

**WEST SOUND UTILITY DISTRICT
RESOLUTION 610-16**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
AUTHORIZING A NEW CONTRACT WITH TENELCO, INC. FOR THE
TRANSPORT AND APPLICATION OF CLASS B BIOSOLIDS SERVICES**

WHEREAS, in the operation of the South Kitsap Water Reclamation Facility (SKWRF), the District is in need to execute a new agreement with a qualified firm to transport and apply Class B biosolids that are produced at the Facility; and

WHEREAS, the District is currently under contract with Tenelco, Inc. to provide hauling and disposal services for SKWRF's biosolids; and

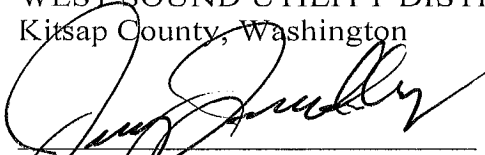
WHEREAS, the current agreement with Tenelco provides biosolids hauling and disposal services at \$52 per wet ton and the new agreement provides for an increase to \$54 per wet ton; and **NOW THEREFORE**,

**THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT
HEREBY RESOLVES:**

Section 1. West Sound Utility District hereby approves and awards the attached services agreement with Tenelco, Inc. (Exhibit "A"), and further authorizes the General Manager to sign such agreement.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on June 20, 2016.

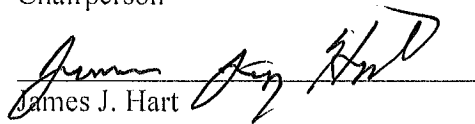
WEST SOUND UTILITY DISTRICT
Kitsap County, Washington



Jerry Lundberg
Chairperson



Susan Way
Vice Chairperson



James J. Hart
Secretary

Transportation and Land Application of Biosolids Contract
Between Tenelco Inc. and West Sound Utility District

1. Parties:

The Parties to this Contract are the West Sound Utility District (Generator) and Tenelco Inc. (Contractor). The Contractor operates a Beneficial Use Facility (BUF) in accordance with the provisions of WAC 173-308-310, and has been designated as a Beneficial Use Facility through the permitting process and is permitted to perform land application of biosolids in a lawful manner at appropriate permitted sites in Eastern Washington.

2. Biosolids Production and Use: The parties acknowledge and agree that:

- a. The Generator produces sewage sludge in the form of Class "B" Biosolids as a by-product of its sanitary sewage treatment processes.
- b. The generator desires that its Biosolids be used beneficially as defined by WAC 173-350-100, i.e. in a manner that does not pose a threat to health or the environment.

3. Contract to Transport and Apply Biosolids Beneficially

In consideration of the mutual promises and covenants in this contract and on the terms and conditions of this contract, Tenelco agrees to receive, transport and perform beneficial land applications of the Generators Biosolids Class "B" in compliance with Federal, State and Local Laws, Rules and Regulations.

4. Scope of Services

- a. Tenelco will manage and operate the Class “B” land application program for the Generator, including but not limited to compliance requirements with Federal, State, and Local Laws, Rules and Regulations necessary therefore. All management activities will be coordinated through the following person (s)

CONTRACTOR:

DISPATCH:

TENELCO INC:

TENELCO INC:

Catherine A. Tenold-Eldredge

TERI HAWKINS

PMB A-28 621 SR 9 NE

425-609-3340

LK. STEVENS, WA. 98258

EMAIL: teri_tenelco@aol.com

PHONE: 425-609-3340

EMAIL: 3cat13@gmail.com

5. Tenelco Services: With respect to any Class “B” Biosolids tendered by the Generator to Tenelco, Tenelco shall:

- a. Take possession of and transport the Biosolids to permitted locations for beneficial use through land application of Biosolids, which may include use thereof on agricultural lands, generally in Eastern Washington as a nutrient based soil amendment for winter wheat farms.
- b. Provide and furnish at Tenelco’s cost and expense, all materials, machinery tools, equipment, superintendence, labor, insurance and other accessories and services necessary to provide the beneficial use services in strict

conformance with conditions and prices stated in this contract; Trailers for hauling biosolids will be determined and agreed upon between Contractor and Generator at time of signing or before.

- c. Collect and test all necessary soil samples on application sites;
- d. Provide information to complete all Biosolids reports, annual or otherwise, related to the land application as required by any governing agency, including, but not limited to, the State of Washington Department of Ecology (DOE) and the United States Environmental Protection Agency (USEPA);
- e. Tenelco will maintain in good standing all applicable and necessary permits, licenses and approvals of any Federal, State and Local Government, including and especially a permit to operate a Beneficial Use Facility from the Washington State Department of Ecology;
- f. Pay all cost for mobilization, demobilization, transportation, and application. This will include all cost associated to labor, repairs, maintenance, permit Fee's, insurance, and fuel (up to \$4.00 per gallon) A fuel surcharge will be applied, if the fuel cost exceeds \$4.00 per- gallon it will be charged to the Generator. A detailed breakdown of the surcharges will be included in the Monthly invoice to the District and shall be subject to review of additional documentation if requested prior to payment.
- g. Trailer's: Tenelco Inc. will provide either End-dump or Side-dump trailers for generator to load. Tenelco's trailers will haul up to 28 scaled wet tons each trip per trailer.

h. Prior to tender, Generator must test the tendered Biosolids in accordance with testing procedures that are required by any applicable Federal, State and Local Law and regulations and provide Tenelco all information required by Law or otherwise necessary for Tenelco to use and manage application of the Biosolids in a safe, consistent and reliable manner. Such information may include test results that show on a dry ton basis, the level of trace metal and pathogens for which testing is required, the percent of solids by weight, and Nitrogen content as expressed in terms of total Kjeldahl Nitrogen (TKN), Ammonium or Ammonia and Nitrates, and Nitrites and a Certification that the Biosolids meet at minimum Class "B" standards and Vector Attraction as set forth by DOE and USEPA.

6. Tender of Biosolids. The Generator will regularly tender all of its Biosolids that, at the sole discretion of the Generator, are intended for land application as defined in WAC 173-308-080 to Tenelco. The Generator shall not be required to tender any Biosolids that are not intended for land application. With respect to any Biosolids tendered by the Generator to Tenelco, the Generator shall:

- a. Dewater the Biosolids and properly and evenly load the Biosolids into transport vehicles provided by Tenelco or Generator. The Generator shall use its best efforts to load the transport vehicles to maximum capacity by loading front to back of trailer.
- b. Ensure that at time of tender the tendered Biosolids meet Federal, State, and Local Standards that govern Biosolids, as they currently exist or are

hereafter amended;

- c. Generator will be responsible for any damages to Tenelco's or Generator's equipment during loading at their cost for repair.

7. Tenelco Warranties. Tenelco warrants and represents that it has sufficient facilities, equipment and personnel who are sufficiently trained, skilled, knowledgeable, and experienced to perform all functions that are reasonably necessary to lawfully and effectively transport Biosolids, operate a Beneficial Use Facility, and apply Biosolids in a beneficial manner. Tenelco warrants that its equipment and facilities are and will be maintained in a safe condition, and that they are and will be fit for particular purposes for which they are used or operated. Tenelco warrants that its personnel will work in a prudent and workman like manner. In addition, Tenelco warrants that it has a permit to operate a Beneficial Use Facility from Washington State DOE, and that it shall maintain the permit in good standing. In the event Tenelco's permit is suspended or revoked for any reason without having other permit options available for Biosolid application, Tenelco shall notify the Generator within forty eight (48) hours of the time of suspension or revocation and the Generator shall have the option of terminating this Agreement immediately.

8. Initial Term and Renewal Term: The initial term of this agreement shall commence on July 1, 2016 through June 30, 2019. This agreement shall automatically renew for an additional Three (3) years unless written notice has been sent within One Hundred Eighty Days (180) prior to termination of contract. By: Certified or Registered, postage prepaid to the following address or to such other address as either party shall specify in written notice so given:

Tenelco Inc. Contractor

Catherine A. Tenold-Eldredge
PMB A-28 621 SR 9 NE
Lake Stevens, Wa. 98258
Phone: 425-609-3340
Cell: 425-344-4381
Email: 3cat13@gmail.com

West Sound Utility Dist. Generator

South Kitsap Reclamation Facility
Randy Screws
1165 Beach Drive East
Port Orchard, Wa. 98366
Phone: 360-895-2440
Email: rscrews@wsud.us

9. Compensation for Services. The Generator shall pay \$54.00 per scaled wet tons of Biosolids tendered by the Generator to Tenelco that Tenelco receives, transports and beneficially applies pursuant to provision of this contract in any instance where Generator loads a transport vehicle with Biosolids. Generator will compensate Tenelco for a minimum load rate equivalent to 23 wet tons (\$1,242.00 for any trailer that is under loaded. In the event that the load exceeds the agreed Maximum weight capacity then the Generator will Remove any excess Biosolids that may spill or cause an overload ticket to be given, and or compensate Tenelco for

such efforts to rectify the situation.

10. Adjustment of Compensation. On an annual basis, the parties may renegotiate the price for services on the basis of changes in the Annual CPI for Urban Wage Earners and Clerical Workers. Any adjustments based on the CPI shall occur only in whole cents. In the event the parties are unable reach a mutually agreeable compensation adjustment, either party may, upon One hundred eighty (180) days advance notice to the other, terminate this Agreement without any recourse, remedy or compensation to the parties for the termination. During the 180 day termination period, the compensation amounts shall not change.

11. Insurance: Throughout the term of this agreement, Tenelco shall obtain and maintain sufficient levels of liability for bodily injury, death and property damage, and any other insurance that is reasonably necessary to effectuate the purpose of this contract. Tenelco shall add the West Sound Utility Dist. as additional insured on their insurance policy. Tenelco will add copy to contract. **(See attachments)**

11a. Indemnification/Hold Harmless

The contractor shall defend, indemnify and hold harmless the West Sound Utility District, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this

Agreement, except for injuries and damages caused by the sole negligence of the District. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115 then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from concurrent negligence of the Contractor and the District, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by both parties. The provisions of this section shall survive the expiration or termination of this Agreement.

11c. The contractor's maintenance of insurance, its scope of coverage and limits as required herein shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the District's recourse to any remedy available at law or in equity.

12. Assignment: Neither party shall voluntary assign or otherwise transfer any of its rights, interest or obligations in, to or under this contract without the prior written consent of the other party.

13. Billing: Tenelco shall provide to the Generator, a billing statement that that details the services provided hereunder, including the amount of the Generator's Biosolids transported by Tenelco during the billing period, relevant load documentation, and any other information that the Generator may reasonably require. Tenelco shall retain records of billing, costs and other charges pertaining to the Generator's account under this agreement for inspection by representatives of the Generator for a period of three (3) years after final payment. Copies of said records shall be made available upon request.

14. Payment: The Generator shall pay Tenelco the above identified Compensation within thirty (30) days after Tenelco provides an invoice for such services to the Generator. Any payment not made when due shall accrue interest at the rate of one percent (1%) per month or the highest rate permitted by applicable law, whichever is less.

15. Taxes: Each party shall be responsible for the payment of all taxes of whatever nature and source; to the extent that each party is responsible of any such taxes pursuant to law.

16. Safety: Tenelco shall comply with all applicable safety rules and regulations adopted by the United States Department of Occupational Safety and Health Administration (OSHA) or the Industrial commission of the State of Washington, whichever is more restrictive. The Generator assumes no duty to insure that Tenelco follows the safety rules and regulations.

17. Regulations, Orders and Conditions. Tenelco shall comply with all applicable State, Federal, or Local Laws, Regulations, Rules, or any other sources of authority, including but not limited to, court orders, administrative rulings, the regulations of WAC 173-308 and 40 CFR Part 503, the conditions of any applicable beneficial use permit and so forth.

18. Cumulative Right: The rights and remedies of each party set forth in any provision of this contract are in addition to and do not in any way limit any other rights or remedies afforded to such party by laws.

19. Survival: The obligations of the parties under the provisions of this Contract that may reasonably be interpreted or construed as surviving as Surviving the completion, termination or cancellation of this contract shall Survive the completion, termination or cancellation of this agreement.

20. AUTHORIZED SIGNATURE

20a. Authorized Signature. By their signatures below each party represents that they are fully authorizes to sign for and on behalf of the named principle above.

Wherefore, the parties agree to be bound by the terms and conditions set forth above.

DATED, this _____ **DAY** of _____, _____

Contractor: Tenelco Inc.

Generator: West Sound Utilities District

By: _____

By: _____

Print: _____

Print: Michael Wilson

Position: _____

Position: General Manager

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