GRANT NO. G1400161

Between

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

And

CHELAN COUNTY

Icicle Creek Comprehensive Water Management Plan

This is a binding agreement entered into by and between, the State of Washington Department of Ecology, (PO Box 47600, Olympia, Washington, 98504-7600) hereinafter referred to as "ECOLOGY", and "Chelan County", hereinafter referred to as the "RECIPIENT". The RECIPIENT agrees to carry out the activities described herein.

RECIPIENT Name: Chelan County
                Natural Resource Department
                316 Washington Street, Suite 401
                Wenatchee, WA 98801

RECIPIENT Project Coordinator: Mike Kaputa
                509-667-6584
                509-667-6527
                Mike.kaputa@co.chelan.wa.us

RECIPIENT Billing Contact: Kathy Bangs
                509-667-6346
                316 Washington St, Suite 401
                Wenatchee, WA 98801
RECIPIENT  Federal Tax Identification No.: 91-6001297

For the purpose of this agreement:

ECOLOGY  Project Officer: Derek I. Sandison
Telephone Number: 509-457-7120
E-mail Address: Dsan461@ecy.wa.gov

ECOLOGY  Financial Project Officer: Cathy Hubbard
Telephone Number: 360-407-6491
Fax Number: 360-407-6902
E-mail Address: Cahu461@ecy.wa.gov

Billing Address: Department of Ecology
Shorelands and Environmental Assistance Program
P.O. Box 47600
Olympia, WA  98504-7600

Physical Address: 300 Desmond Drive
Lacey, WA  98503

GRANT AMOUNT: $ 700,000
MAXIMUM ELIGIBLE PROJECT COST: $ 700,000
STATE MAXIMUM COST SHARE RATE: 100%
MAXIMUM STATE SHARE $ 700,000

The source of funds provided by ECOLOGY is the Columbia River Basin Water Supply Capital Account. The EFFECTIVE DATE of this grant is July 1, 2013.

Any work performed prior to the effective date of this agreement will be at the sole expense and risk of the RECIPIENT. The project described herein must be completed on or before June 30, 2015.

THE EXPIRATION DATE of this agreement is June 30, 2015.
DEPARTMENT OF ECOLOGY

Icicle Creek Comprehensive Water Management Plan

SCOPE OF WORK

Project Description:

Phase 1 of the Icicle Creek Comprehensive Management Plan (initiate a stakeholder committee and problem identification) was funded through Ecology Contract #C1200209 which was completed earlier this year.

Washington Department of Ecology’s Office of Columbia River (OCR) and Chelan County co-convened the Icicle Creek Water Work Group in 2012 with the purpose of identifying opportunities for improving the health of the Icicle Creek Basin for both instream and out-of-stream needs. Since first convening, the Icicle Creek Water Work Group has met four times and has established a set of guiding principles that the Plan must meet to address all of the issues identified by the group. A set of tools and an initial project list have been identified by integrating existing information and efforts with new ideas through involvement of a comprehensive set of stakeholders. Several projects have had some level of assessment completed through other related efforts, including the Wenatchee Water Work Group (C1300070) and Peshastin Irrigation District Pump Exchange (G1100240) projects, and are being integrated through this effort as they relate to Icicle Creek.

This scope of work describes work to be completed for Phase 2 of this project, development of the comprehensive water management strategy (integrated project list) and environmental review as well as continued development of priority early action items where momentum exists.

PROJECT TASKS

Task 1: Project Support, Facilitation and Administration  Task Cost: $ 100,000

RECIPIENT will convene regular meetings of the Icicle Creek Work Group and provide facilitation and support for these meetings. Work with stakeholders and small groups to continue to develop and refine the project list, clarify roles and responsibilities and determine next steps. This will include convening and supporting a steering committee and several technical subcommittees as directed by the work group. Communicate regularly and directly with the individuals and organizations involved in this effort to discuss overall direction of this effort and project and process details. Provide overall project management support, funding coordination and contract management.

Task Goal Statement: To provide effective project administration and facilitation
Task Outcome: Project is well administered; workgroups are meeting routinely and contributing to the water management plan

<table>
<thead>
<tr>
<th>Deliverable Number</th>
<th>Description</th>
<th>Projected Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>2-4 Icicle Work Group meetings per year, continue quarterly through June 2015</td>
<td>Estimated July 2013; September 2013; March 2014; June 2014; July 2014; September 2014; March 2015; June 2015</td>
</tr>
<tr>
<td>1.2</td>
<td>6-8 Steering Committee and/or Technical Subcommittee meetings per year</td>
<td>Estimated October 2013; December 2013; February 2014; April 2014; June 2014; August 2014; October 2014; December 2014; February 2015; April 2015; June 2015</td>
</tr>
<tr>
<td>1.3</td>
<td>Direct Communication of approximately 20 work group participants and their organizations. Copies of communication mechanisms</td>
<td>Ongoing through June 2015</td>
</tr>
<tr>
<td>1.4</td>
<td>Management of grant</td>
<td>Quarterly reports Quarterly billings</td>
</tr>
<tr>
<td>1.5</td>
<td>Management of consultant work and contracts-consultant/contractor reports, meeting notes</td>
<td>Ongoing</td>
</tr>
<tr>
<td>1.6</td>
<td>Provide information to Ecology so Ecology can update their website on Icicle Creek</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Task 2: Community Outreach

Task Cost: $30,000

RECIPIENT will conduct outreach on this effort and the projects identified with the local community and interest groups. Discuss the need for an Icicle Water Resource Management Plan, types of projects that may be implemented, the range of project benefits and potential timeline. Solicit community input and discuss additional outreach and public review needs.

Task Goal Statement: To involve the community in the watershed plan
Task Outcome: Community members have actively participated in the plan development

<table>
<thead>
<tr>
<th>Deliverable Number</th>
<th>Description</th>
<th>Projected Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>2-3 community/watershed meetings per year in and near the Icicle watershed</td>
<td>February – April 2014</td>
</tr>
</tbody>
</table>
<pre><code>                             |                                                                             | February – April 2015       |
</code></pre>
<p>| 2.2                | Meet with at least 5 interest groups, such as irrigation district members,   | Ongoing through June 2015   |
| agricultural groups, city councils, environmental/conservation groups        |                              |</p>

Task 3: Environmental Review

Task Cost: $80,000

This task will focus on environmental review of the plan and will be completed in close consultation with the steering committee and work group.

Task 3.1: Identify Project Activities to Include in SEPA Scoping. This includes refinement of the project list and identification of projects suitable for early action.

Task 3.2: Preparation of Environmental Checklist and Determination of Significance. Identification of permits required for the types of projects identified and determination of SEPA lead agency will be done.

Task 3.3: Assemble Existing Scoping/Consultation Documents and continue to maintain a database of information. Determine whether sufficient environmental studies have been completed and identify data gaps.

Task 3.4: Distribute Scoping/Consultation Documents to appropriate agencies and stakeholders.

Task 3.5: Scoping/Consultation Pre-Meetings with key stakeholders and agencies to understand potential issues and perspectives.

Task 3.6: Open House and public outreach to present information and take comments.

Task 3.7: Scoping/Consultation Responsiveness Summary – organize and summarize comments from stakeholders and the public.

Task 3.8: Recommendation from Scoping/Consultation and determine next steps.

Task Goal Statement: Conduct a thorough environmental review

Task Outcome: Determination of environmental significance of the plan
<table>
<thead>
<tr>
<th>Deliverable Number</th>
<th>Description</th>
<th>Projected Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Environmental checklist and determination of significance</td>
<td>August 2014</td>
</tr>
<tr>
<td>3.2</td>
<td>Up to 3 pre-meetings with stakeholders, interested parties, or agencies</td>
<td>November 2014</td>
</tr>
<tr>
<td>3.3</td>
<td>Estimated 2 open houses or public meetings</td>
<td>March 2015</td>
</tr>
<tr>
<td>3.4</td>
<td>Summary of compiled comments</td>
<td>June 2015</td>
</tr>
<tr>
<td>3.5</td>
<td>Provide information to Ecology so Ecology can update their website on Icicle Creek</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

**Task 4: Project Development Technical Support**

Task Cost: $130,000

The purpose of this task is to provide technical support for the development and refinement of the Icicle project list. Primary tasks will focus on gathering preliminary information to answer key questions about project alternatives that have been identified by the work group. This work will identify data gaps and scope assessments necessary to determine next steps or compile and evaluate existing information and present it to the work group in a usable format.

**Task 4.1 Provide technical support to the Icicle Work Group and Steering Committee in their evaluation of project elements, clarification of potential instream and out-of-stream benefits, and the identification of data gaps.** Develop detailed scopes of work for conducting feasibility and appraisal level studies for high priority projects where the next level of information is desired.

**Task 4.2 Provide technical support for the Icicle Peshastin Irrigation District (IPID) project alternatives.** Update irrigation district maps and support district staff in providing information on infrastructure and operations.

**Task 4.3 Provide technical support for Leavenworth National Fish Hatchery (LNFH) project alternatives.** Evaluate projects that have been identified for LNFH operations. Several studies have been partially completed or are currently in-progress. Coordinate with LNFH and Bureau of Reclamation (BOR) staff on data gaps and help evaluate results of studies such as the effluent pump back study, wellfield enhancement alternatives, onsite re-use pilot study, and others.
Task 4.4 RECIPIENT will provide technical support for LNFH Structure 2 and Structure 5 alternatives in the historic channel. Conduct a sediment transport and hydrologic modeling study to evaluate various flow volume scenarios between the historic stream channel and the hatchery canal between RM 3.8 (Structure 2) and 2.7 (confluence of two channels). Evaluate impacts of various flow scenarios to the tribal fishery, existing habitat in the historic channel, and private property. Information would be used to evaluate alternatives for Structures 2 and 5 that would allow fish passage while splitting flows in a way that maintains the existing tribal fishery conditions and results in more unregulated flows in the historic channel.

**Task Goal Statement:** Provide technical support for the development and refinement of the Icicle project list.

**Task Outcome:** A project alternative list that addresses data gaps and project scope assessments

<table>
<thead>
<tr>
<th>Deliverable Number</th>
<th>Description</th>
<th>Projected Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Estimated 3 focused project specific work sessions for either the full Icicle Work Group or sub-groups as deemed necessary. Topics will focus on project details/state of knowledge for projects on the base package, explanations on irrigation district operations and LNFH operations.</td>
<td>November 2013&lt;br&gt;February 2014&lt;br&gt;May 2014</td>
</tr>
<tr>
<td>4.2</td>
<td>Updated Project List</td>
<td>June 2014</td>
</tr>
<tr>
<td>4.3</td>
<td>Project summary handouts for at least 8 projects</td>
<td>January 2014</td>
</tr>
<tr>
<td>4.4</td>
<td>Updated IPID maps</td>
<td>December 2013</td>
</tr>
<tr>
<td>4.5</td>
<td>Sediment transport and hydrologic modeling results for RM 2.7 to 3.8</td>
<td>June 2014</td>
</tr>
</tbody>
</table>

**Task 5: Icicle-Peshastin Irrigation District Pump Exchange Task Cost: $115,000 Feasibility and Preliminary Design**

The Peshastin Irrigation District Pump Exchange Project Appraisal Study (Anchor QEA, LLC, December 2012) was completed to evaluate alternatives for a pump station on the Wenatchee River that would deliver water to the Peshastin Irrigation District (PID) and Icicle Irrigation District (IID) Canals near Dryden. This study was completed with funding from Ecology under
Ecology Grant No. G1400161
Between Ecology and Chelan County

Grant No. G1100240. The recommended next steps are to complete a feasibility-level study on the preferred alternative that would include preliminary design drawings.

RECIPIENT will complete this task in close consultation with the steering committee and/or work group. The results of this task will be coordinated with the results of a separate study being completed by Trout Unlimited which will evaluate the feasibility of a pump station that would pump to the Icicle Canal further upstream near Leavenworth.

Task 5.1: Detailed Evaluation of Pump Station Operations. This task will more clearly define operating conditions (design flow rate, timing and duration) that will be used for the design of the pump station.

Task 5.2: Property Owner Coordination- Meet with private property owners that may be impacted by the project to review and discuss project details.

Task 5.3: Characterization of Habitat Benefits for Peshastin Creek and Icicle Creek resulting from the flow improvements of this project.

Task 5.4: Additional Site Investigations. Complete topographic surveys and geotechnical explorations.

Task 5.5: Detailed Environmental and Permitting Review. Complete reconnaissance-level field surveys to identify critical aquatic and terrestrial habitat within the area impacted, review local shoreline and critical area codes to ensure project design elements are consistent with requirements. Conduct outreach to federal, state and local permitting/regulatory agencies and conduct background research and field surveys to evaluate design elements and potential impacts to cultural resources.

Task 5.6: Engineering Analyses and Cost Estimates. Complete a more detailed engineering analysis including feasibility-level drawings (approximately 30 percent complete) for the diversion and pump station plan and sections, pipeline plan and profile, and discharge to the PID Canal. Complete a refined cost estimate for construction and long-term O&M. An evaluation O&M payment alternatives will also be done that will include exploring annual payments, lump sum payments, partner opportunities, cost-share opportunities and others.

Task 5.7: Analysis of Pumping to IID 3A Canal at Dryden. Conduct additional feasibility-level evaluation of boosting additional water further uphill from the PID Canal to the IID Division 3A Canal. The above tasks would be completed for these additional facilities and compared to a stand-alone IID pumping facility being evaluated by Trout Unlimited.

**Task Goal Statement:** Conduct a feasibility study on the pump exchange preferred alternative

**Task Outcome:** Recommendation on whether to proceed with pump exchange
<table>
<thead>
<tr>
<th>Deliverable Number</th>
<th>Description</th>
<th>Projected Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>A Feasibility Study Report summarizing the information collected and analyses completed in the tasks listed above.</td>
<td>June 2015</td>
</tr>
</tbody>
</table>

This report will include
- a summary of pump station design flow rates and operations;
- property owner issues and concerns;
- geotechnical engineering recommendations;
- environmental resources and permitting review;
- summary of the project benefits in terms of increased flow in Icicle and Peshastin Creeks.
- summarize the detailed design engineering analysis;
- refined cost analysis and alternatives for O&M payments;
- Included will be figures and feasibility-level drawings for the selected alternative.

Task 6: Eight-Mile Lake Storage Restoration and Expansion    Total Cost: $120,000
Appraisal Study

The IID and PID hold water rights to manage water supply on Eight-Mile Lake located in the Alpine Lakes Wilderness Area. Structures at the lake have been damaged by ice and flooding and are not fully operational. The lake currently impounds an estimated 1,200 acre-feet. The purpose of this task is for the RECIPIENT to complete an appraisal level study of the opportunities to restore various storage levels at the lake, optimize recharge and discharge of the lake, and automate releases. This study will also include a conceptual level evaluation of expanding storage capacity to a 5,000 acre-foot volume. This study will provide a more clear understanding of the costs, benefits, and challenges associated with any proposed improvements.
at Eight-Mile Lake. This work will be done in close consultation with the steering committee and work group and will be coordinated with data collected in Task 7.

Task 6.1: Assess Existing Storage Conditions. Review background information to understand the existing and historical conditions at the lake, conduct site visits, evaluate and map property ownership, review information to estimate current and historical fill rates, discharge rates and reservoir yield, and summarize structural and operational limitations.

Task 6.2: Identify and Evaluate Options for Increasing Storage. Based on information gathered an evaluation of four storage scenarios will be completed. The first scenario would repair infrastructure to restore storage capacity to historic use of an estimated 1,827 acre-feet. The second scenario would evaluate an increase in storage to the permitted level of 2,000 acre-feet. The third scenario would evaluate an increase in storage to match the adjudicated level of 2,500 acre-feet. And the fourth scenario will be to evaluate an expansion of storage capacity to 5,000 acre-feet. For all scenarios, a summary of proposed structural improvements for each storage volume will be completed.

Task 6.3: Identify and Evaluate Options for Improving Operations that would optimize reservoir releases for downstream water needs. This would include a description of potential uses for the stored water, review of the timing of releases and compare with the timing of water needs, and review automation opportunities to identify improvements that would allow for better management that would match the water needs.

Task 6.4: Summarize Potential Water Use and Benefits of the four storage scenarios described above. This would be described in terms of storage yield, instream flow benefits, out-of-stream use benefits and reliability.

Task 6.5: Preliminary Environmental Review and Permitting Fatal Flaw Analysis. This would include a preliminary review of environmental resources and permitting requirements will be conducted to identify potential impacts or requirements that could be considered "fatal flaws".

**Task Goal Statement:** Complete an appraisal study of the opportunities to restore various storage levels at Eight-Mile Lake

**Task Outcome:** Understand the costs, benefits, and challenges of improvements at Eight-Mile Lake

<table>
<thead>
<tr>
<th>Deliverable Number</th>
<th>Description</th>
<th>Projected Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Final Appraisal Study</td>
<td>June 2015</td>
</tr>
</tbody>
</table>

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Task 7: Alpine Lakes Optimization, Modernization and Automation Feasibility Study

Task Cost: $125,000

Seven Alpine Lakes are managed to supplement water supply within the Icicle Creek watershed. All lakes are located in the Alpine Lakes Wilderness Area and are only accessible on foot or by helicopter, so flow setting and lake releases are changed infrequently and are not optimized. The purpose of this project would be to optimize management of the water supply from these lakes. Achieving this purpose will require three tasks: 1) evaluating annual recharge to each lake over a range of historical and future climate scenarios, 2) evaluating the different lake management scenarios to optimize the water supply, and 3) evaluating the potential to automate the lake discharges so that they could be changed remotely. The RECIPIENT will coordinate this work with Bureau of Reclamation efforts to evaluate efficiencies for Snow and Nada Lakes. Work will be completed in close consultation with the steering committee and work group.

Task 7.1: Lake Recharge Evaluation. A water balance-based approach will be used to evaluate recharge for each lake under a range of meteorological conditions including historical and climate-change-induced water years. Some initial studies were completed in 2011 for the Snow Lakes/Nada Lake system as part of a previous water storage grant (G0700037). This effort will build on this prior work to acquire the same level of information for each lake. This effort will also incorporate recently available climate change data from the Climate Impacts Group (CIG) and will characterize monthly and annual inflows to each lake over a range of historical and future climate conditions. Lake level, discharge, and other operational data will be used to “ground-truth” these results. Site visits will be made to collect information on current watershed conditions, evaluate existing structures and collect other necessary data to validate the water balances. A table of annual recharge volumes will be produced for each lake with annual recharge volumes expressed as 10 percent, 50 percent, and 90 percent exceedance probabilities.

Task 7.2: Lake Optimization Evaluation. Based on the results of Task 5.1 modeling will be done to simulate the water balance of each lake and evaluate current and optimized operation scenarios over a range of historical and future water years. Different operating regimes and discharge rates will be tested and compared with current practices to determine which approaches will yield the optimal water supply benefit. This will also include an evaluation of how operating scenarios would be coordinated among all lakes and managers to meet both instream and out-of-stream needs. A table of optimized operational guidelines will be produced for the timing and quantity of releases from each lake for a range of climate conditions.

Task 7.3: Lake Automation Feasibility Study. This task will evaluate the feasibility of automating lake discharge such that it could be done remotely. An evaluation of remote communication (telemetry) and power sources necessary will be included.

Task Goal Statement: Evaluate options for lake water management

<table>
<thead>
<tr>
<th>Task Outcome:</th>
<th>Optimize water supply from the lakes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deliverable</strong></td>
<td><strong>Description</strong></td>
</tr>
</tbody>
</table>

Page 11 of 28
<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>A Lake Optimization and Automation Feasibility Study Report including results of all tasks above and recommendations for optimizing and automating lake discharge operations.</td>
<td>June 2015</td>
</tr>
</tbody>
</table>

**Deliverables and Timeline:** A Lake Optimization and Automation Feasibility Study Report (June 2015) including results of all tasks above and recommendations for optimizing and automating lake discharge operations.
### DEPARTMENT OF ECOLOGY

Icicle Creek Comprehensive Water Management Plan

#### BUDGET

<table>
<thead>
<tr>
<th>Task No.</th>
<th>Task</th>
<th>Salaries</th>
<th>Benefits</th>
<th>Contracts</th>
<th>Travel</th>
<th>Equip.</th>
<th>Goods/Svcs</th>
<th>Overhead</th>
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<td>IPID Pump Exchange</td>
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<td>6</td>
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<tr>
<td>7</td>
<td>Alpine Lakes</td>
<td>6,400</td>
<td>1,600</td>
<td>115,000</td>
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<td>2,000</td>
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<td><strong>15,000</strong></td>
<td><strong>26,000</strong></td>
<td><strong>700,000</strong></td>
</tr>
</tbody>
</table>
WORK PRODUCTS

Copies of documents produced by the RECIPIENT, including, quarterly reports, and any work products developed under this grant shall be sent to the following ECOLOGY address:

Attn: Cathy Hubbard
Washington State Department of Ecology
Shorelands and Environmental Assistance Program
P.O. Box 47600
Olympia, WA 98504-7600

Physical Address:
300 Desmond Drive
Lacey, WA 98503

1. Three (3) copies (2 hard and 1 electronic) of quarterly reports shall be submitted as specified in Special Terms and Conditions. Quarterly reports may be submitted only electronically with prior approval from the Ecology Project Officer.

2. Three (3) copies of all work products as specified in the scope of work, unless otherwise specified. Two hard copies and one electronic copy shall be provided.
BUDGET CONDITIONS and PAYMENT TERMS

Budget Conditions

Regardless of the number of tasks or elements, Ecology’s Fiscal Office will track the EXPENDITURE BUDGET at the PROJECT COST LEVEL.

A formal amendment is required to increase or decrease the overall project funding or revise the Scope of Work.

For this grant, 100 percent of the total grant amount will be paid on a cost-reimbursement basis. Requests for reimbursement shall be submitted at least quarterly but not more often than once per month by the RECIPIENT on state invoice voucher forms. Payment requests are to include at a minimum Form A19-1A “Invoice Voucher”, Form B “Running Budget Summary”, Form C “Voucher Support” and Form D “Contractor Participation Report” (if applicable).

Recipients will prepare the billing forms by element of expenditure (salaries/benefits, travel, goods/services, etc). Back-up invoices of expenses should be included with the billings.

For the administration of this agreement the RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans", current edition.

Ecology forms are contained in the “Administrative Requirements for Ecology Grants and Loans” and must be used for payment requests, otherwise requests will be returned to the RECIPIENT for submittal on the correct forms. Electronic copies of these forms and the “Administrative Requirements for Recipients of Ecology Grants and Loans” (“Yellow Book”) are available at Ecology’s websites:


Meals  Meals (working lunches) are an allowable expense for the “Icicle Work Group” not to exceed state per diem for an estimated 4-6 times per fiscal year

Payment Terms

ECOLOGY will issue payments of grant funds within 30 days of receipt of properly completed invoice vouchers and progress reports.

Final payment requests are payable contingent on receipt of the final products and deliverables of the grant.
Upon completion of the project, unused grant dollars will be returned to the Department of Ecology for use on other eligible projects.

A written report of activities must accompany all payment requests.

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**SPECIAL TERMS and CONDITIONS**

1. DATA STANDARDS AND DATA SHARING

Data sharing and access is an important consideration for grant recipients. Data collected under grants should be available to secondary users and for future comparative analyses. It is a requirement that grant recipients submit monitoring data to Ecology's Environmental Information Management (EIM) database at http://www.ecy.wa.gov/eim/ to store and access their data on the Internet. Data is submitted to EIM using online data submittal tools available at: http://www.ecy.wa.gov/eim/. Additionally, grant recipients may choose to develop their own databases, and these tools also provide a good model for data standards.

Having many stand-alone databases can make data sharing difficult, but steps are being taken at the national level to improve data sharing. Since 1998 the U.S. Environmental Protection Agency (EPA) and the States have been working in partnership to improve access to environmental data. This has lead to the concept of the “Network Node,” a place in cyberspace where environmental data can be uploaded and shared using common data exchange templates. Washington State has, along with Oregon, Idaho, and Alaska, successfully developed a prototype Website where environmental data from all four states can be searched and downloaded. It is known as the Pacific Northwest Water Quality Data Exchange and is available at: http://deq12.deq.state.or.us/pnwwqx/

2. QUALITY ASSURANCE PROJECT PLAN (QAPP)

If this project involves the collection of environmental measurement data, the Recipient will prepare a QAPP plan to ensure the consistent application of quality assurance principles to the planning and execution of all activities involved in generating this data. It is highly recommended that projects involving the use of existing environmental data adhere to these requirements. The plan shall be conducted in accordance with ECOLOGY’S Guidelines and Specifications for Preparing Quality Assurance Project Plans for Environmental Studies, current edition, (Ecology Publication No.04-03-030). The plan must describe the monitoring and data quality objectives, procedures, and methodologies which will be used to ensure that all environmental data generated will meet these requirements. The size and complexity of the plan should be cost effective and in proportion to the magnitude of the sampling effort. The QA/QC report shall contain all fourteen elements discussed in the QAPP guidance document. Ecology’s Project Officer shall review and approve this plan prior to initiation of work.
The QAPP will cover the following elements:

- Title Page with approvals
- Table of contents and distribution list
- Background
- Project Description
- Organization and Schedule
- Quality Objectives
- Sampling Process Design
- Sampling Procedures
- Measurement Procedures
- Quality Control
- Data Management
- Audits and reports
- Data verification
- Data Usability Assessment

On-line guidance for these topics is available at:


A QAPP template available for use by grantees can be found at:


For additional information go to http://www.ecy.wa.gov/programs/eap/qa

Water samples requiring bench testing shall be analyzed by an environmental laboratory accredited by ECOLOGY. A list of ECOLOGY accredited laboratories and information on laboratory accreditation is provided on the Environmental Assessment Program website, currently available at:

Http://www.ecy.wa.gov/programs/eap/labs/labs_main.html
<http://www.ecy.wa.gov/programs/eap/labs/labs_main.html

3. COORDINATION WITH ECOLOGY'S GEOGRAPHICAL INFORMATION SYSTEM (GIS)

If this project involves developing GIS data, the RECIPIENT shall coordinate with ECOLOGY'S GIS office in an effort to promote compatibility and to encourage sharing of geospatial data. To facilitate data sharing, ECOLOGY utilizes the following standards:
Ecology’s GIS Standards

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>ESRI’s ARC/INFO</td>
<td>Current version</td>
</tr>
<tr>
<td>ESRI’s ArcView</td>
<td>Current Version</td>
</tr>
<tr>
<td>Horizontal Datum</td>
<td>NAD 83 HARN</td>
</tr>
<tr>
<td>Vertical Datum</td>
<td>NGVD 88</td>
</tr>
<tr>
<td>Projection System</td>
<td>Lambert Conic Conformal</td>
</tr>
<tr>
<td>Coordinate System</td>
<td>WA State Plane Coordinates</td>
</tr>
<tr>
<td>Coordinate Zone</td>
<td>South</td>
</tr>
<tr>
<td>Coordinate Units</td>
<td>US Survey Feet</td>
</tr>
<tr>
<td>Accuracy Standard</td>
<td>+/-40 Feet (1:24,000) minimum accuracy to within a foot of the true North American datum system</td>
</tr>
<tr>
<td>Vector Import Format</td>
<td>ArcExport, DLG and/or DXF, shapefiles</td>
</tr>
<tr>
<td>Raster Import Format</td>
<td>TIFF, BIL/BIP, RLC,GRID,ERDAS, SID</td>
</tr>
</tbody>
</table>

Whenever possible, the RECIPIENT is encouraged to utilize the standards listed above when compiling data. To discuss the usage of other standards, please contact Jerry Franklin at 360-407-7470; Fax: 360-407-6902; E-Mail: jfra461@ecy.wa.gov or John Tooley at 360-407-6418; E-Mail: jto0461@ecy.wa.gov for further data sharing and compatibility information.

The RECIPIENT shall submit copies to Ecology’s Project Officer with complete documentation as it relates to all digital data, GIS coverages, shape files, related tables and map products.

4. STATE ENVIRONMENTAL POLICY ACT (SEPA)

Grant recipients are expected to consider the necessity of a SEPA process in the early stages of planning or scope development. Please contact your project officer for assistance.

5. IDENTIFICATION OF PROJECT MATERIALS

All reports, maps, and other documents produced by the RECIPIENT, as part of this grant shall be identified as such. All items will be marked on the front cover or title page, or in the case of maps, the block that contains the name of the Government unit or ECOLOGY with 1) the name of the RECIPIENT; 2) ECOLOGY’S grant number; 3) Project Title; and 4) date of the report. Also, an acknowledgment of the source of funding, as appropriate, will be included.

6. PUBLICATIONS AND BROCHURES

Any publications or brochures required as a product of this agreement shall be bound and conform to minimum standards of size, 8½" x 11" white, recycled paper. Photos, illustrations, and graphs must be of reproducible quality. The RECIPIENT shall comply with any additional specifications as may be outlined in the Scope of Work or confirmed in writing between ECOLOGY and the RECIPIENT. The RECIPIENT is encouraged to implement sustainable practices where and when possible.

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7. DOCUMENTS

The RECIPIENT shall provide ECOLOGY with a minimum of three (3) copies of all documents produced under the terms of this grant unless otherwise specified. Two hard copies and one electronic copy should be provided.

8. PROJECT COMPLETION REQUIREMENTS

On completion of the project, the RECIPIENT shall submit the following information and materials to ECOLOGY:

8A. Project Completion Report: The purpose of this report is to document that the project and each of its elements has been completed. Four (4) hard copies and one (1) electronic copy of a "Project Completion Report" are required as follows:

(1) Summary Account - The Completion Report must include a brief summary account of the work accomplished under the grant with respect to each of the surveys, studies, plans, and other tasks listed in the grant or any amendments to that grant. It is also to include a notation of the exhibit or portion thereof containing the product of that work task.

(2) Reports, Maps, Plans, Exhibits, Etc. - The Completion Report must include a list of all reports, maps, plans, and other documents prepared under this grant, indicating for each whether it is in published or unpublished form as defined in the grant.

8B. Graphic Record Alternative: With respect to models and published maps and plans, such as aerial maps, maps, and plans which are colored or are too large to fold compactly, photographs or copies may be submitted instead of the actual maps, models or plans. These photographs or copies need to be 8" x 10" or larger and may be either in color or black and white, whichever is necessary to show the content of the map, model or plan. Each such photograph or copy shall be legibly identified as to the title and scale of the original document, the municipality, or area covered, and the report or study to which it relates, and shall contain a notation of the place where the original is located.

8C. Transmittal of Maps, Plans, Etc.: The title, the grants number, the municipality or county, and the report or study to which each map and plan relates shall be indicated on the outside top fold of such map and plan. All maps and plans transmitted shall be folded to the size of the report project.

8D. Data Documentation and Submittal: Upon grant completion, all data and data documentation are to be submitted in accordance with the previously provided formats and standards, or in formats as previously negotiated in a formal agreement between ECOLOGY and the RECIPIENT.

8E. The Project Completion Report must be submitted with the Final Payment Request and follow the format provided by ECOLOGY. Final payment will not be made without the Project Completion Report.
9. ACCESS TO RECORDS AND RIGHT TO AUDIT

9A. The RECIPIENT agrees that the Auditor for the State of Washington shall, until the expiration of three (3) years after expenditure of funds under this grant, have access to and the right to examine any directly pertinent books, documents, papers, and records of the RECIPIENT involving transactions related to this grant. The RECIPIENT agrees to include the substance of this paragraph into all grants and subcontracts payable from contract funds in whole or in part.

9B. The RECIPIENT agrees that payment(s) made under this grant shall be subject to reduction for amounts charged thereto which are found after audit examination not to constitute allowable costs under this grant. The RECIPIENT shall refund by check payable to ECOLOGY the amount of such reduction of payments under completed or terminated grants.

10. MAINTENANCE OF RECORDS

All required records shall be maintained until a state audit is completed and all questions arising there from are resolved, or three (3) years after completion of a project, whichever is sooner.

11. MINORITY AND WOMEN'S BUSINESS (MWBE) PARTICIPATION

The RECIPIENT agrees to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated after the effective date of this agreement.

Contract awards or rejections cannot be made based on MBE or WBE participation. M/WBE participation is encouraged, however, and the RECIPIENT and all prospective bidders or persons submitting qualifications should take the following steps, when possible, in any procurement initiated after the effective date of this agreement:

a. Include qualified minority and women's businesses on solicitation lists.

b. Assure that qualified minority and women's businesses are solicited whenever they are potential sources of services or supplies.

c. Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.

d. Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.

e. Use the services and assistance of the State Office of Minority and Women's Business Enterprises (OMWBE) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

The RECIPIENT shall report to the DEPARTMENT at the time of submitting each invoice, on forms provided by the DEPARTMENT, payments made to qualified firms. Please include the following information:

a. Name and state OMWBE certification number (if available) of any qualified firm receiving funds under the invoice, including any sub-and/or sub-subcontractors.
b. The total dollar amount paid to qualified firms under this invoice.

12. SELECTION OF CONTRACTORS

It will be the responsibility of the RECIPIENT to insure that any and all subs comply with the terms and conditions of this agreement and that the State of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

13. FINANCIAL GUIDELINES

The RECIPIENT shall comply with ECOLOGY'S current edition of the "Administrative Requirements for Recipients of Ecology Grants and Loans.” The RECIPIENT shall be responsible for maintaining appropriate financial records throughout the life of the project and in accordance with these guidelines.

14. PAYMENT REQUESTS

Payment will be made to the RECIPIENT for the grant amount upon execution of the grant agreement and receipt of a signed Invoice Voucher (A19-1A).

Complete backup documents (to include but not limited to all invoiced costs, time sheets [signed and dated by both employee and supervisor], etc. MUST be maintained by the RECIPIENT. These expenses will be kept in grant files according to budget task for a period of three years after project completion and made available at any time for inspection by ECOLOGY.

15. QUARTERLY REPORTING

The RECIPIENT must send quarterly progress and financial reports, including current expenditures to ECOLOGY.

Quarterly reports shall cover the periods and be due with 30 days following the end of the quarter, according to the following schedule, regardless of the grant effective date:

<table>
<thead>
<tr>
<th>Quarterly Reporting Period</th>
<th>Date Quarterly Report is Due</th>
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</thead>
<tbody>
<tr>
<td>January 1-March 31</td>
<td>April 30</td>
</tr>
<tr>
<td>April 1-June 30</td>
<td>July 30*schedule may vary with fiscal year closing</td>
</tr>
<tr>
<td>July 1-September 30</td>
<td>October 30</td>
</tr>
<tr>
<td>October 1-December 31</td>
<td>January 30</td>
</tr>
</tbody>
</table>

Quarterly reports shall convey essential information in a simple, concise manner through the use of bulleted summary statements, lists, and tables and include the following:

1. A description of work performed during the quarter
2. Status of project schedule
3. Financial and funds disbursement status
4. Personnel changes
5. Any difficulties encountered during the quarter.
6. Cash Flow Estimate

ECOLOGY reserves the right to terminate this agreement, as specified in paragraph K.1. of the General Terms and Conditions, for:

1. Failure to comply with quarterly reporting requirements, and
2. Failure to demonstrate satisfactory progress on elements and/or tasks as described in the Scope of Work.

16. AMENDMENTS

A "letter" amendment is a written request by the RECIPIENT to 1) redistribute funds among budget elements or fund shares; or 2) extend the project completion and expiration dates.

A formal amendment is required for any change to the scope of work or an increase to the total eligible project cost and is signed by both parties.

Amendments are not required for administrative adjustments such as changes in telephone numbers, addresses, project officers, supervisors, or contact persons for ECOLOGY or the RECIPIENT. The RECIPIENT must still notify ECOLOGY of these changes.

17. FAILURE TO COMMENCE WORK

In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of the grant agreement, or by any date mutually agreed upon in writing for commencement of work, ECOLOGY reserves the right to terminate this agreement.

18. ARCHEOLOGICAL AND CULTURAL RESOURCES

The RECIPIENT must comply with all requirements listed in Executive Order 05-05 prior to implementing any project that involves disturbing soil. Compliance includes coordinating with the Department of Historic and Archeological Preservation and affected tribes. Executive Order 05-05 is found at:

http://www.dahp.wa.gov/sites/default/files/DAHP%20Executive%20Order%202005-05.pdf

The Department of Historic and Archeological Preservation has provided guidance to initiate the 05-05 process that can be accessed online at:


19. GRANT CLOSEOUT

All products for this project shall be submitted to ECOLOGY on or before June 30, 2013, or otherwise specified in the Scope of Work.
20. ALL WRITINGS CONTAINED HEREIN

This agreement, the appended "General Terms and Conditions", and ECOLOGY'S current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans", contains the entire understanding between the parties, and there are no other understandings or representations except those set forth or incorporated by reference herein.

No subsequent modification(s) or amendments to this agreement shall be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement.

IN WITNESS WHEREOF: The parties have signed this Agreement.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
Derek I. Sandison
by
Derek I. Sandison, Director
Office of Columbia River

CHelan COUNTY
Keith Goehner, Chair
Board of Commissioners

Approved as to form only
Assistant Attorney General
Ecology Grant No. G1400161  
Between Ecology and Chelan County

**GENERAL TERMS AND CONDITIONS**  
**Pertaining to Grant and Loan Agreements of the Department of Ecology**

A. **RECIPIENT PERFORMANCE**  
All activities for which grant/loan funds are to be used shall be accomplished by the RECIPIENT and RECIPIENT's employees. The RECIPIENT shall only use contractor/consultant assistance if that has been included in the agreement's final scope of work and budget.

B. **SUBGRANTEE/CONTRACTOR COMPLIANCE**  
The RECIPIENT must ensure that all subgrantees and contractors comply with the terms and conditions of this agreement.

C. **THIRD PARTY BENEFICIARY**  
The RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this agreement, the state of Washington is named as an express third-party beneficiary of such subcontracts with full rights as such.

D. **CONTRACTING FOR SERVICES (BIDDING)**  
Contracts for construction, purchase of equipment and professional architectural and engineering services shall be awarded through a competitive process, if required by State law. RECIPIENT shall retain copies of all bids received and contracts awarded, for inspection and use by the DEPARTMENT.

E. **ASSIGNMENTS**  
No right or claim of the RECIPIENT arising under this agreement shall be transferred or assigned by the RECIPIENT.

F. **COMPLIANCE WITH ALL LAWS**

1. The RECIPIENT shall comply fully with all applicable Federal, State and local laws, orders, regulations and permits.

   Prior to commencement of any construction, the RECIPIENT shall secure the necessary approvals and permits required by authorities having jurisdiction over the project, provide assurance to the DEPARTMENT that all approvals and permits have been secured, and make copies available to the DEPARTMENT upon request.

2. Discrimination. The DEPARTMENT and the RECIPIENT agree to be bound by all Federal and State laws, regulations, and policies against discrimination. The RECIPIENT further agrees to affirmatively support the program of the Office of Minority and Women's Business Enterprises to the maximum extent possible. If the agreement is federally-funded, the RECIPIENT shall report to the DEPARTMENT the percent of grant/loan funds available to women or minority owned businesses.

3. Wages And Job Safety. The RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.

4. Industrial Insurance. The RECIPIENT certifies full compliance with all applicable state industrial insurance requirements. If the RECIPIENT fails to comply with such laws, the DEPARTMENT shall have the right to immediately terminate this agreement for cause as provided in Section K.1, herein.

G. **KICKBACKS**  
The RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this project to give up any part of the compensation to which he/she is otherwise entitled or, receive any fee, commission or gift in return for award of a subcontract hereunder.

H. **AUDITS AND INSPECTIONS**

1. The RECIPIENT shall maintain complete program and financial records relating to this agreement. Such records shall clearly indicate total receipts and expenditures by fund source and task or object.

   All grant/loan records shall be kept in a manner which provides an audit trail for all expenditures. All records shall be kept in a common file to facilitate audits and inspections.

   Engineering documentation and field inspection reports of all construction work accomplished under this agreement shall be maintained by the RECIPIENT.
2. All grant/loan records shall be open for audit or inspection by the DEPARTMENT or by any duly authorized audit representative of the State of Washington for a period of at least three years after the final grant payment/loan repayment or any dispute resolution hereunder. If any such audits identify discrepancies in the financial records, the RECIPIENT shall provide clarification and/or make adjustments accordingly.

3. All work performed under this agreement and any equipment purchased, shall be made available to the DEPARTMENT and to any authorized state, federal or local representative for inspection at any time during the course of this agreement and for at least three years following grant/loan termination or dispute resolution hereunder.

4. RECIPIENT shall meet the provisions in OMB Circular A-133 (Audits of States, Local Governments & Non Profit Organizations), including the compliance Supplement to OMB Circular A-133, if the RECIPIENT expends $500,000 or more in a year in Federal funds. The $500,000 threshold for each year is a cumulative total of all federal funding from all sources. The RECIPIENT must forward a copy of the audit along with the RECIPIENT'S response and the final corrective action plan to the DEPARTMENT within ninety (90) days of the date of the audit report.

I. PERFORMANCE REPORTING

The RECIPIENT shall submit progress reports to the DEPARTMENT with each payment request or such other schedule as set forth in the Special Conditions. The RECIPIENT shall also report in writing to the DEPARTMENT any problems, delays or adverse conditions which will materially affect their ability to meet project objectives or time schedules. This disclosure shall be accompanied by a statement of the action taken or proposed and any assistance needed from the DEPARTMENT to resolve the situation. Payments may be withheld if required progress reports are not submitted.

Quarterly reports shall cover the periods January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be due within thirty (30) days following the end of the quarter being reported.

J. COMPENSATION

1. Method of compensation. Payment shall normally be made on a reimbursable basis as specified in the grant agreement and no more often than once per month. Each request for payment will be submitted by the RECIPIENT on State voucher request forms provided by the DEPARTMENT along with documentation of the expenses. Payments shall be made for each task/phase of the project, or portion thereof, as set out in the Scope of Work when completed by the RECIPIENT and approved as satisfactory by the Project Officer.

The payment request form and supportive documents must itemize all allowable costs by major elements as described in the Scope of Work. Instructions for submitting the payment requests are found in "Administrative Requirements for Ecology Grants and Loans", part IV, published by the DEPARTMENT. A copy of this document shall be furnished to the RECIPIENT. When payment requests are approved by the DEPARTMENT, payments will be made to the mutually agreed upon designee.

Payment requests shall be submitted to the DEPARTMENT and directed to the Project Officer assigned to administer this agreement.

2. Period of Compensation. Payments shall only be made for actions of the RECIPIENT pursuant to the grant/loan agreement and performed after the effective date and prior to the expiration date of this agreement, unless those dates are specifically modified in writing as provided herein.

3. Final Request(s) for Payment. The RECIPIENT should submit final requests for compensation within forty-five (45) days after the expiration date of this agreement and within fifteen (15) days after the end of a fiscal biennium. Failure to comply may result in delayed reimbursement.

4. Performance Guarantee. The DEPARTMENT may withhold an amount not to exceed ten percent (10%) of each reimbursement payment as security for the RECIPIENT'S performance. Monies withheld by the DEPARTMENT may be paid to the RECIPIENT when the project(s) described herein, or a portion thereof, have been completed if, in the DEPARTMENT'S sole discretion, such payment is reasonable and approved according to this agreement and, as appropriate, upon completion of an audit as specified under section J.5. herein.

5. Unauthorized Expenditures. All payments to the RECIPIENT may be subject to final audit by the DEPARTMENT and any unauthorized expenditure(s) charged to this grant/loan shall be refunded to the DEPARTMENT by the RECIPIENT.
6. Mileage and Per Diem. If mileage and per diem are paid to the employees of the RECIPIENT or other public entities, it shall not exceed the amount allowed under state law for state employees.

7. Overhead Costs. No reimbursement for overhead costs shall be allowed unless provided for in the Scope of Work hereunder.

K. TERMINATION

1. For Cause. The obligation of the DEPARTMENT to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of the DEPARTMENT, to perform any obligation required of it by this agreement, the DEPARTMENT may refuse to pay any further funds thereunder and/or terminate this agreement by giving written notice of termination.

A written notice of termination shall be given at least five working days prior to the effective date of termination. In that event, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by the RECIPIENT under this agreement, at the option of the DEPARTMENT, shall become Department property and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Despite the above, the RECIPIENT shall not be relieved of any liability to the DEPARTMENT for damages sustained by the DEPARTMENT and/or the State of Washington because of any breach of agreement by the RECIPIENT. The DEPARTMENT may withhold payments for the purpose of setoff until such time as the exact amount of damages due the DEPARTMENT from the RECIPIENT is determined.

2. Insufficient Funds. The obligation of the DEPARTMENT to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. When this agreement crosses over state fiscal years the obligation of the DEPARTMENT is contingent upon the appropriation of funds during the next fiscal year. The failure to appropriate or allot such funds shall be good cause to terminate this agreement as provided in paragraph K.1 above.

When this agreement crosses the RECIPIENT's fiscal year, the obligation of the RECIPIENT to continue or complete the project described herein shall be contingent upon appropriation of funds by the RECIPIENT's governing body; provided, however, that nothing contained herein shall preclude the DEPARTMENT from demanding repayment of ALL funds paid to the RECIPIENT in accordance with Section O herein.

3. Failure to Commence Work. In the event the RECIPIENT fails to commence work on the project funded herein within four months after the effective date of this agreement, or by any date mutually agreed upon in writing for commencement of work, the DEPARTMENT reserves the right to terminate this agreement.

L. WAIVER

Waiver of any RECIPIENT default is not a waiver of any subsequent default. Waiver of a breach of any provision of this agreement is not a waiver of any subsequent breach and will not be construed as a modification of the terms of this agreement unless stated as such in writing by the authorized representative of the DEPARTMENT.

M. PROPERTY RIGHTS

1. Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property, the RECIPIENT may copyright or patent the same but the DEPARTMENT retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover or otherwise use the material(s) or property and to authorize others to use the same for federal, state or local government purposes.

Where federal funding is involved, the federal government may have a proprietary interest in patent rights to any inventions that are developed by the RECIPIENT as provided in 35 U.S.C. 200-212.

2. Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish information of the DEPARTMENT; present papers, lectures, or seminars involving information supplied by the DEPARTMENT; use logos, reports, maps or other data, in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to the DEPARTMENT.

3. Tangible Property Rights. The DEPARTMENT's current edition of "Administrative Requirements for Ecology Grants and Loans", Part V, shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by the DEPARTMENT in the absence of state, federal statute(s), regulation(s), or policy(s) to the contrary or upon specific instructions with respect thereto in the Scope of Work.
4. Personal Property Furnished by the DEPARTMENT. When the DEPARTMENT provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to the DEPARTMENT prior to final payment by the DEPARTMENT. If said property is lost, stolen or damaged while in the RECIPIENT's possession, the DEPARTMENT shall be reimbursed in cash or by scotf by the RECIPIENT for the fair market value of such property.

5. Acquisition Projects. The following provisions shall apply if the project covered by this agreement includes funds for the acquisition of land or facilities:

   a. Prior to disbursement of funds provided for in this agreement, the RECIPIENT shall establish that the cost of land/or facilities is fair and reasonable.

   b. The RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the use contemplated by this agreement.

6. Conversions. Regardless of the contract termination date shown on the cover sheet, the RECIPIENT shall not at any time convert any equipment, property or facility acquired or developed pursuant to this agreement to uses other than those for which assistance was originally approved without prior written approval of the DEPARTMENT. Such approval may be conditioned upon payment to the DEPARTMENT of that portion of the proceeds of the sale, lease or other conversion or encumbrance which monies granted pursuant to this agreement bear to the total acquisition, purchase or construction costs of such property.

N. SUSTAINABLE PRODUCTS

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is encouraged to implement sustainable practices where and when possible. These practices include use of clean energy, and purchase and use of sustainably produced products (e.g., recycled paper). For more information, see http://www.ecy.wa.gov/sustainability/.

O. RECOVERY OF PAYMENTS TO RECIPIENT

The right of the RECIPIENT to retain monies paid to it as reimbursement payments is contingent upon satisfactory performance of this agreement including the satisfactory completion of the project described in the Scope of Work. In the event the RECIPIENT fails, for any reason, to perform obligations required of it by this agreement, the RECIPIENT may, at the DEPARTMENT's sole discretion, be required to repay to the DEPARTMENT all grant/loan funds disbursed to the RECIPIENT for those parts of the project that are rendered worthless in the opinion of the DEPARTMENT by such failure to perform.

Interest shall accrue at the rate of twelve percent (12%) per year from the time the DEPARTMENT demands repayment of funds. If payments have been discontinued by the DEPARTMENT due to insufficient funds as in Section K.2 above, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination. Any property acquired under this agreement, at the option of the DEPARTMENT, may become the DEPARTMENT's property and the RECIPIENT's liability to repay monies shall be reduced by an amount reflecting the fair value of such property.

P. PROJECT APPROVAL

The extent and character of all work and services to be performed under this agreement by the RECIPIENT shall be subject to the review and approval of the DEPARTMENT through the Project Officer or other designated official to whom the RECIPIENT shall report and be responsible. In the event there is a dispute with regard to the extent and character of the work to be done, the determination of the Project Officer or other designated official as to the extent and character of the work to be done shall govern. The RECIPIENT shall have the right to appeal decisions as provided for below.

Q. DISPUTES

Except as otherwise provided in this agreement, any dispute concerning a question of fact arising under this agreement which is not disposed of in writing shall be decided by the Project Officer or other designated official who shall provide a written statement of decision to the RECIPIENT. The decision of the Project Officer or other designated official shall be final and conclusive unless, within thirty days from the date of receipt of such statement, the RECIPIENT mails or otherwise furnishes to the Director of the DEPARTMENT a written appeal.

In connection with appeal of any proceeding under this clause, the RECIPIENT shall have the opportunity to be heard and to offer evidence in support of this appeal. The decision of the Director or duly
authorized representative for the determination of such appeals shall be final and conclusive. Appeals from the Director's determination shall be brought in the Superior Court of Thurston County. Review of the decision of the Director will not be sought before either the Pollution Control Hearings Board or the Shoreline Hearings Board. Pending final decision of dispute hereunder, the RECIPIENT shall proceed diligently with the performance of this agreement and in accordance with the decision rendered.

R. CONFLICT OF INTEREST

No officer, member, agent, or employee of either party to this agreement who exercises any function or responsibility in the review, approval, or carrying out of this agreement, shall participate in any decision which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is, directly or indirectly interested; nor shall he/she have any personal or pecuniary interest, direct or indirect, in this agreement or the proceeds thereof.

S. INDEMNIFICATION

1. The DEPARTMENT shall in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

2. To the extent that the Constitution and laws of the State of Washington permit, each party shall indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this agreement.

T. GOVERNING LAW

This agreement shall be governed by the laws of the State of Washington.

U. SEVERABILITY

If any provision of this agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this agreement which can be given effect without the invalid provision, and to this end the provisions of this agreement are declared to be severable.

V. PRECEDENCE

In the event of inconsistency in this agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable Federal and State statutes and regulations; (b) Scope of Work; (c) Special Terms and Conditions; (d) Any terms incorporated herein by reference including the "Administrative Requirements for Ecology Grants and Loans"; and (e) the General Terms and Conditions.

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