

**TEMPORARY AGREEMENT BETWEEN  
THE CITY OF SEQUIM AND SUNLAND WATER DISTRICT  
FOR BIO-SOLIDS TREATMENT AND DISPOSAL**

**THIS TEMPORARY AGREEMENT** is between the City of Sequim, a municipal corporation (hereinafter referred to as "City") and the Sunland Water District, a municipal corporation (hereinafter referred to as Sunland).

**WHEREAS** Sunland and Sequim have previously operated under an October 13, 2004 Contract and such contract was subject to an agreed annual renewal; and

**WHEREAS**, Sunland desires to continue to dispose of significant amounts of sewage sludge (herein referred to as "biosolids") produced as a byproduct of its sanitary sewage treatment process; and

**WHEREAS**, the City has a legally permitted biosolids facility meeting the regulatory requirements of the Washington Department of Ecology and the United States Environmental Protection agency; and

**WHEREAS**, this it is in the best interests of both parties as well as in the best interests of the environment at this time to continue the earlier arrangement with certain changes while a more permanent 20 year agreement is prepared and negotiated.

**NOW, THEREFORE**, in consideration of the mutual premises and covenants herein contained, it is hereby agreed as follows:

1. **Witnesseth**: Sunland shall tender only Acceptable Biosolids to the City as Sunland finds need to do so and in an amount as determined by Sunland. "Acceptable Biosolids" means biosolids that are not precluded from treatment at the City's Wastewater Treatment Plant by any law, regulation or governmental restriction and that are not of a quality of form that are not treatable by the City's current technology and facilities to Class "A" EQ standards as determined by the Washington Department of Ecology. The City reserves the right to refuse acceptance of the "acceptable biosolids" from Sunland for the following reasons: operational problems that would not allow the City to process the biosolids brought in by Sunland; and if accepting the biosolids from Sunland would cause the City not to be able to process the biosolids generated at the City's wastewater treatment facility; and if bio-solids are delivered to Sequim's Water Reclamation Facility during hours other than normal City operating hours. The City's Wastewater Superintendent and/or staff will inspect the truckloads of biosolids and if any is refused the superintendent will immediately notify Sunland's wastewater plant operator.
2. **Term**: This Agreement shall commence on the latest date signed by a party below and will terminate one (1) year after such date of execution. This

agreement is intended to be an interim agreement while negotiation of conditions and rates for an additional term of up to a twenty (20) year period are developed for approval by both Sunland and the City.

3. **Compensation:** Sunland shall pay the City the sum of six cents (\$0.06) per gallon of Acceptable Bio-solids. Sunland shall also pay a Plant Capacity Participation Fee which is currently calculated to be \$210,000. The one year rate is \$12,967. Whether to pay the Plant Capacity Participation Fee in total or reimburse the City annually is an option which will be provided to the District in the anticipated 20 year agreement. The Plant Capacity Participation Fee will be due the City with the first billing of the year. The City waste hauler manifest form will be used by Sunland or its agents to tabulate the total loads of biosolids delivered to the Wastewater Treatment facility. Trucks delivering biosolids will be assumed to be fully loaded for the purpose of tabulating loads on the manifest form. The City Finance Department will submit an invoice to Sunland on or before the 10<sup>th</sup> day of each month following delivery of the previous month's Acceptable Bio-solids. The invoice shall contain the number of appropriate units received by the City together with the amount due. Payment in full shall be made by Sunland within thirty (30) days of the invoice date. Sunland shall provide documentation for the quantities of Acceptable Biosolids accepted by the City
4. **Relationship of the Parties:** The parties understand and agree that they are independent contracting entities.
5. **Industrial Insurance:** The City and Sunland agree to provide for State Industrial Insurance coverage for their personnel as required by state law.
6. **Licenses:** The City currently possesses and agrees to maintain all necessary regulatory permits and approvals, and comply with all rules, laws, and regulations of regulatory agencies. Further, the City shall possess all necessary and required local, state and federal licenses required to fulfill its obligations under this Agreement.
7. **Title to Bio-solids:** Title and ownership to Biosolids shall pass to the City after the City has accepted the Bio-solids for treatment and received payments for all amounts due. All obligations, liabilities, and/or benefits associated with the treatment, processing and/or use of the biosolids shall become the City's upon receipt of the bio-solids by the City's wastewater superintendent and/or staff.
8. **Liability and Indemnification:** Sunland shall carry liability insurance naming the City as an insured, in the amount of 3,000,000 per claim/ \$5,000,000 aggregate. Sunland shall hold City harmless and indemnify City from all claims related to injury caused to third parties or to the City from sewage sludge (biosolids) delivered by Sunland to City where such sludge is found not to have met the standards and requirements set forth in section 1 of this agreement.

9. **General Conditions:**

A. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties, and both parties acknowledge that there are no other agreements, written or oral, that have not been fully set forth or referenced in the text of this Agreement. If any part of this Agreement is proved to be invalid, the rest of the Agreement shall remain binding.

B. **Amendments:** The parties hereby further agree that this Agreement cannot be modified or extended without the written concurrence of both parties, formally adopted and approved by their appropriate officials.

C. **Notices:** Any notices required to be given by the parties shall be in writing and delivered to the parties at the following addresses:

**The City:**  
City of Sequim  
152 West Cedar Street  
Sequim, WA 98382

**Sunland:**  
Sunland Water District  
135 Fairway Drive  
Sequim, WA 98382

D. **Waiver:** Failure to insist upon strict compliance with any terms, covenants, or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of such right or power at any time be taken as a waiver of any other breach.

E. **Compliance with Local, State and Federal Laws:** The City and Sunland agree to comply with all applicable local, state and federal laws in performance of this Agreement.

F. **Applicable Law/Venue:** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington, and in the event of dispute the venue of any court action brought hereunder shall be in Clallam County Superior Court.

10. **Assignments:** Neither party shall assign its rights and duties under this Agreement without prior written consent of the other party.

11. **Termination:** This Agreement may be terminated by either party, with or without cause, upon 90 days' prior written notice, except in the case of failure by either party to meet its obligations herein resulting in a threat to public health or unlawfulness or Sunland being in arrears on payments more than 45 days which shall be cause for immediate termination.


Dated: 1/9/12

Dated: 1/12/12

**CITY OF SEQUIM**

  
Mayor

**SUNLAND WATER DISTRICT**

  
PEPPER/PUTNAM, President

Attest:

  
KAREN KUZNEK-REESE, City Clerk

Approved as to form:

  
Craig A. Ritchie, City Attorney