next page)

IN WITNESS WHEREOF, each Party has caused this Reclaimed Water Distribution Agreement No. 1 to be signed by its duly authorized officer or representative as of the date set forth below its signature.

LOTT Wastewater Alliance:

By [Signature]
Its: BOARD PRESIDENT
Date: 3-9-05

Approved as to Form:

By [Signature]

City of Lacey:

By [Signature]
Its: CITY MANAGER
Date: 1-13-05

Approved as to Form:

By [Signature]

City of Tumwater:

By [Signature]
Its: MAYOR
Date: 1-14-05

Approved as to Form:

By Christya Todd

City of Olympia:

By [Signature]
Its: PUB WORKS DIRECTOR 13/07/05
Date: 10-20-04

Approved as to Form:

By [Signature]

Thurston County:

By [Signature]
Its: Water & Waste Mgt Director
Date: 12-02-04

Approved as to Form:

By [Signature]

Distribution Table #1

Facility	Year On-Line	Volume Produced	LOTT Reserve	Volume Available	Lacey Percent 1000 gpd	Olympia Percent 1000 gpd	Tumwater Percent 1000 gpd
First Increments:							
Budd Inlet	2004	1000	540	460	0.0%	100.0%	0.0%
Hawks Prairie	2007	1000	250	750	60.0%	40.0%	0.0%
Tumwater	2014	1000	250	750	0.0%	0.0%	100.0%
Chambers Pr	2016	1000	250	750	60.0%	40.0%	0.0%
Increment 1 Subtotals		4000	1290	2710	33.2%	39.1%	27.7%
Second Increment:							
Hawks Prairie	2007	1000	0	1000	100.0%	0.0%	0.0%
Totals		5000	1290	3710	51.2%	28.6%	20.2%
				100%			

NOTE: Volumes are expressed in thousands of gallons per day

EXHIBIT B

CLASS "A" RECLAIMED WATER SERVICE AGREEMENT

END USER:

CONTACT PERSON:

PHONE No.: () _____

ADDRESS: _____

TERMS & CONDITIONS OF SERVICE

The End User identified in this agreement, in receiving Class A Reclaimed Water from the City of Olympia ("City") under this agreement, does hereby agree to the following terms and conditions for the use of Class "A" Reclaimed Water:

1. **Use of Reclaimed Water**
 - a. **Location of Use(s):**
 - b. **Intended Use(s):**
 - c. **Period of Use:** End User shall begin using Class A Reclaimed Water upon signing this agreement and availability of Class A Reclaimed Water.
 - d.
2. **Quantity of Reclaimed Water:** Class A Reclaimed Water will be provided by the City as follows:
 - a. **Minimum Quantity:** _____
 - b. **Maximum Quantity:** _____
 - c. **Landscape irrigation application rate shall be limited to agronomic rates.**
3. **Price of Reclaimed Water:**

70 percent of the irrigation rate set forth in *OMC 4.24.010.A.7.a* except as provided in Section 7 below.
4. **Restrictions on Use:** Class A Reclaimed Water provided under this Service Agreement shall not be used in any place or manner except as specified in the "Location of Use(s)" and "Intended Use(s)" designations above, without written approval of the City, which shall not be unreasonably denied.
 - a. **Class A Reclaimed Water shall not be used for human consumption or in the preparation of foodstuffs or other products intended for human consumption.**
 - b. **Class A Reclaimed Water shall not be discharged or released to any surface water body or stormwater collection or conveyance facility, unless said water body or facility is a non-restricted recreational impoundment or a created for and identified as a beneficial use and wetland,**
 - c. **Class A Reclaimed Water shall not be sold, conveyed, gifted, or otherwise transferred to any other party.**
 - d. **Use area protections and User Notifications:** All locations served with both potable water and Class A reclaimed water shall be provided with a reduced pressure backflow prevention assembly on the potable water service. All Class A reclaimed water piping and appurtenances shall be color coded and employees and public users of the use area shall be provided with adequate notification of the use of reclaimed water the use site.

CLASS A RECLAIMED WATER SERVICE AGREEMENT

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5. **Interruption or Change of Supply:** In case of emergency repairs or other necessary work, or whenever the public health or safety so demands, the City may change, reduce, or limit the time for, or temporarily discontinue the supply of- Class A Reclaimed Water. Before so changing, reducing, limiting or discontinuing the supply of Class A Reclaimed Water, the City shall, insofar as practicable, notify all water consumers affected. The City shall not be responsible for any damage resulting from interruption or change of the Class A Reclaimed Water supply, or for any damages incurred by the End User arising out of the use or transportation of the Class A Reclaimed Water.
6. **Disclaimer, Indemnity, and Hold Harmless:** To the extent permitted by law, the End User shall hold harmless, indemnify, and defend the City, whether acting as a separate municipal entity or as a member of the LOTT Alliance, from any claims, suits, actions, losses, penalties, judgments, awards for damages of any kind arising out of, or in connection with, the use of Class A Reclaimed Water provided under this Service Agreement, except to the extent arising out of the negligence or other fault of the City.
7. **Termination:** Class A Reclaimed Water service may be terminated, without cause, upon thirty (30) days written notice by the City; provided, however, that if the City terminates Class A Reclaimed Water service without cause prior to the expiration of five (5) years from the date of this Agreement, the City will provide potable water to the End User in the same quantities and prices set forth in Section 3 above until five (5) years from the date of this Agreement. Termination for violation of the requirements described in Section 8.b below shall not trigger the City's obligations under this Section 7.
8. **Compliance with Laws Governing Reclaimed Water:**
 - a. The City agrees that it will comply with all applicable federal, state, and local laws, regulations and standards governing the generation and delivery of Class A Reclaimed Water.
 - b. The End User's use of Class A Reclaimed Water will meet all applicable requirements contained in the *Water Reclamation and Reuse Standards*, issued by the Washington State Departments of Health and Ecology, and *Ordinance No. 6359, Chapter 13.24* of the *Olympia Municipal Code*, including those listed on the back of this Agreement, as amended from time to time, or contained in any successor standards or ordinances.
 - c. Violations of these Terms and Conditions or of State standards and regulations may result in termination of Class A Reclaimed Water Service under this Service Agreement.
9. **Third Party Beneficiary:** The LOTT Alliance shall be considered a third party beneficiary under this agreement.

I, the undersigned, do hereby affirm that I have the legal authority to enter into this Agreement for the Class A Reclaimed Water service on behalf of the End User identified above, that I have read the terms and conditions specified in this Agreement and references herein, and

CLASS A RECLAIMED WATER DEFINITION AND USE REQUIREMENTS

DEFINITION

“Class A Reclaimed Water” means reclaimed water that meets State Class A Reclaimed Water criteria established in the Washington State Water Reclamation and Reuse Standards (Standards), as they may be amended from time to time. “Reclaimed Water” has the same meaning as provided in *RCW 90.46.010(4)* of the *Reclaimed Water Act*, as it may be amended from time to time.

CHANGES IN ALLOWABLE USES

Class A Reclaimed Water may be used only for the purposes specified and at the location of use(s) identified in this Service Agreement. Any extension or change in use and/or in location of use must be specifically approved by an Amendment to this Service Agreement.

GENERAL USE AND USE AREA REQUIREMENTS

1. Standard notification signs provided by the City must be posted in all Class A Reclaimed Water use areas, consistent with the Standards.
2. Backflow prevention devices must be installed, maintained and tested in accordance with the City’s current cross connection control plan..
3. All Reclaimed Water piping, valves, outlets and other appurtenances shall be color-coded purple, taped purple, or otherwise marked to identify the source of the water as being Reclaimed Water, consistent with LOTT’s Permit and state Standards.
4. Reclaimed Water use, including runoff and spray, shall be confined to the areas designated in this approved Service Agreement.
5. The “Contact Person” designated on the front of this agreement shall ensure that all personnel using reclaimed water complete training in requirements for appropriate use of the Class A Reclaimed Water. This training requirement may be met by: 1) familiarizing them with the terms of this service agreement, and 2) providing written materials provided by the City and discussing them with the employee(s).
6. Irrigation users must ensure that their irrigation systems are in good working order, maintained regularly and kept free of leaks, and are set so that reclaimed water is applied appropriately to the landscape, to avoid excessive puddling or runoff of water. Sprinkler heads should be adjusted regularly to avoid application of water to impervious services.
7. At all times, the distribution system(s) and use area(s) shall be maintained to ensure that all equipment is kept in a reliable operating condition.

REFERENCES

“Standards” – *Water Reclamation and Reuse Standards*, Washington State Department of Health and Washington State Department of Ecology, September 1997, and future amendments.

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“Permit” – *Reclaimed Water Permit Number ST 6159*, State of Washington Department of Ecology and State of Washington Department of Health, issued to LOTT Wastewater Alliance, February 13, 2004, and future amendments and renewals as issued.