



**CASCADE WATER ALLIANCE**  
**Request for Proposals (RFP)**

**For**

**White River-Lake Tapps Reservoir Project  
 Operations and Maintenance Agreement**

**Issue Date: March 2, 2026**

<b>OPTIONAL PRE-SUBMISSION MEETING &amp; TOUR</b>		
Optional Pre-Submission Meeting & Tour Location:	Date:	Time:
2111 E Valley Highway E Sumner, WA 98390	March 25, 2026 RSVP requested by 5:00 p.m. on March 10, 2026 to the Designated Cascade Contact Person	9:00 a.m. to 3:00 p.m.
<b>DESIGNATED CASCADE CONTACT PERSON</b>		
Dave Roberts White River Lake Tapps Reservoir Program Director	Telephone number: (253) 820-8537 E-mail address: droberts@cascadewater.org	
<b>DEADLINE FOR SUBMISSION OF QUESTIONS</b>		
Questions must be submitted to the Designated Cascade Contact Person no later than April 9, 2026 at 5:00 p.m. (Pacific Time)		
<b>PLACE AND DEADLINE FOR SUBMISSION OF PROPOSALS</b>		
Proposals must be submitted electronically via DropBox. Please reach out to Cascade Water Alliance at contact@cascadewater.org for a DropBox link	Date: May 15, 2026	Time: 5:00 p.m. (Pacific Time)

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## **1 BACKGROUND**

### **1.1 Introduction**

Cascade Water Alliance (“Cascade”) is soliciting proposals for a multi-year contract for operations and maintenance services (the “Contract Services”) for Cascade’s White River-Lake Tapps Reservoir Project (the “Project”). Proposers must demonstrate experience and satisfactory performance with engagements of similar scope to the Contract Services, including with respect to the proposed Key Personnel.

This Request for Proposal (this “RFP”) is being issued to assure that Cascade obtains the services of a qualified firm in the most effective and efficient manner.

The availability of this RFP was advertised in the Tacoma News Tribune and the Daily Journal of Commerce. This RFP is also available at Cascade’s website, [www.cascadewater.org](http://www.cascadewater.org) (the “Cascade Website”). The reference documents listed in **Schedule B** (Reference Documents) are available on the Cascade Website.

This RFP invites proposals (“Proposals”) according to the requirements set forth herein, including in Section 5 (Proposal Submittal Requirements). The Proposals will be reviewed and evaluated by the Evaluation Committee to determine the Highest Scoring Proposer, as described in Section 6 (Proposal Evaluation). Upon completion of the proposal evaluation process, Cascade intends to enter into the O&M Agreement with the Highest Scoring Proposer.

This RFP is not a tender or an offer, and there is no intention by Cascade to make an offer by issuing this RFP.

Cascade intends to select one qualified firm (the “Company”) based on this RFP process to operate and maintain the Project’s infrastructure to meet regulatory and stakeholder requirements and provide preventive maintenance to ensure the Project remains in sound operating condition on a cost-effective and cooperative basis (the “Cascade Goals”). The Proposer ultimately selected pursuant to this RFP will be a full-service operations and maintenance contractor required to provide all Contract Services, including all required staffing.

### **1.2 Description of Cascade Water Alliance**

Cascade is a municipal corporation organized under the authority of the Joint Municipal Utilities Services Act, Chapter 39.106 of the Revised Code of Washington to provide wholesale water supply to meet the current and future water supply needs of its Members. Current Members are:

- City of Bellevue
- City of Issaquah
- City of Kirkland
- City of Redmond
- City of Tukwila
- Sammamish Plateau Water
- Skyway Water and Sewer District

Cascade is governed by a Board of Directors represented by each of its Members. All Board Members are elected officials of their respective Member organization. Day-to-day management is provided by Cascade under the direction of Cascade’s Chief Executive Officer.

### 1.3 Abbreviations and Definitions

The following abbreviations and definitions apply generally to this RFP process and have the meanings set forth below.

#### 1.3.1 Abbreviations

CMMS	Computerized Maintenance Management System
RFP	Request for Proposals
SCADA	Supervisory Control and Data Acquisition

#### 1.3.2 Defined Terms

Capitalized terms used herein have the meaning set forth in Section 1.1 (Definitions) of the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement). Additional defined terms for purposes of this RFP are as follows:

**Addendum/Addenda** – A written supplemental addition, deletion, or modification to this RFP issued by Cascade after the date of initial publication of this RFP.

**Cascade Goals** – To provide for the operation and maintenance of the Project’s infrastructure to meet regulatory and stakeholder requirements and provide preventive maintenance to ensure the Project remains in sound operating condition on a cost-effective and cooperative basis.

**Cascade Website** – Cascade’s website, at: [www.cascadewater.org](http://www.cascadewater.org).

**Designated Cascade Contact Person** – The individual listed on the cover page of this RFP or any other individual identified pursuant to Section 3.4.1 (Communications to Cascade) of this RFP as a Designated Cascade Contact Person.

**Draft O&M Agreement** – The draft of the O&M Agreement included as **Schedule C** (Draft O&M Agreement).

**Evaluation Committee** – The committee of individuals designated by Cascade to review and evaluate Proposals in accordance with this RFP.

**Highest Scoring Proposer** – The responsive Proposer selected pursuant to Section 6 (Proposal Evaluation) that is determined by Cascade to have the highest scoring Proposal.

**Members** – The members of Cascade, as listed in Section 1.2 (Description of Cascade Water Alliance).

**O&M Agreement** – The agreement to be entered into between the Company and Cascade, including all associated appendices and transaction forms, to perform the Contract Services.

**Proposal** – The proposal submitted by a Proposer in response to this RFP for the performance of the Contract Services.

**Proposal Due Date** – The date by which Proposals must be submitted to Cascade, as set forth on the cover page hereto.

**Proposal Form** – The forms included in this RFP which the Proposer must include in its Proposal in accordance with Section 5 (Proposal Submittal Requirements).

**Proposer** – An entity submitting (or, prior to the Proposal Due Date, considering the submittal of) a Proposal for the performance of the Contract Services in response to this RFP.

**Proposer Team** – The Proposer, its Key Personnel, and any Subcontractors identified in a Proposal for the performance of any material part of the Contract Services. If the Proposer is a partnership or joint venture, the Proposer Team includes all members of the Proposer.

**Request for Proposals** – This document package issued by Cascade requesting the submittal of Proposals for the performance of the Contract Services and establishing requirements for the preparation, submittal, and evaluation of Proposals.

## 2 PROJECT-SPECIFIC INFORMATION

### 2.1 Background

Cascade’s mission is to provide water supply to meet current and future needs of Members in a cost-effective and environmentally responsible manner through partnerships, water efficiency programs, acquiring, constructing, and managing water supply infrastructure, and fostering regional water planning. In addition to using Member sources and wholesale water supply agreements, Cascade owns, operates, and maintains infrastructure and real property assets, including the Project. The Project, constructed in 1911, consists of facilities once utilized in hydro-power generation via water diverted from the White River near the town of Buckley, Washington. The Project comprises the Lake Tapps Reservoir, as well as numerous dikes, inlets, fish screens, a former powerhouse facility, and approximately 7.5 miles of pipes, flume, and canal. The Project was purchased from Puget Sound Energy in 2009 to serve as a source of regional water for Cascade’s Members. Cascade is required to operate and maintain the Project in accordance with various collateral agreements, governmental approvals, and regulatory requirements and has relied on a contract operator to operate and maintain the Project since its acquisition.

### 2.2 Project Overview

The Project’s facilities traverse approximately 13 linear miles in Pierce County, Washington, from the headworks where water is diverted from the White River at Buckley, to the point of return to the White River at the tailrace in Sumner, Washington. Between these two locations, the diverted water travels through an upper conveyance, Lake Tapps Reservoir, and lower conveyance before discharging to the White River through the powerhouse and tailrace facilities. Please refer to **Schedule A** (Project Background Information) for various figures depicting the Project. **Figure 1** (Project Location and Vicinity Map) identifies the general location of diversion, conveyance, and flow control facilities. **Figure 2** (Overall Principal Project Features) identifies the various principal project features located between the diversion from and return to the White River. **Figure 3** (Plan of Lake Fill Flowline) and **Figure 4** (Profile of Lake Fill Flowline) are a plan and profile, respectively, of the reservoir fill flowline, and **Figure 5** (Plan of Drawdown Outlet Works) and **Figure 6** (Profile of Drawdown Outlet Works) are a plan and profile, respectively, of the drawdown outlet works.

Overall Project operations are focused on keeping the Lake Tapps Reservoir water elevations at established seasonal targets in accordance with regulatory operational parameters. These seasonal targets are as follows:

- **Winter** – Between November 15th and February 15th, Lake Tapps Reservoir’s water surface elevation is maintained at less than 540.0 feet. This elevation level is held to prevent shoreline erosion; to allow for maintenance activities on bulkheads, docks, and dikes; and to provide room for storage of water in Lake Tapps Reservoir for heavy winter rainfall events.
- **Spring** – Between February 15th and April 15th, initiate refill of the Lake Tapps Reservoir to achieve a minimum water elevation level of 541.5 feet.

- **Summer** – By Memorial Day, achieve the water elevation level of 542.50 feet and maintain this elevation through Labor Day, held at as constant an elevation as possible and practical for recreation purposes.
- **Fall** – By November 1st, initiate drawdown of reservoir water surface elevations to achieve the reservoir elevation of less than 540.0 feet by November 15th.

**Table 1** (Project Operations Parameters) set forth in **Schedule A** (Project Background Information) presents a summary of the critical operational flow requirements for the Project established as conditions of Cascade’s water rights and under certain collateral agreements.

Cascade also owns, operates, and maintains infrastructure and real property assets other than the Project and may wish to expand the scope of the Contract Services on a negotiated basis to include the operations and maintenance of such other assets within a 50-mile radius of the powerhouse facility in Sumner, Washington. The Company selected pursuant to this RFP will have the right to negotiate any such expansion of the Contract Services as an amendment to the O&M Agreement at Cascade’s election at the end of the initial five-year Term or as otherwise determined by Cascade while under contract with the Company. However, Cascade will have no obligation to provide for any such expansion of the Contract Services or to enter into any such negotiations and may elect to provide for the operations and maintenance of such other assets by other means.

### **2.3 Transition Period**

The Project is currently operated by Veolia Water North America – West, LLC (identified as the Transition Period Operator in the Draft O&M Agreement), and the continuation of operations and maintenance services by the Transition Period Operator through the Transition Period is expected to end by no later than June 30, 2027. As further described in the Draft O&M Agreement, the purpose of the Transition Period is to allow for a smooth and orderly transition of operations and maintenance responsibility from the Transition Period Operator to the Company and to ensure that the Company is prepared to perform all Contract Services required under the O&M Agreement from and after the Commencement Date, which will occur immediately following the end of the Transition Period. If the Transition Period Operator is the Highest Scoring Proposer and becomes the Company pursuant to this RFP, the Transition Period will focus on transitioning from current operations to operations under the requirements of the new O&M Agreement.

### **2.4 Term**

Cascade desires an Initial Term for the O&M Agreement of five years following the Commencement Date, with the option to extend for up to five additional Renewal Terms of five years each (for a total Term not to exceed 30 years) upon mutual agreement of Cascade and the Company. However, the Term shall not extend beyond the thirtieth anniversary of the Effective Date. Cascade has no obligation to extend the Term of the O&M Agreement beyond the initial five-year Term.

## **2.5 O&M Agreement**

The Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement) represents the risk allocation, responsibilities, and obligations sought by Cascade. Proposals will be evaluated based upon how well they satisfy the Cascade Goals, and Proposers may submit comments to the Draft O&M Agreement in accordance with the requirements set forth in Section 5.4.8.2 (Draft O&M Agreement) as part of their Proposals. Cascade will have the discretion to accept, reject, or negotiate any proposed change to the final Draft O&M Agreement, as further described in Section 6.6 (Proposal Selection and O&M Agreement Finalization). It is the responsibility of each Proposer to demonstrate that any proposed changes to the Draft O&M Agreement submitted with its Proposal are consistent with the Cascade Goals and to provide Cascade with the rationale for any such proposed changes and the associated benefits to Cascade.

## **2.6 Reference Documents**

A list of reference documents that may prove valuable in understanding the Project and preparing a Proposal is set forth in **Schedule B** (Reference Documents). Additional information about the Project may be made available upon request and provided through the issuance of Addenda to this RFP.

### 3 PROCUREMENT PROCESS

#### 3.1 Anticipated Procurement Schedule

The anticipated procurement schedule is shown in the table below. Such schedule is subject to change by Addendum in Cascade’s discretion.

**Table 3-1 Anticipated Procurement Schedule**

<b>Action</b>	<b>Dates/Times (Pacific Time)</b>
RFP Issue Date	See the cover page of this RFP
RSVP for Optional Pre-Submission Meeting & Tour	See the cover page of this RFP
Optional Pre-Submission Meeting & Tour	See the cover page of this RFP
Deadline for Submitting RFP Questions	See the cover page of this RFP
Deadline for Cascade Response to RFP Questions	April 17, 2026
Proposal Due Date	See the cover page of this RFP
Proposer Interviews	Week of June 23-29, 2026
Commence Contract Negotiations	July 10, 2026
Execution of O&M Agreement by Cascade and Company (Effective Date)	No later than January 1, 2027

#### 3.2 Proposer Diligence

It is the responsibility of each Proposer before submitting a Proposal to:

- (a) examine, with appropriate care and diligence, this RFP (including all Addenda) and all material posted on the Cascade Website with respect to the Project and this procurement;
- (b) become familiar with the Project and the general, local, or other conditions that may affect cost, progress, performance, or furnishing of the Contract Services;
- (c) become familiar with and satisfied as to all federal, State and local laws or regulations that may affect cost, progress, performance, or furnishing of the Contract Services; and
- (d) promptly notify the Designated Cascade Contact Person of any conflicts, errors, ambiguities, or discrepancies that the Proposer has discovered in this RFP or in the materials provided in connection herewith.

#### 3.3 Optional Pre-Submission Meeting & Tour

Proposers may participate in an optional pre-submission meeting and tour to be held on the date, time, and at the place indicated on the cover page of this RFP.

A full day will be needed to conduct a comprehensive visit to all principal Project features. Proposers who want to attend this meeting and tour must inform the Designated Cascade Contact Person by the RSVP date and time indicated on the cover

page of this RFP to make a reservation. Further details concerning this meeting and tour will be provided to all Proposers requesting a reservation.

### **3.4 Communications Protocols**

#### **3.4.1 Communications to Cascade**

Questions and requests for clarification regarding this RFP must be submitted via e-mail to the Designated Cascade Contact Person listed on the cover page of this RFP.

Cascade reserves the right to designate other individuals as a Designated Cascade Contact Person at any time during the course of this procurement process via Addendum.

To be considered, all questions and requests must be received in writing via e-mail and by the date and time indicated on the cover page of this RFP. Written communications must include the requestor's name, e-mail address, and the Proposer represented. E-mails should include "RFP for Cascade Water Alliance White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement" in the subject line.

#### **3.4.2 Communications from Cascade**

Each Proposer has the sole responsibility for keeping informed of all Project information posted by Cascade to the Cascade Website.

Responses to all timely and appropriate questions, as well as any Addenda, will be posted to the Cascade Website, and Cascade will use all reasonable efforts to post responses to Proposer questions before the deadline specified in Section 3.1 (Anticipated Procurement Schedule). Cascade is not obligated to notify Proposers of the posting of any information to the Cascade Website, including any Addenda. All Proposers are solely responsible for checking the Cascade Website for relevant information and for complying with any Addenda. Cascade reserves the right to respond to questions submitted in accordance with Section 3.4.1 (Communications to Cascade) via e-mail from a Designated Cascade Contact Person.

No oral communications from a Designated Cascade Contact Person or any other individual will be binding on Cascade. Cascade disclaims the accuracy of any information derived from any source other than in writing and posted to the Cascade Website or sent via e-mail from a Designated Cascade Contact Person in accordance with this Section 3.4.2, and the use of any such information is at the sole risk of the Proposer.

### **3.5 Addenda**

Cascade reserves the right to revise or otherwise modify this RFP. Any such revision or modification will be made via an Addendum and posted to the Cascade Website in accordance with Section 3.4.2 (Communications from Cascade). In issuing any Addendum, Cascade will take into consideration the Proposal Due Date and the time reasonably required for Proposers to account for the information included in the Addendum in preparing their Proposals.

### **3.6 Interviews**

Cascade may conduct interviews of up to three of the highest rated Proposers based on preliminary evaluation of the Proposals on the dates set forth in Section 3.1 (Anticipated Procurement Schedule). The purpose of these interviews is for the Proposer to highlight and explain information provided in their written Proposals by expressing their ideas and qualifications in person. Cascade may, in its discretion, ask clarifying questions during any interview.

If Cascade elects to conduct interviews, each Proposer selected for an interview will be contacted by the Designated Cascade Contact Person with further information concerning the interviews, including the location, length, maximum number of attendees, and permissible interview presentation materials, with the understanding that such information will be the same for each such selected Proposer. Cascade reserves the right to request written confirmation of new information learned or commitments made during any such interview.

### **3.7 Proposal Contents and Relationship to the O&M Agreement**

#### **3.7.1 Proposal Contents**

Submittal requirements for the Proposals are set forth in Section 5 (Proposal Submittal Requirements). Each Proposal shall be organized and clearly indexed, with each Proposal component clearly titled and identified.

Failure to provide all information and all completed forms in the format specified may result in Cascade rejecting the Proposal or assigning the Proposal a lower rating. All blank spaces in the Proposal Forms must be filled in as appropriate. No substantive change shall be made to the Proposal Forms.

#### **3.7.2 Inclusion of Proposal in O&M Agreement**

Following the conclusion of this procurement process and the execution and delivery of the O&M Agreement, the O&M Agreement will supersede this RFP and the Proposals. Portions of the successful Proposal, as negotiated with Cascade, may be included in the O&M Agreement, as specified in the Draft O&M Agreement or as otherwise determined by Cascade and the Company.

### **3.8 Modification and Withdrawal of Proposal**

A Proposer may withdraw its Proposal at any time prior to the Proposal Due Date by request of the Proposer submitted to the Designated Cascade Contact Person via e-mail. Withdrawal of a Proposal will not prejudice a Proposer's right to submit a new Proposal, provided the new Proposal is received before the Proposal Due Date and time specified on the cover page of this RFP.

A Proposer may not withdraw or alter any pricing included in its Proposal after the Proposal Due Date for at least ninety (90) calendar days.

### **3.9 Property of Cascade**

All documents submitted by the Proposers in response to this RFP shall become the property of Cascade and will not be returned to the Proposers. By submitting a Proposal, each Proposer acknowledges and agrees that Cascade shall have the right to use (or permit the use of) all Proposal materials submitted pursuant to this RFP, including, without limitation, all data, information, concepts and ideas contained therein, for all purposes associated with the Contract Services or the Project. Each Proposer further acknowledges and agrees by submitting a Proposal that such rights are not conditioned or contingent upon the payment of any compensation to the Proposer. Any reuse of documents or information submitted by or obtained from Proposers in connection with this RFP, without the involvement of the applicable Proposer, will be at Cascade's risk and discretion and will in no way confer any liability on any unsuccessful Proposer.

### **3.10 Proposal Expenses**

Cascade accepts no responsibility or liability for the costs or expenses incurred by the Proposers in responding to this RFP, in providing responses to clarification requests, in making resubmittals, in participating in any interviews, or in connection with any other activities included as part of this procurement process. Each Proposer that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that they cannot make any claims whatsoever for reimbursement from Cascade or from any of its employees, advisors, or representatives for the costs and expenses associated with the process, including, but not limited to, costs of preparation of the Proposal, loss of anticipated profits, loss of opportunity, or for any other loss, cost, or expense.

### **3.11 Public Disclosure**

Pursuant to the Washington State Public Records Act, Chapter 42.56 RCW (the "PRA"), proposals submitted under this RFP shall be considered public records and with limited exceptions will be available for inspection and copying by the public. Except to the extent protected by applicable State law, Proposals shall be considered public documents and available for review and copying by the public. By submitting a Proposal, the Proposer agrees not to exercise any of its rights under the PRA to inspect or copy any other proposals submitted under this RFP until after an award of contract is made by Cascade.

Any proprietary information included in the Proposal that the Proposer wishes to remain confidential (to the extent allowed under the PRA) should be clearly identified as "Confidential" in the Proposal. In addition, the Proposer must provide the legal basis for the exemption to Cascade.

If a Proposal does not clearly identify the confidential portions, Cascade will not notify the Proposer that its Proposal will be made available for inspection and copying.

If a request is made for disclosure of material or any portion marked "Confidential" by the Proposer, Cascade will notify the Proposer of the request and allow the Proposer ten (10) business days to take appropriate action pursuant to RCW 42.56.540. If the Proposer fails or neglects to take such action within said period, Cascade may release the portions of the Proposal deemed subject to disclosure.

To the extent that Cascade withholds from disclosure all or any portion of the Proposer's documents at the Proposer's request, the Proposer shall agree to fully indemnify, defend, and hold harmless Cascade from all damages, penalties, attorneys' fees, and costs Cascade incurs related to withholding information from public disclosure.

No information shall be marked as confidential unless the Proposer has a reasonable basis for determining that such information is exempt from public disclosure. Cascade will not under any circumstance be responsible for securing a protective order or other relief enjoining the release of information marked confidential in any Proposal, nor will Cascade be in any way financially responsible for any costs associated with securing any such order or for any loss associated with the release of information marked confidential or otherwise. Cascade makes no representation or warranty as to the ability of any Proposer to secure a protective order or other relief enjoining the release of information marked confidential. By submitting a Proposal, the Proposer consents to the procedure outlined in this section and shall have no claim against Cascade because of actions taken under this procedure.

### **3.12 Cascade's Reserved Rights**

In connection with this procurement, Cascade reserves all rights (which rights shall be exercisable by Cascade at its sole discretion) available under applicable law and this RFP, including without limitation, with or without cause and with or without notice, the right to:

1. waive any minor defect, irregularity, or technicality in the Proposals received;
2. cancel or reissue this RFP in whole or in part at any time;
3. require additional information from one or more Proposers to supplement or clarify the Proposals submitted, including the correction of arithmetic or other apparent errors, for the purpose of ensuring a full and complete understanding of the Proposal and/or to determine a Proposer's compliance with the requirements of this RFP;
4. make such reviews and investigations as it considers necessary and appropriate for the evaluation of the Proposals, including to seek or obtain information from any source for such purpose;
5. interview one or more of the Proposers, in Cascade's sole discretion, in order to obtain clarification of information provided by the Proposer;
6. disqualify any Proposer that fails to comply with this RFP, submits a nonconforming, nonresponsive, incomplete, or inadequate Proposal, or is otherwise deemed during any stage of the procurement process to be unqualified or unable (due to inadequate financial capacity, litigation, past-performance or otherwise) to perform the Contract Services;

7. conduct O&M Agreement negotiations with the next highest ranked Proposer should Cascade be unsuccessful in negotiating with the Highest Scoring Proposer or any higher ranked Proposer;
8. negotiate and make changes to any of the terms and conditions of the O&M Agreement within the scope of this RFP, including but not limited to any pricing received and any changes to the Draft O&M Agreement;
9. utilize any and all ideas or information included in the Proposals received or obtained through the course of the procurement process;
10. decide not to award an O&M Agreement as a result of this procurement for any reason;
11. issue one or more Addenda to this RFP to extend the Proposal Due Date or for any other reason; and
12. take any other action affecting the procurement process, the O&M Agreement, the Contract Services, or the Project that would be in the best interests of Cascade and the Project.

The foregoing reserved rights are cumulative, and the exercise of one right will not preclude the exercise of any other right. Cascade is under no obligation to exercise any reserved right hereunder.

## **4 PROPOSER TEAM REQUIREMENTS**

### **4.1 Basic Eligibility**

The Proposer, any guarantor (if applicable), and any Subcontractor must be licensed to do business in the State and must have a State Unified Business Identifier number. In addition, the Proposer, the guarantor (if applicable), and any Subcontractor must not be debarred, suspended, or otherwise ineligible to contract with Cascade.

### **4.2 Team Continuity and Changes to Organizational Structure**

Following submittal of the Proposal, Proposer Team members may not at any time be removed or replaced without the prior written approval of Cascade.

Requests for removal or replacements shall be submitted in writing to the Designated Cascade Contact Person. To qualify for approval, the written request shall document how the proposed removal or replacement will be equal to or better qualified than the applicable Proposer Team member identified in the Proposal. Specifically, the written request shall provide all information required by this RFP for the original Proposer Team member. The determination of whether the proposed change is equal to or better than the applicable Proposer Team member identified in the original Proposal submittal will be made by Cascade in its sole discretion. Cascade will use the criteria specified in this RFP to evaluate all requests. Cascade reserves the right to re-score the Proposal based on any removal or substitution of any Proposer Team member, and the re-score may result in the evaluation of the Proposal pursuant to Section 6.5 (Total Scoring and Ranking) being lowered to reflect the re-score. Any change in Proposer Team members following selection of the Company will be subject to the O&M Agreement, which will require Cascade approval of such changes and include protections against impermissible changes.

### **4.3 Conflicts of Interest**

Proposers must identify and avoid situations or affiliations which could be considered a conflict of interest or provide an unfair advantage. Each Proposer acknowledges that the Transition Period Operator will be permitted to be a Proposer and agrees that its status as the Transition Period Operator does not constitute a conflict of interest or an unfair advantage.

### **4.4 Non-Collusion**

By submitting a Proposal, Proposers warrant and represent that any ensuing award of the O&M Agreement has not been and will not be solicited or secured directly or indirectly in a manner contrary to the laws of the State, and that said laws have not been violated and shall not be violated as they relate to this procurement or the O&M Agreement by any conduct, including the paying or giving of any fee, commission, compensation, gift, or gratuity or consideration of any kind, directly or indirectly, to any member of the Cascade Board of Directors, any member of the governing body of any of its Members, or any employee, officer, or official of Cascade or its Members.

#### **4.5 Diversity; Equal Employment Opportunity; Prevailing Wage**

Cascade is committed to providing the maximum practicable opportunity for participation by minority business enterprises, women business enterprises, and veteran owned businesses in its contracts through direct contracts with Cascade, or through subcontracting. However, no minimum level of participation by such firms will be required as a condition for entering into the O&M Agreement.

The Company, in the performance of all Contract Services, will not discriminate on grounds of race, color, religious creed, national origin, age, sex, or handicap in employment practices, in the selection or retention of Subcontractors, or in the procurement of materials and rentals of equipment. The Company shall also comply with any applicable prevailing wage rules and regulations.

## **5 PROPOSAL SUBMITTAL REQUIREMENTS**

### **5.1 Overview of Proposal Submittal Requirements**

Proposers shall submit a Proposal in accordance with the instructions provided in this Section. All Proposals shall be complete, with all requested information, data, and attachments. To facilitate review of Proposals, Proposers are urged to be thorough but concise.

### **5.2 Submittal Format**

Proposers shall be submitted electronically via DropBox by no later than the date and time set forth on the cover page of this RFP. Please reach out to Cascade Water Alliance at [contact@cascadewater.org](mailto:contact@cascadewater.org) for a DropBox link. Hard copy or faxed submittals will not be accepted.

#### **Formatting:**

The Proposal shall be formatted as follows:

- (a) Language – All information shall be in English.
- (b) Type Font and Size – All narrative text shall be single-spaced in a regular style font at a minimum of 11 points. The type, style, and size of headings and figures are not prescribed. The minimum font size for charts, exhibits, and other illustrative and graphical information shall be 9-point font.
- (c) Page Size – All information should be, when printed, on 8.5-inch by 11-inch paper, with reasonable exceptions for any charts and graphics.
- (d) Page Margins – No text, tables, figures, photos, or other substantive content shall be printed within 0.75 inches of any page edge.
- (e) Page Limit – Page limits for specific components of the Proposal are set forth below in this Section 5, and the maximum total page limit, exclusive of the cover page, table of contents, transmittal letter, and resumes, as well as financial information and other supplemental information provided pursuant to Section 5.4.8 (Responsiveness and Other Supplemental Information), is 60 pages. To the extent that this RFP indicates a page limit, a “page” is defined as, when printed, a single side of an 8.5-inch by 11-inch sheet of paper, with the reasonable exceptions for any charts and graphics described above.
- (f) Front Page – The front page of each Proposal shall be labeled with the name of the Proposer, along with the following: “Proposal for Cascade Water Alliance White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement.”
- (g) Digital signatures are acceptable.

### **5.3 Submittal Date and Method**

Proposals must be submitted to Cascade in accordance with the requirements of this Section 5 (Proposal Submittal Requirements) and received at the address and the time indicated on the cover page of this RFP by the Proposal Due Date.

Each Proposer assumes full responsibility for timely delivery of its Proposal as required above. Any Proposal received after the submittal deadline may be deemed nonresponsive and preclude the Proposer from being considered for award of the O&M Agreement. Oral, telephone, facsimile, or hard copy Proposals are invalid and will not receive consideration. No Proposer may submit more than one Proposal; however, Proposers may amend their Proposal prior to the deadline set forth in Section 3.1 (Anticipated Procurement Schedule).

### **5.4 Submittal Content**

The Proposal must include the information required by this Section 5.4. Such information shall be presented and organized in the same manner as set forth below, using the section numbers and titles provided below. Proposals should provide a concise description of the requested information. To the extent any section of the Proposal would repeat the same information provided in another section of the Proposal, the Proposer may choose to include such information only once and refer the reader to the specific location of the Proposal where the duplicative information may be found.

Proposers should not include additional information in their Proposals that is not explicitly required by this RFP.

#### **5.4.1 Table of Contents**

The first page of the Proposal following the cover page must be a table of contents, itemizing the contents of the Proposal. The table of contents may include a proprietary statement with the intent to identify pages and material considered confidential, if any, as described in Section 3.11 (Public Disclosure).

#### **5.4.2 Proposal Transmittal Letter**

The Proposer shall complete and attach **Proposal Form A** (Proposal Transmittal Letter). The proposal transmittal letter must be fully executed and on the Proposer's letterhead. The proposal transmittal letter shall include the name of the Proposer, Proposer Team members, Proposer contact person information, and all other information required by **Proposal Form A** (Proposal Transmittal Letter).

The proposal transmittal letter shall be signed by a representative of the Proposer who is empowered to sign it and commit the Proposer to its Proposal.

#### **5.4.3 Executive Summary**

An Executive Summary shall be submitted and shall not exceed two pages. The Executive Summary should provide a high-level overview of the Proposal.

#### **5.4.4 Capability and Experience**

The entirety of this section of the Proposal shall not exceed 15 pages.

##### **5.4.4.1 Background**

The Proposal shall provide a brief description and history of the Proposer (the number of years it has been in business, areas of specialization(s), number of employees, location of offices, and other applicable services offered). This section of the Proposal shall indicate the Proposer's overall capability to perform and provide the Contract Services.

##### **5.4.4.2 Experience**

The Proposal shall demonstrate that the Proposer has the requisite expertise and experience to perform and provide the Contract Services by describing three comparable engagements of the Proposer or, to the extent applicable, a member of the Proposer Team, and explaining and clearly demonstrating the relevance of such experience to the Proposer's capability of performing the Contract Services. Comparable engagements are engagements under contract with public entities or private utilities to provide services similar in scope and complexity to the Contract Services. A particular referenced system or project need not contain all of the key features of the Project described below so long as the Proposer explains and clearly demonstrates the relevance of such engagement. See Appendix 4 (Scope of Services and Key Performance Indicators) to the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement) for a more detailed description of the scope of the Contract Services.

Key features of the Project include the following:

- White River intake facility
- Source of supply rivers having heavy sediment loads
- Concrete and earthen canals
- Fish screen and fish bypass facilities
- Pipelines and penstocks and appurtenant facilities
- Open-air energy breaking discharge valves
- Reservoir with mandatory seasonal level requirements
- Dike monitoring and maintenance
- SCADA system monitoring
- Industrial facilities: bulkheads, gates, valves, pumps, electrical equipment, motors, and ancillary equipment

The Project does not include an operating water treatment plant or hydroelectric facility. Cascade welcomes information on related experience of the Proposer or, to the extent applicable, a member of the Proposer Team, including with respect to water treatment plants, hydroelectric, and similar facilities, if the Proposer explains and clearly demonstrates the relevance of such experience to the Proposer's capability of performing the Contract Services.

The comparable engagement descriptions shall describe the following:

- Project name, location, dates, and client/owner contact information.
- Description of systems and processes, including size and capacity.
- Applicability and relevance of features of the referenced system or project to key features of the Project.
- Annual budget, including pass-through costs.
- The extent to which any Key Personnel designated by the Proposer in the Proposal participated in such engagement.

#### **5.4.4.3 References**

The Proposal shall include three references of clients who are familiar with the work of the Proposer or, to the extent applicable, a member of the Proposer Team. Cascade is most interested in references who are familiar with work performed in connection with one of the three comparable engagements described in the Proposal as required by Section 5.4.4.2 (Experience). Cited references should include project name, reference name, title, project role, and current contact telephone number and e-mail address.

Cascade reserves the right to conduct reference checks as part of evaluating Proposals as well as in evaluating the suitability of Proposer Team members for a particular work assignment. If information obtained from the reference checks reveals concerns about the firm's past performance or their ability to successfully perform work required by Cascade, Cascade may, at its sole discretion, not select a firm. In conducting reference checks, Cascade may include itself as a reference if the firm has performed work for Cascade, even if the firm did not identify Cascade as a reference. Likewise, Cascade reserves the right to check references for the firm from other clients, even if they were not identified by the firm as references in the Proposal.

#### **5.4.5 Organizational Structure, Key Personnel and Staffing Plan**

The entirety of this section of the Proposal shall not exceed 20 pages.

##### **5.4.5.1 Organizational Structure**

The Proposal shall include an organization chart that identifies the Key Personnel, any proposed Subcontractors performing any material part of the Contract Services, and the staffing necessary for the performance of the Contract Services. If the Proposer is a partnership or joint venture, all members of the Proposer shall be listed and the Proposal shall indicate which partner will manage the partnership or joint venture. If the Proposer is a partnership or joint venture, or if the Proposal includes one or more Subcontractors performing any material part of the Contract Services, this section of the Proposal should include a narrative describing the relationships between the Proposer Team members and how the Proposer Team will be integrated into one cohesive team to serve as the Company throughout all phases of the O&M Agreement. To the extent of any teaming arrangements proposed for the performance of the Contract Services, such narrative should include:

- a description of the benefits the team structure provides to the Contract Services and how it will help in meeting the Cascade Goals; and

- the team’s past performance working together on any comparable engagements, if any, and/or the steps the team has taken to promote integration and a collaborative working environment.

This section of the Proposal shall clearly show the team organization, reporting structure, and the lines of communication and responsibility.

#### **5.4.5.2 Key Personnel**

Proposers shall identify the Services Manager as Key Personnel but shall otherwise have the flexibility to identify the roles to be designated as Key Personnel for purposes of the O&M Agreement. Cascade values a thoughtful approach to Key Personnel designation, coordinated with the organization chart and Staffing Plan and considering the scope of the Contract Services and the provisions of the Draft O&M Agreement concerning Key Personnel. Cascade will evaluate Key Personnel based on both the approach to Key Personnel designation and the qualifications, demonstrated experience, and past performance of the identified Key Personnel. Such evaluation will consider, among other things, the individual’s experience working on similar roles to those proposed for the Contract Services based on comparable engagements, the Cascade Goals, and the individual’s overall suitability to fulfill the described role individually and as an integrated team.

For each Key Personnel role designated by the Proposer (including the Services Manager), this section of the Proposal shall provide the following:

- the Key Personnel role and the individual’s name, title, and company affiliation;
- the intended commitment of the individual’s time devoted to the performance of Contract Services;
- a resume for the individual; and
- up to three references for the individual, including each referral’s name, title, e-mail address, and phone number, who are familiar with the work of such individual on any comparable engagements, and preferably one of the three comparable engagements described in the Proposal as required by Section 5.4.4.2 (Experience).

Each resume shall not exceed two pages and shall be included in an appendix to the Proposal.

#### **5.4.5.3 Staffing Plan and Staffing Approach**

The Proposal shall include a Staffing Plan that identifies all staff necessary for the performance of the Contract Services and the Proposer’s approach to providing such staff, including its approach to addressing seasonal variability in staffing requirements and roles that will be full time on-site at the Project versus on-call and available on an as-needed basis. Proposers should note that historically approximately eight full-time equivalents on-site on a composite basis have been needed to perform the Contract Services. The Staffing Plan shall identify the role of each identified staff position, and

the qualifications and number of staff required for each such position. The Staffing Plan shall also describe the extent of anticipated subcontracting for each such position, and the procedures proposed to ensure full staffing in accordance with such plan throughout the performance of the Contract Services. Cascade values a Staffing Plan that identifies qualifications appropriate for each role (e.g., licensed electrician, licensed commercial drivers, machinist, welder, fabricator, etc.). Cascade expects designated staff to perform the specific roles identified in the Staffing Plan. For example, janitorial or vegetation management services should not be performed by persons responsible for other critical maintenance activities under the Staffing Plan.

#### **5.4.5.4 Subcontractors**

If a Proposer proposes a Subcontractor for the performance of a material part of the Contract Services, the Proposal shall provide a description of the services proposed to be subcontracted and the qualifications of the Subcontractor to perform such services. This should include the Proposer's prior experience working with the proposed Subcontractor and up to three references who may be contacted to verify the proposed Subcontractor's experience in providing similar services.

#### **5.4.6 Contract Services Approach**

The entirety of this section of the Proposal shall not exceed 20 pages.

##### **5.4.6.1 Overall Approach**

The Proposal shall demonstrate a thorough understanding of the scope of the Contract Services set forth in Appendix 4 (Scope of Services and Key Performance Indicators) to the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement) and shall describe the Proposer's overall approach to achieving compliance with the Contract Standards, including how it will work with Cascade to achieve the Cascade Goals. This section of the Proposal should also contain the Proposer's approach to identifying long-term "value added" operations and maintenance processes and procedures to maximize efficiency.

##### **5.4.6.2 Transition Plan**

The Proposal shall include a Transition Plan with a clear description of how the Proposer plans to execute a smooth and orderly transition of operations and maintenance services from the Transition Period Operator to the Company and to ensure that the Company is prepared to perform all Contract Services required under the O&M Agreement from and after the Commencement Date. The Transition Plan shall address all matters identified in Article IV of the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement).

##### **5.4.6.3 O&M Manual Development**

The Draft O&M Agreement provides that the Company shall initially develop and update the O&M Manual in accordance with its plan delivered to Cascade as a Transition Period responsibility. The Company shall keep the O&M Manual current and shall supply Cascade with appropriate updates, supplements or revisions thereto annually, and at any earlier time that a material change to the O&M Manual is made. See Section 5.5 of the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement).

The Proposal shall include a clear description of how the Proposer plans to improve upon the current O&M Manual and timely update the O&M Manual on an annual basis thereafter to achieve compliance with the requirements specified in the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement).

#### **5.4.6.4 Plan of Maintenance and CMMS**

This section of the Proposal shall include the following information on the Proposer's plan of maintenance and the Proposer's approach to implementing, updating, and maintaining the CMMS.

##### **5.4.6.4.1 Plan of Maintenance**

The Proposal shall include a clear description of the Proposer's overall plan for maintaining the Project in general terms, including the Proposer's approach to corrective, preventative and predictive maintenance. Cascade's anticipated requirements are set forth in the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement), including, without limitation, Section 5.6 thereof. Cascade values a thoughtful approach to the maintenance of the Project that will satisfy the Cascade Goals.

##### **5.4.6.4.2 CMMS**

The Proposal shall identify the CMMS the Proposer intends to use in performing the Contract Services, whether a proprietary system or an open-platform, nonproprietary system, and the Proposer's approach to implementing, updating, and maintaining the CMMS. Cascade is potentially considering developing its own system-wide CMMS for the entirety of its assets but has not determined the timing or scope of such undertaking. The Proposal should address how the Proposer's proposed CMMS would interact with any such Cascade system-wide CMMS and meet the needs of both the Proposer and Cascade. Cascade's anticipated requirements are set forth in Appendix 7 to the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement).

The Proposal shall contain the following information:

- (a) identify the CMMS software the Proposer proposes to use for the Contract Services;
- (b) provide a detailed approach of the Proposer's use and implementation of CMMS for the Contract Services;
- (c) provide a simple bar chart schedule for the Proposer's implementation of CMMS for the Contract Services;
- (d) to the extent applicable, describe a plan for a smooth and orderly transition from the existing CMMS utilized by the Transition Period Operator to the CMMS proposed to be utilized the Proposer, or if the Proposer is the Transition Period Operator, a plan for updating and improving the existing CMMS utilized by the Transition Period Operator to better meet the needs of Cascade; and

- (e) describe a plan for a smooth and orderly transition to a system-wide CMMS implemented by Cascade if later developed by Cascade.

#### **5.4.6.5 Company Provided Equipment**

Cascade intends to provide all Project Equipment identified in Appendix 2 to the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement), and the Company will be responsible for maintaining such Cascade provided equipment and providing and maintaining all other equipment, vehicles, and rolling stock necessary for the performance of the Contract Services (i.e., the Company Provided Equipment). Cascade intends for the Company to provide all other equipment necessary for the performance of the Contract Services. The Proposer shall submit a completed **Proposal Form B** (Company Provided Equipment) to indicate what additional equipment the Proposer considers necessary for the performance of the Contract Services, the Proposer's willingness to provide such equipment and the proposed terms of such delivery. Cascade values a thoughtful approach that maximizes efficiency.

#### **5.4.7 Pricing**

The Proposer shall submit a completed **Proposal Form C** (Pricing), along with the narrative described below. This section of the Proposal (excluding the completed **Proposal Form C** (Pricing)) shall not exceed three pages. The **Proposal Form C** (Pricing) submitted by the Proposer shall include the following pricing information:

1. **Fully Burdened Rates** – Fully burdened rates are the burdened hourly rates of pay of direct employees of the Proposer by job classification that the Proposer plans to have perform work on the Contract Services, including Key Personnel and all other staff identified in the proposed Staffing Plan. Provide a table listing any and all personnel that the Proposer plans to use or may use on the Contract Services, both during the Transition Period and after the Commencement Date. The fully burdened rates will be fixed for the First Annual Budget.

The fully burdened rates shall be all inclusive of all salary costs, fringe benefits, payroll taxes, all overhead costs of the Proposer, inclusive of any labor burden, Labor & Industries premiums, Federal Insurance Contributions Act tax and other taxes, general and administrative expenses (including insurance).

2. **Proposed Profit Margin** – The profit margin proposed by the Proposer is the profit multiplier that the Proposer desires to have applied to the fully burdened rates. The profit margin proposed by the selected Proposer will be negotiable.

3. **Billing Rate** – The billing rates are the product of the fully burdened rates times the proposed profit margin.

4. **Proposed Mark-Up on Outside Direct Costs** – The mark-up on direct costs proposed by the Proposer is the multiplier expressed as a percent on any allowable outside direct cost incurred on the Contract Services by the Proposer. The mark-up on outside direct costs proposed by the selected Proposer will be negotiable.

5. **Proposed Mark-Up on Subcontractors** – The mark-up on Subcontractors proposed by the Proposer is the multiplier expressed as a percent on any allowable Subcontractor cost incurred on the Project by the Proposer. The mark-up on Subcontractors proposed by the selected Proposer will be negotiable.

Cascade recognizes that the pricing information requested by **Proposal Form C** (Pricing) will not include all costs associated with the performance of the Contract Services. However, the pricing information will provide key cost factors and will assist Cascade in making its overall best-value determination. To further assist in this evaluation, this section of the Proposal should also include a narrative describing the Proposer’s overall approach to providing the Contract Services in a cost-effective manner, including its approach to finalizing the First Annual Budget with Cascade. Such narrative may also include the Proposer’s suggestions concerning the incentive compensation anticipated by the Draft O&M Agreement.

The pricing information submitted by the selected Proposer will be used in negotiating the final O&M Agreement and the First Annual Budget, including the Transition Period Fee and the Base O&M Charge of the Service Fee, as further described in Section 6.6 (Proposal Evaluation and O&M Agreement Finalization). Proposers should note that all submitted pricing will be subject to negotiation with Cascade.

#### 5.4.8 **Responsiveness and Other Supplemental Information**

Financial information and other supplemental information provided pursuant to this Section 5.4.8 (Responsiveness and Other Supplemental Information) shall be included in an appendix to the Proposal.

##### 5.4.8.1 **Financial Information**

As a general matter, each Proposer must demonstrate that it has sufficient financial strength to assure Cascade that it is capable of performing the Contract Services. To this end, Proposers may propose to supplement its financial strength by proposing a parent or affiliate company to serve as the guarantor of the Proposer and guarantee, through a guaranty agreement, all of the Proposer’s obligations under or in connection with the O&M Agreement. If a Proposer chooses to submit financial information of a parent company or affiliate for qualification purposes, the parent company or affiliate will be required to serve as a guarantor pursuant to a guaranty agreement. The Proposer shall indicate clearly in response to this Section 5.4.8.1 whether it is proposing such a guarantor and, if so, provide a letter of acknowledgement from such proposed guarantor. In addition, each Proposal shall include the following in this section of the Proposal:

- (a) **Financial Statements.** Provide financial statements for the Proposer for the past three years and quarterly financial statements, certified by the chief financial officer, for the current year. For publicly traded companies, reference to US Securities and Exchange Commission 10-K filings and any recent 10-Q filings are adequate. For entities that are not publicly traded, provide audited financial statements for the same period.
- (b) **Performance and Payment Bond.** Provide a letter issued by a surety company to verify the Proposer’s ability to obtain a performance and payment bond of at least

\$4 million annually for the Term of the O&M Agreement. The surety company must be authorized by law to do business in the State and should be listed in the US Department of Treasury's Circular 570.

- (c) Insurance. Provide a letter from an insurance company or broker stating the Proposer's ability to meet the requirement of and acquire and provide the minimum limits for the Required Insurance under the Draft O&M Agreement.
- (d) Legal Proceedings and Judgments. List and briefly describe any pending or past (within five years) legal proceedings, judgments, or any contingent liability that could reasonably be expected to have a material adverse effect on the Proposer's financial position or ability to perform and provide the Contract Services.

#### **5.4.8.2 Draft O&M Agreement**

The Proposer shall either (a) confirm that the terms and conditions of the Draft O&M Agreement are acceptable to the Proposer, or (b) propose any changes to the Draft O&M Agreement that the Proposer wishes to discuss with Cascade if selected for negotiations with Cascade. Proposed changes may be described in a mark-up of the text of the Draft O&M Agreement, showing the specific changes requested, and/or in a narrative identifying the proposed changes and setting out the rationale for the requested change, either in the mark-up itself or in a separate written submittal.

## **6 PROPOSAL EVALUATION**

### **6.1 General Evaluation Process**

Cascade will appoint the Evaluation Committee on or before the Proposal Due Date. While only Evaluation Committee members will score Proposals, the Evaluation Committee may consult with other Cascade employees, officials, and consultants in the evaluation of Proposals. Cascade's Evaluation Committee will evaluate the Proposals based on the information required to be provided in each part of Section 5.4 (Submittal Content) with respect to each evaluation criterion set forth in Section 6.5 (Total Scoring and Ranking).

Cascade has the right to conduct further independent investigations of the information provided in the Proposals. This includes contacting and speaking with references. The Evaluation Committee may use any relevant information gathered by such investigation, and any other relevant information that comes to the attention of Cascade, to evaluate a Proposal. During the Proposal evaluation process, written questions or requests for clarifications may be submitted to one or more Proposers regarding its Proposal or related matters.

The evaluation and selection process will consist of a responsiveness review and evaluation of the Proposal as set forth in this Section.

### **6.2 Responsiveness Review**

All Proposals will be reviewed in their entirety for their responsiveness, including timely receipt of the Proposal and inclusion of all required forms and signatures. Any Proposal that is determined at any time to be nonresponsive to the submittal requirements set forth in this RFP or incomplete in any material respect may be rejected in its entirety.

### **6.3 Proposal Evaluation & Interviews**

The Evaluation Committee will evaluate each Proposal in accordance with the evaluation criteria set forth in Section 6.5 (Total Scoring and Ranking), subject to a determination of responsiveness in accordance with this RFP. Reference checks and any post-Proposal submittal interviews will inform Cascade in the final scoring of the Proposal but will not be separately scored. The Evaluation Committee reserves the right to revise scores of the Proposals based on clarifications received during any post-Proposal submittal interviews. Pricing will be separately evaluated, as set forth in Section 6.5 (Total Scoring and Ranking).

The Evaluation Committee will use the categories below to determine the number of points to be assigned to each evaluation criterion (excluding price) for each Proposal by:

- a. determining the appropriate qualitative category (i.e. excellent, good, fair or deficient);

- 
- b. assigning a specific percentage from within such qualitative category (i.e. 81 to 100 percent for “excellent”); and
  - c. multiplying such percentage by the maximum points possible (as set forth in Section 6.5 (Total Scoring and Ranking)) for the applicable evaluation criterion.

The product of such calculation will be the final score for such evaluation criterion. The qualitative categories and the range of percentages possible within each qualitative category are as follows:

**Excellent (81-100 percent):** The response in the Proposal to a specific evaluation criterion provides information to demonstrate an approach or establish experience or qualifications, as applicable, that is considered likely to exceed the Cascade Goals and the RFP requirements. The minimum allocation of points for “excellent” is 81 percent of the maximum points available for a given evaluation criterion. The greater the significance of the strengths or the number of strengths will result in a higher percentage, up to a maximum of 100 percent. An evaluation criterion that is evaluated as “excellent” is considered to present virtually no risk that the Proposer would be unsuccessful in performing the Contract Services to Cascade’s satisfaction.

**Good (61-80 percent):** The response in the Proposal to a specific evaluation criterion provides information to demonstrate an approach or establish experience or qualifications, as applicable, that is considered likely to meet the Cascade Goals and RFP requirements. The minimum allocation of points for “good” is 61 percent of the maximum points available for a given evaluation criterion. The greater the significance of the strengths or the number of strengths, and the fewer the minor weaknesses will result in a higher percentage, up to a maximum of 80 percent. An evaluation criterion that is evaluated as “good” is considered to have little risk that the Proposer would be unsuccessful in performing the Contract Services to Cascade’s satisfaction and would most likely meet all Cascade Goals.

**Fair (41-60 percent):** The response in the Proposal to a specific evaluation criterion provides information to demonstrate an approach or establish experience or qualifications, as applicable, that is considered likely to fall slightly short of meeting the Cascade Goals and RFP requirements. The minimum allocation of points for “fair” is 41 percent of the maximum points available for a given evaluation criterion. The greater the significance of the strengths or the number of strengths, and the fewer the minor or significant weaknesses will result in a higher percentage, up to a maximum of 60 percent. An evaluation criterion that is evaluated as “fair” is considered to have some risk that the Proposer would be unsuccessful in performing the Contract Services to Cascade’s satisfaction and meeting all Cascade Goals.

**Deficient (0-40 percent):** The response in the Proposal to a specific evaluation criterion provides information to demonstrate an approach or establish experience or qualifications, as applicable, that is considered unlikely to meet Cascade Goals and RFP requirements. The minimum allocation of points for “deficient” is 0 percent. The greater the significance of the strengths or the number of strengths,

and the fewer the minor or significant weaknesses will result in a higher percentage, up to a maximum of 40 percent of the maximum points available for a given evaluation criterion. An evaluation criterion that is evaluated as “deficient” is considered to present a significant risk of not being able to perform the Contract Services to Cascade’s satisfaction and meet the Cascade Goals. Cascade, at its sole discretion, may reject any Proposal deemed “deficient” in any evaluation criterion.

**6.4 Price Evaluation**

Cascade will evaluate the pricing information provided pursuant to Section 5.4.7 (Pricing) based on the reasonableness of the pricing offered and the likely overall cost to Cascade if the Proposal is accepted, considering the Proposal in its entirety. While the qualitative categories listed above will not apply to the pricing criterion, the Evaluation Committee will generally award more of the available points within this criterion to Proposals that demonstrate a reasonable and cost-effective approach to providing the Contract Services.

**6.5 Total Scoring and Ranking**

The Evaluation Committee will determine the final ranking of all responsive Proposers, from highest to lowest, based on the evaluation criteria set forth in this Section. The highest-ranking Proposer will be determined to be the Highest Scoring Proposer.

The Evaluation Committee will evaluate the responsive Proposals (as informed by the interviews) using the criteria and weightings as set forth in the following table:

<b>Table 6-5 Evaluation Criteria</b>	
<b>Evaluation Criteria</b>	<b>Points Possible</b>
5.4.4 Executive Summary, Background and Experience	20
5.4.5 Organizational Structure, Key Personnel and Staffing Plan	35
5.4.6 Contract Services Approach	35
5.4.6.1 Transition Plan	
5.4.6.2 O&M Manual Development	
5.4.6.3 Plan of Maintenance and CMMS	
5.4.6.4 Company Provided Equipment	
5.4.7 Pricing	10
<b>TOTAL</b>	<b>100</b>

All other requirements not listed in the table above will be evaluated solely on a pass/fail basis for purposes of determining responsiveness to the submittal requirements.

## 6.6 Proposal Selection and O&M Agreement Finalization

Following any interviews and full review of the Proposals, Cascade intends to finalize its evaluation and selection based on the scores prepared by the Evaluation Committee.

Cascade will notify all Proposers of the Highest Scoring Proposer selection decision within five (5) business days after notifying the Highest Scoring Proposer of their selection. Cascade will then begin finalizing the O&M Agreement with the Highest Scoring Proposer, all subject to Cascade's reserved rights. Such contract finalization will include incorporation of Proposal materials, as specified in Section 3.7.2 (Inclusion of Proposal in O&M Agreement).

In **Proposal Form A** (Proposal Transmittal Letter), Proposers are required to agree to negotiate in good faith to enter into an O&M Agreement that reflects the substantive terms and conditions of this RFP and the Proposal. Negotiations will include the establishment of the First Annual Budget (inclusive of the Transition Period Fee, the Base O&M Charge of the Service Fee, the anticipated Progress Payment Items, and any incentive compensation), as well as Appendix 9 (Detailed Pricing and Payment Information) to the O&M Agreement included as **Schedule C** (Draft O&M Agreement). As indicated in the Draft O&M Agreement, it is anticipated that Appendix 9 will include pricing information for the variable components of the Service Fee, such as maximum permissible markups for Excess Maintenance Item work. The Proposer selected for negotiations will not be permitted to increase any of the rates or markups included in its Proposal in negotiating the O&M Agreement or the First Annual Budget.

Cascade reserves the right to raise and negotiate any issue, term or condition of the Draft O&M Agreement and the selected Proposer's Proposal, including its proposed pricing, at any time. Subject to such reserved right and except as specified above, it is Cascade's intent to limit discussion and negotiation of the terms of the Draft O&M Agreement to those items submitted in the Proposer's Proposal. Cascade will have the discretion to accept, reject, or negotiate any proposed change to the Draft O&M Agreement. Unless there is an Uncontrollable Circumstance occurring between the Proposal Due Date and the Effective Date, Cascade does not intend to discuss or negotiate any issue, term, or condition anticipated by this Section or specifically identified in the selected Proposer's Proposal. If any Proposer selected for negotiations raises any such unidentified issue, term, or condition, Cascade reserves the right to terminate negotiations with such Proposer.

In the event Cascade cannot finalize the O&M Agreement with the Highest Scoring Proposer for any reason, Cascade may, in its discretion, terminate such negotiations and proceed into negotiations with the next highest scoring Proposer, proceeding in accordance with the ranking of Proposers until it is successful in finalizing the O&M Agreement or determines a different course of action in accordance with its reserved rights. The final O&M Agreement and its award will be subject to approval of the Cascade Board of Directors.

## **7 DEBRIEFING AND PROTEST PROCEDURES**

### **7.1 Debriefing**

Within fourteen (14) calendar days after execution and delivery of the O&M Agreement, Cascade will be available for an oral debriefing session upon written request made to the Designated Cascade Contact Person by an authorized representative of an unsuccessful Proposer. Any protest concerning this procurement shall be conducted in accordance with this Section 7 (Debriefing and Protest Procedures).

### **7.2 Protest Procedures**

Each Proposer, by submitting its Proposal, expressly recognizes the limitation on its rights to protest contained herein, expressly waives all other rights and remedies, and agrees that the decision on any protest, as provided herein, shall be final and conclusive and not subject to legal challenge unless wholly arbitrary. These protest procedures are included in this RFP expressly in consideration for such waiver and agreement by the Proposers. Such waiver and agreement by each Proposer are also consideration to each other Proposer for making the same waiver and agreement.

Each Proposer and Cascade shall bear its own attorney's fees and all other legal costs that may result from any protest filed in accordance with this Section 7 (Debriefing and Protest Procedures). Cascade shall not be liable for damages to a Proposer filing the protest or to any participant in the protest, on any basis, express or implied.

#### **7.2.1 Form and Timing of Protest**

All protests and related materials shall be in writing and submitted by e-mail at the same address provided for on the cover page of this RFP for the receipt of Proposals.

- (a) Protests Concerning the Terms of this RFP. Protests regarding the terms of this RFP shall be filed only after the Proposer has submitted a written request for clarification prior to the Proposal Due Date in an effort to remove the grounds for protest. Protests regarding the terms of this RFP shall completely and succinctly state the grounds for protest. The Proposer may protest the terms of this RFP prior to the time for submission of Proposals on the grounds that (a) a material provision in this RFP is ambiguous; (b) any aspect of the procurement process described herein is contrary to legal requirements applicable to this procurement; or (c) this RFP in whole or in part exceeds the authority of Cascade. Protests regarding the terms of this RFP must be filed as soon as the basis for protest is known to the Proposer, but in any event it must be actually received no later than ten (10) calendar days before the Proposal Due Date. Protests regarding any Addenda shall be filed and actually received no later than five (5) calendar days after the issuance of any such Addenda (or no later than the Proposal Due Date, if earlier). The failure of a Proposer to raise the grounds for a protest regarding the terms of this RFP within the applicable time period shall constitute an unconditional waiver of the right to protest the terms of this RFP and shall preclude consideration of that ground in any protest regarding responsiveness or determination of award.

- (b) Protests Concerning Determination of Lack of Responsiveness. A Proposer may protest any determination by Cascade regarding lack of responsiveness. Protests regarding any determination by Cascade regarding lack of responsiveness shall specifically state the grounds of the protest. The protest of any non-responsiveness determination must be filed within five (5) calendar days after the notification of non-responsiveness. The failure of a Proposer to raise the grounds for a protest regarding any non-responsiveness determination within the applicable time period shall constitute an unconditional waiver of the right to protest such non-responsiveness determination and shall preclude consideration of that ground in any protest regarding determination of award.
- (c) Protests Following Determination of Highest Scoring Proposer. A Proposer may protest any award made by Cascade following determination of the Highest Scoring Proposer. Notice of protest regarding any award made by Cascade must be filed within ten (10) calendar days after Cascade informs the Proposer in writing via e-mail or otherwise of the Highest Scoring Proposer. Within ten (10) calendar days of the notice of protest, the protesting Proposer must file its detailed statement of protest with Cascade specifically stating the basis for the protest. Failure to file a notice of protest or a detailed statement within the applicable time period shall constitute an unconditional waiver of the right to protest the evaluation or qualification process and decisions thereunder.

### **7.2.2 Administrative Review of Protest**

In the case of any such protests, the following procedures apply.

At its discretion, Cascade may distribute copies of the protest to the other Proposers and may request other Proposers to submit statements or arguments regarding the protest. Cascade may further authorize appropriate Cascade representatives to discuss the protest with the protesting Proposer.

Cascade is not required to hold a hearing on the protest and may decide the protest on the basis of the written submissions. If Cascade or its designee concludes that the Proposer filing the protest has established a basis for protest, Cascade will determine what remedial steps, if any, are necessary or appropriate to address the issue raised in the protest. The steps may include, but are not limited to, submitting the issue to the Evaluation Committee to determine whether the scoring of Proposals ought to be revised; issuing a new RFP; or taking other appropriate actions. In the case of a protest of the terms of this RFP, Cascade may make appropriate revisions to this RFP to address issues raised in the protest by issuing Addenda and at its discretion, Cascade may extend the Proposal Due Date to address any protest issues.

Cascade shall undertake reasonable efforts to issue a written decision regarding the protest within fifteen (15) calendar days after the date Cascade receives the detailed statement of protest. The decision shall be final and conclusive. Cascade shall deliver the written decision to the protesting Proposer and may deliver copies to other Proposers. If the protest is denied, the protesting Proposer may, as its sole and exclusive remedy, seek judicial review of Cascade's decision in State court located within King County within five (5) calendar days of receiving Cascade's decision denying the protest. Each party shall bear its own attorney fees, expert witness fees, and all other legal costs

for any legal proceedings associated with a protest filed in accordance with this Section 7 (Debriefing and Protest Procedures).

Cascade may, in its sole discretion, determine to pause this procurement pending resolution of a protest or to continue the procurement process notwithstanding any pending protest.

**SCHEDULE A**  
**PROJECT BACKGROUND INFORMATION**

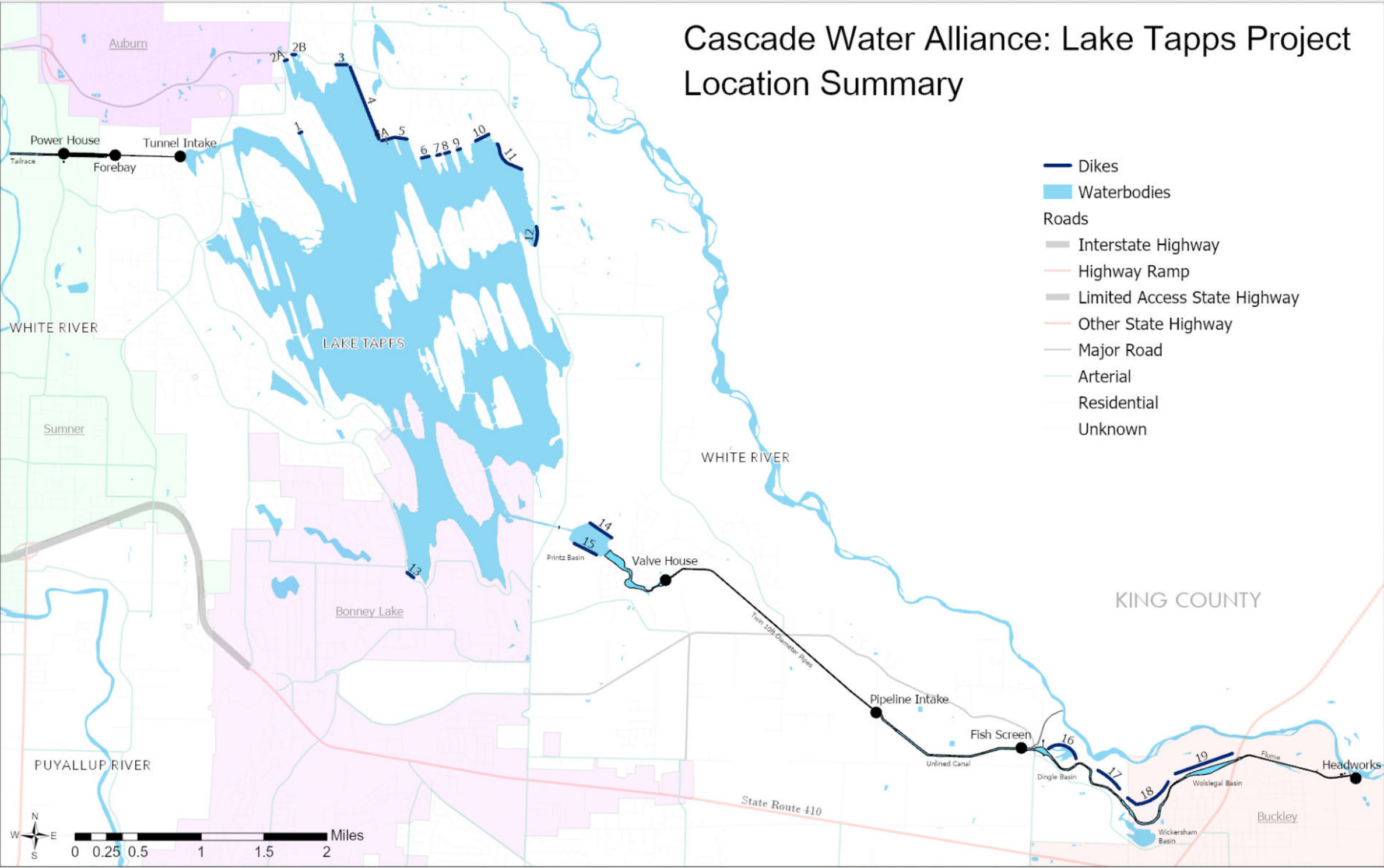
Figures

Figures continue on next page.

**Figure 1 (Project Location and Vicinity Map)**

[See attached page]

# Cascade Water Alliance: Lake Tapps Project Location Summary

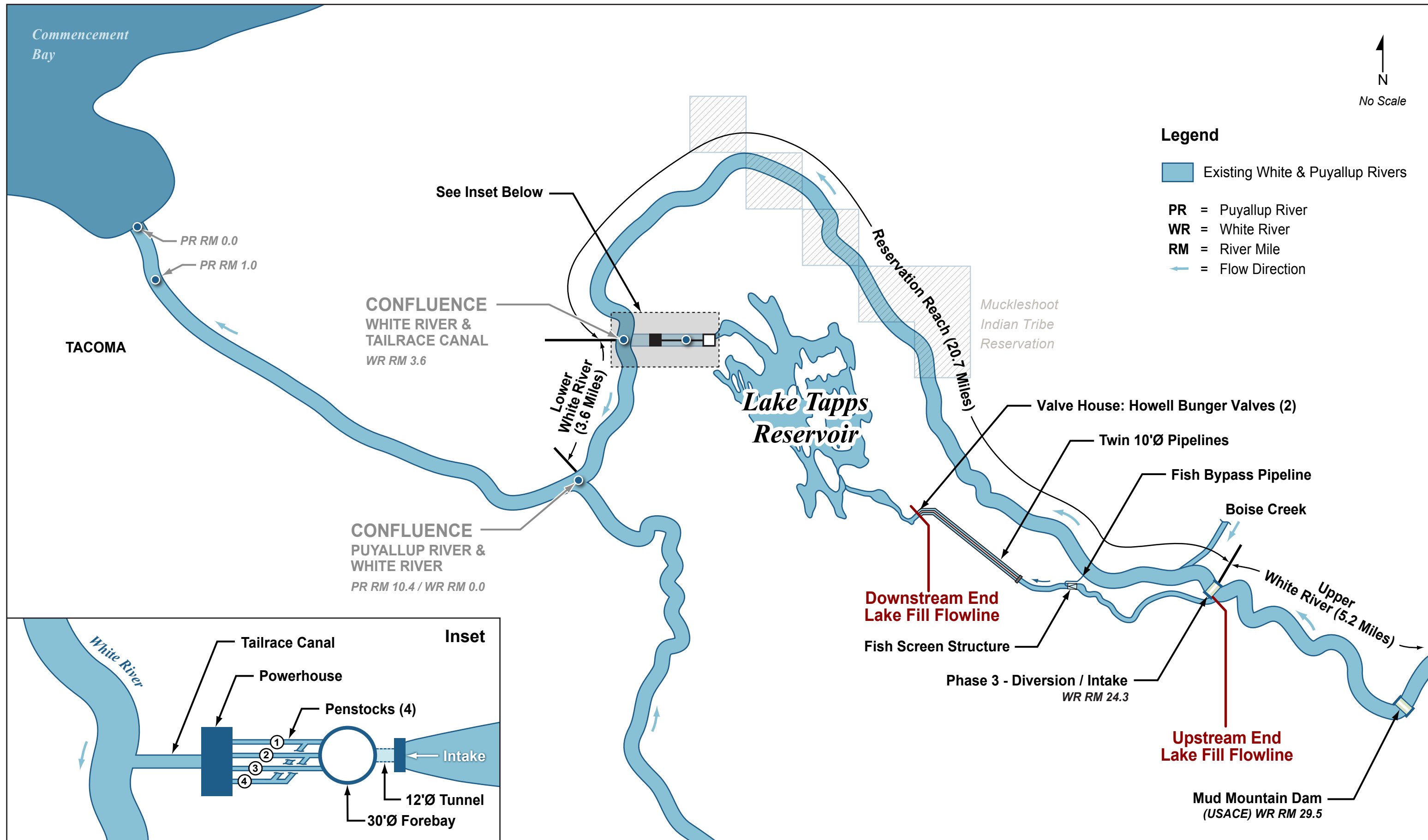


Ethan Duvall, Cascade Water Alliance, November 4 2019

Figure 1

**Figure 2 (Overall Principal Project Features)**

[See attached page]



N  
No Scale

Figure 2

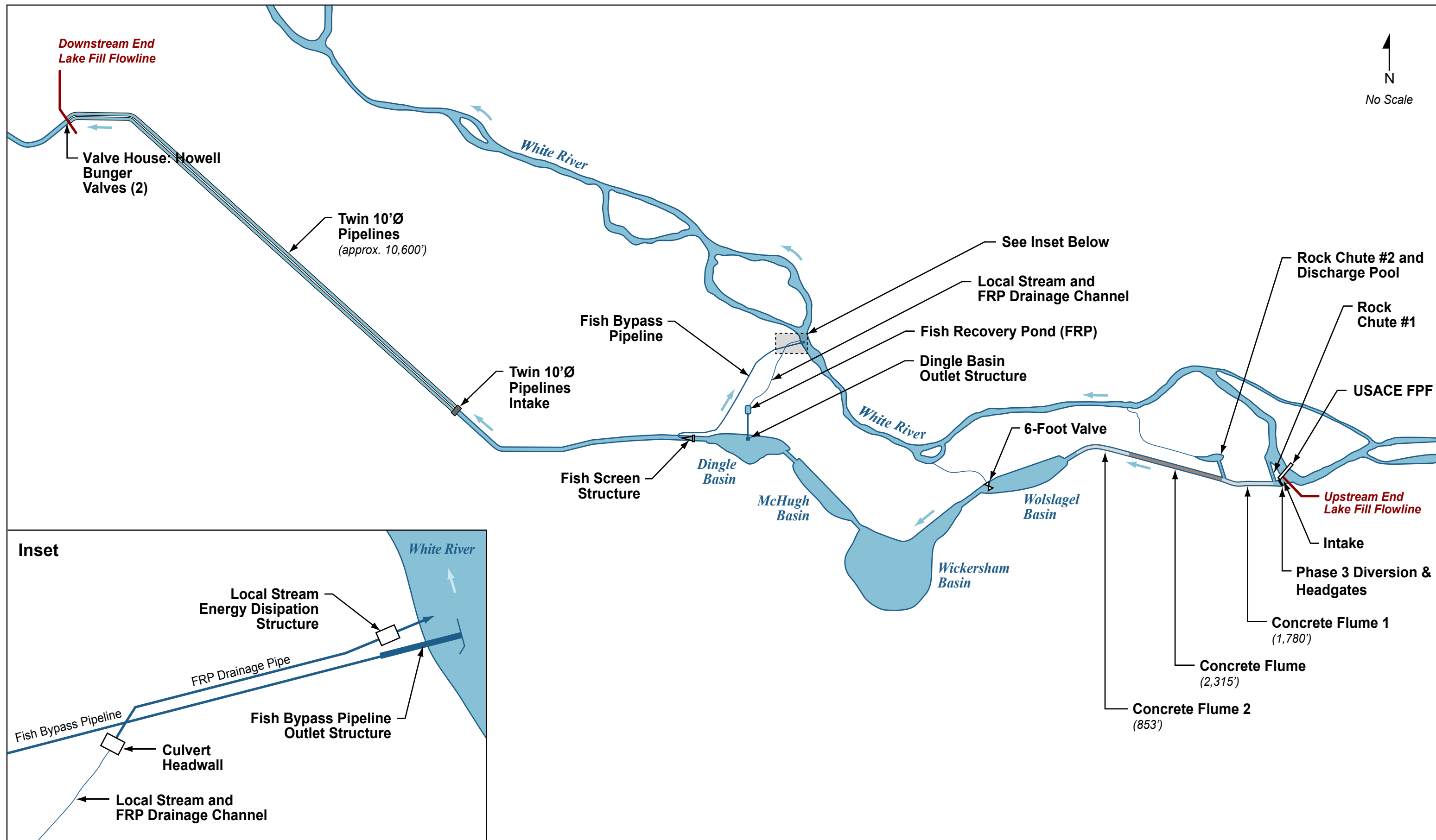
**Overall Principal Project Features**

White River – Lake Tapps Reservoir Project



**Figure 3 (Plan of Lake Fill Flowline)**

[See attached page]



N  
No Scale

Figure 3

**Plan of Lake Fill Flowline**

White River – Lake Tapps Reservoir Project



**Figure 4 (Profile of Lake Fill Flowline)**

[See attached page]

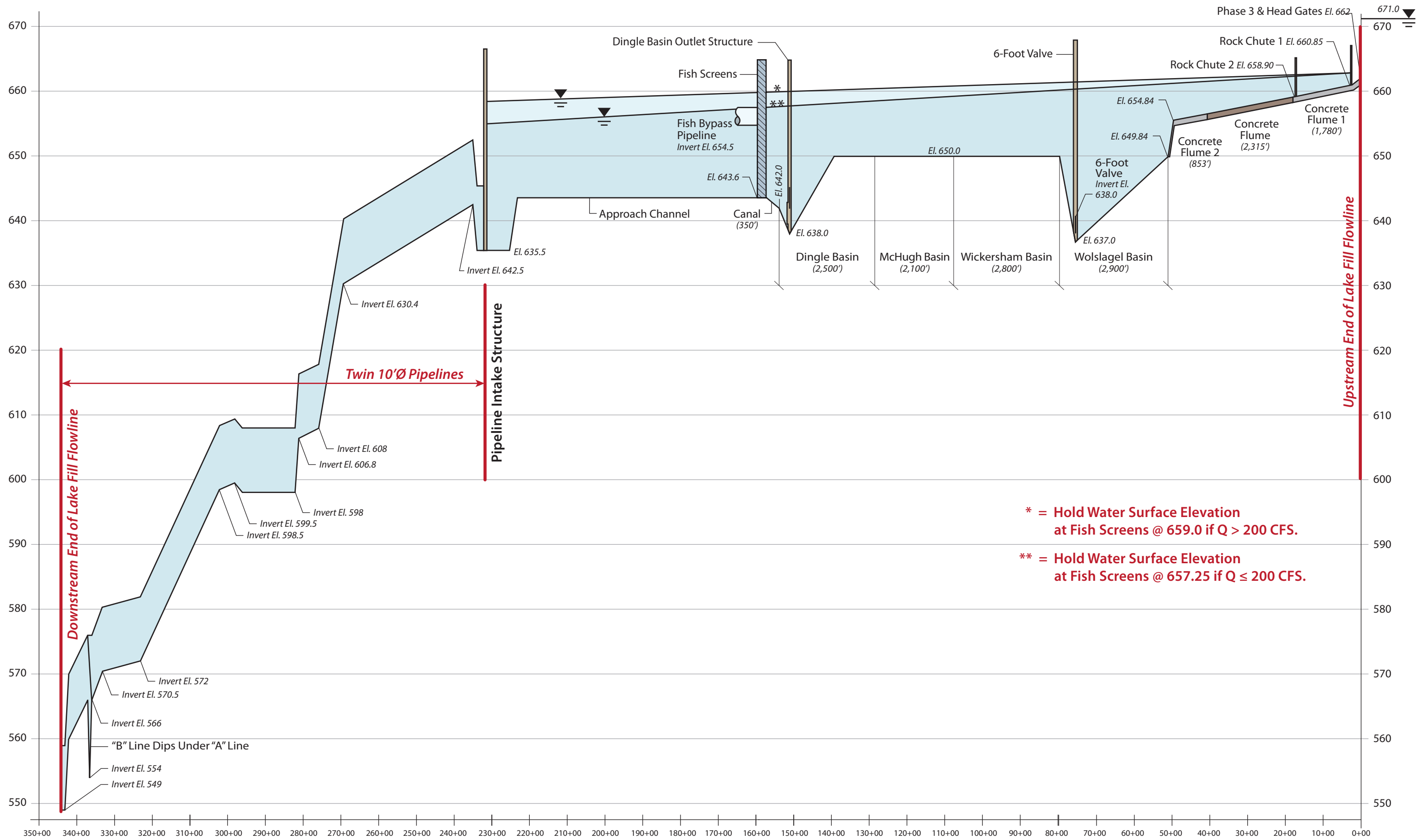


Figure 4

**Profile of Lake Fill Flowline**

White River – Lake Tapps Reservoir Project

**Figure 5 (Plan of Drawdown Outlet Works)**

[See attached page]

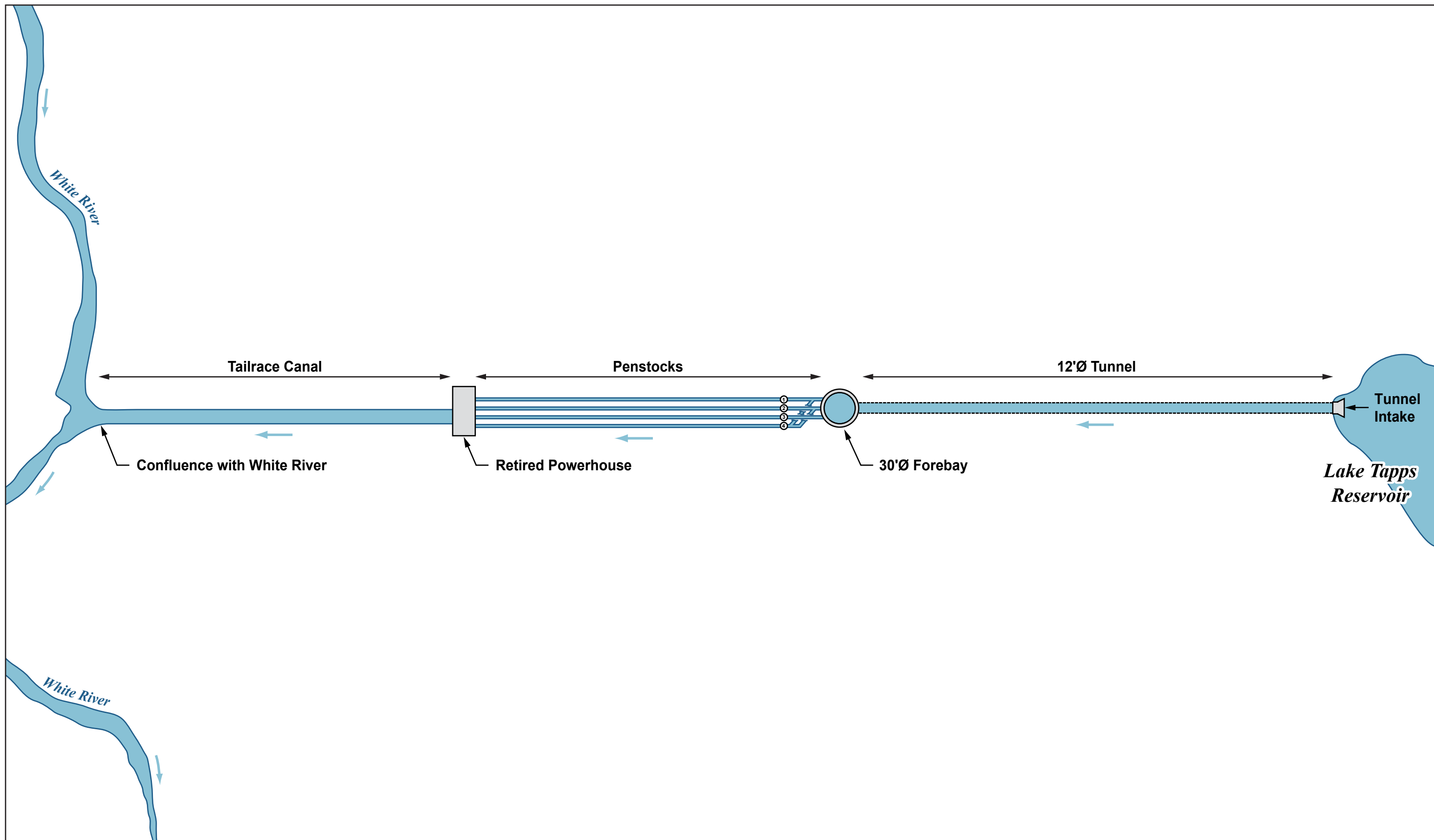


Figure 5

**Plan of Drawdown Outlet Works**

White River – Lake Tapps Reservoir Project

**Figure 6 (Profile of Drawdown Outlet Works)**

[See attached page]

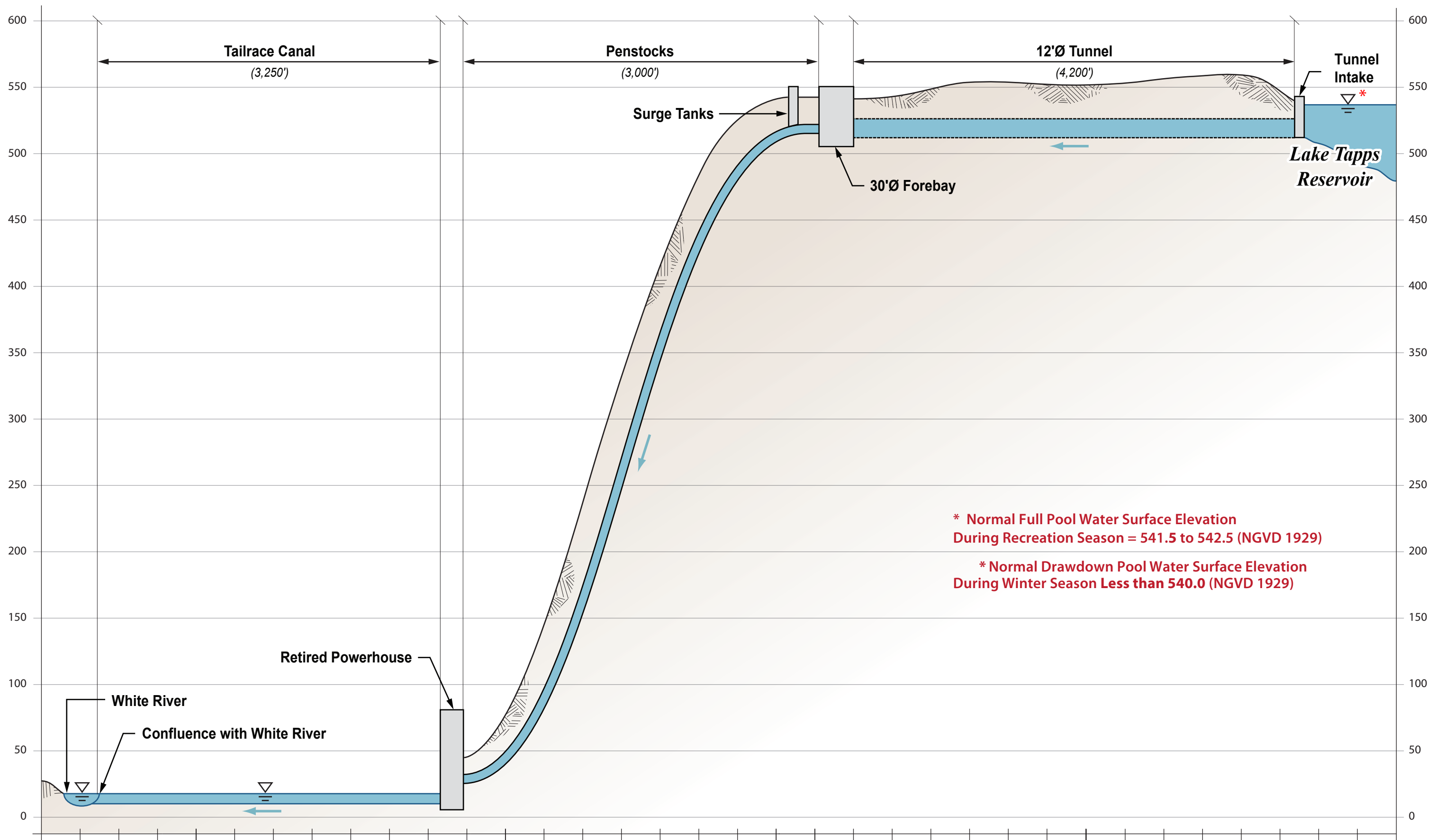


Figure 6

**Profile of Drawdown Outlet Works**

White River – Lake Tapps Reservoir Project

Tables

**Table 1 (Project Operational Parameters)**

[See attached page]

October 2019  Lake Tapps Project Operational Parameters "Snap Shot"	White River Minimum Flow	White River Ramping Rate	Diversion from White River for Lake Tapps Reservoir filling	Diversion from White River for Fish Screen	Lake Tapps Reservoir Water Level Maintenance	Releases to Tailrace Canal	White River Ramping Rate
	State Water Right & WRM Agreement	State Water Right & WRM Agreement	State Water Right & WRM Agreement	State Water Right & WRM Agreement	State Water Right & LTCC Agreement	State Water Right & WRM Agreement	State Water Right & WRM Agreement
	As measured at the Buckley Gage (12099200) downstream of the Barrier Structure, the minimum flow is:	As measured at the Buckley Gage (12099200) downstream of the Barrier Structure, the ramping rate must:	If White River Minimum Flow Rate is met, then diversions from the White River into the Reservoir must:	When White River Minimum Flow is not met due to natural conditions, Diversion from the White River for Fish Screen Operations may:	As measured at Lake Tapps Reservoir Gage (12101000) until the later of May 13, 2039 or the start of municipal water supply project*, Lake Water Surface levels must:	As measured at the Tailrace Gage (12101100) in the Tailrace Canal, releases must:	As measured at the Tailrace Gage (12101102)**, releases must:
January 1-14	650 cfs	<p>All times: not exceed 1 inch per hour</p> <p>and</p> <p>From February 16<sup>th</sup> to June 15<sup>th</sup>: no down ramping is allowed from between 1 hour before sunrise and 1 hour after sunset</p>	<p>Until Feb. 15: not exceed 150 cfs</p> <hr/> <p>Beginning no earlier than February 15<sup>th</sup> and continuing until Lake Tapps Reservoir is refilled to "Normal Full Pool" or until July 1, whichever is earlier for "Refill Date": not to exceed 1000 cfs</p> <hr/> <p>Beginning on the "Refill Date" until September 15<sup>th</sup> or later date for "Fall Drawdown Date": not exceed 400 cfs</p> <hr/> <p>Beginning on the "Fall Drawdown Date" until Feb. 15: not exceed 150 cfs</p>	<p>be up to 20 cfc</p>	<p>Prior to April 15<sup>th</sup> of each year: be as directed by Cascade.</p> <hr/> <p>April 15 through Sept. 30<sup>th</sup>: meet "Normal Full Pool" between 541.0' and 542.5' NGVD 29 <u>however</u>, operational variances may be required due to forecasts or available precipitation, any necessary milfoil control, or the terms and conditions of this authorization or of applicable law</p> <hr/> <p>October: make reasonable effort to maintain "Normal Full Pool"</p> <hr/> <p>After Nov 1: be as directed by Cascade</p>	<p>not exceed 50 cfs <u>except</u> during "Fall Draw Down" (Sept 15 or later - until Feb 15)</p>	<p>All times: not exceed 1 inch per hour</p> <p>and</p> <p>From February 16<sup>th</sup> to June 15<sup>th</sup>, no down ramping is allowed from between 1 hour before sunrise and 1 hour after sunset</p>
January 15-31	525 cfs						
February 1-14	550 cfs						
February 15-29	500 cfs						
March 1-14	550 cfs						
March 15-31	725 cfs						
April 1-14	775 cfs						
April 15-30	825 cfs						
May 1-14	875 cfs						
May 15-31	875 cfs						
June 1-14	800 cfs						
June 15-30	800 cfs						
July 1-23	800 cfs						
July 24-31	650 cfs						
August 1-6	650 cfs						
August 7-31	500 cfs						
September 1-14	500 cfs						
September 15-30	500 cfs						
October 1-14	500 cfs						
October 15-31	500 cfs						
November 1-14	500 cfs						
November 15-30	550 cfs						
December 1-14	550 cfs						
December 15-31	600 cfs						

\*After the later of May 13, 2039 or the commencement of municipal water supply project additional conditions of the Water Right apply: (1) During projected minimum instream flow shortfalls at USGS gauge 12101500 (Puyallup River at the Puyallup), Cascade must reduce the quantity of flow diverted from the White River up to the amount of water actually being withdrawn from Lake Tapps Reservoir for municipal water supply purposes; and (2) Lake level restrictions apply April 15 through-September 15 with flexibility from September 16 - September 30 to meet "Normal Full Pool" more than 90% of the time Measured by the number of days (i.e., no more than fifteen (15) days in a rolling ten (10) year period of time) below the lower parameter of the Normal Full Pool, starting with the first calendar year in which lake levels fall below the lower parameter of Normal Full Pool.  
\*\* USGS Gage 12101102 in the White River at 24<sup>th</sup> Street is used in lieu of Tailrace Gage 12101100)

Normal Full Pool Range	Gage Datum (feet)	NGVD '29 (feet)	NAV '88 (feet)
High	543.00	543.5	546.04
Low	541.50	542.00	544.54

NGVD '29 equals Gage Height plus 0.5 feet  
NAV '88 equals Gage Height plus 3.04 feet  
NAV '88 equals NGVD '29 plus 3.54 feet

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## **SCHEDULE B**

### **REFERENCE DOCUMENTS**

The following Reference Documents are available on the Cascade Website:

- Asset Overview Presentation dated January 21, 2022
- Flowline Facility Historical Plans
- White River Lake Tapps Profile Drawing
- Water Right Permits and Claim
- White River Management Agreement between Cascade Water Alliance and the Puyallup Tribe of Indians and the Muckleshoot Indian Tribe dated August 8, 2008
- Agreement Regarding Lake Tapps between Cascade Water Alliance and the Lake Tapps Community dated May 12, 2009
- Agreement Between the Department of the Army and Cascade Water Alliance for Operations On the White River At Buckley, Washington, dated March 2, 2018
- Emergency Action Plan (EAP) for the Lake Tapps Project, Pierce County, Washington, prepared by GeoEngineers, Inc. and Cascade Water Alliance, dated March 23, 2013 and updated October 26, 2023
- “Thompson’s Ditch Agreement,” between Laura Haugen and Puget Sound Traction, Light & Power Company dated July 22, 1919, Pierce County Recording Number 606744
- 1919 Thompson’s Ditch County Culvert Drawing
- “Bowman Creek Agreements” between Oravetz and Puget Sound Power & Light Company dated July 17, 1936, King County Recording Number 2919138, and October 18, 1936, Pierce County Recording Number 1209108
- Letter Agreement for Confirmation of Areas for Required Pre-Notification of Soil Excavation and Termination of Certain Environmental Obligations, between Cascade Water Alliance and Puget Sound Energy, dated May 18, 2023
- White River – Lake Tapps Reservoir Project Operations and Maintenance Manual dated February 2026
- Request for Expressions of Interest (RFEI) Cascade Water Alliance White River Lake Tapps Contract Operations and Maintenance dated September 2, 2025

The Reference Documents are provided solely for informational purposes to assist proposers in obtaining a better understanding of the Project and the scope of the Contract Services, and the information is subject to change. Cascade does not make any representation as to the relevance, accuracy or completeness of any of the information available in the Reference Documents. The Reference Documents shall not be considered an appropriate or exhaustive list of all the information necessary for a proposer to perform the Contract Services. Proposers are solely responsible for conducting their own independent research and due diligence for the preparation of Proposals and the subsequent delivery of services under the O&M Agreement. No information derived from any part of the background documents, this RFP or from Cascade or any of its agents, employees, contractors, advisors or consultants shall relieve the Company from any risk or from fulfilling all terms and conditions of the O&M Agreement, except as expressly set forth in the O&M Agreement.

**SCHEDULE C**

**DRAFT O&M AGREEMENT**

[See attached pages]

**WHITE RIVER-LAKE TAPPS RESERVOIR PROJECT  
OPERATIONS AND MAINTENANCE AGREEMENT**

between

**CASCADE WATER ALLIANCE**

and

[\_\_\_\_\_]

Dated

[\_\_\_\_\_, 2026]

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<sup>1</sup> This will be developed based on the information included in Schedule A (Project Background Information) of the RFP.

<sup>2</sup> This will be the Transition Plan of the successful Proposer, as negotiated with Cascade.

<sup>3</sup> Appendix 4 is included in the RFP documents, with a placeholder for the Key Performance Indicators, which will be provided via Addendum.

<sup>4</sup> This will be based on the successful Proposal.

<sup>5</sup> This will be the Staffing Plan of the successful Proposer, as negotiated with Cascade

<sup>6</sup> This will be negotiated with the successful Proposer. Please see Section 6.6 (Proposal Selection and O&M Agreement Finalization) of the RFP.

<sup>7</sup> To be developed during negotiations with the successful Proposer.

<sup>8</sup> To be provided via Addendum to the RFP.

**WHITE RIVER-LAKE TAPPS RESERVOIR PROJECT  
OPERATIONS AND MAINTENANCE AGREEMENT**

THIS WHITE RIVER-LAKE TAPPS RESERVOIR PROJECT OPERATIONS AND MAINTENANCE AGREEMENT (this “**Agreement**”) is made and dated as of [\_\_\_\_\_] , 2026 between Cascade Water Alliance, a municipal corporation of the State of Washington (“**Cascade**”), and [\_\_\_\_\_] , a [\_\_\_\_\_] organized and existing under the laws of the State of [\_\_\_\_\_] and authorized to do business in the State of Washington (the “**Company**”). Cascade and the Company are hereinafter sometimes referred to as the “**Parties**” and individually as a “**Party**.”

**RECITALS**

(A) Cascade is the owner of the White River-Lake Tapps Reservoir Project (as further defined herein, the “**Project**”), which is a water supply system that diverts White River water to a reservoir held by a series of dikes and related facilities;

(B) Cascade purchased the Project as a future source of water supply for its members and must provide for the operation and maintenance of the Project in accordance with various collateral agreements, governmental approvals and regulatory requirements in order to maintain its rights in this future source of water supply;

(C) Cascade desires to contract with a qualified and experienced contract operator to operate and maintain the Project for a period of at least five years, with options to extend for up to 30 years in accordance with the terms hereof;

(D) Cascade issued a request for proposals on March 2, 2026 (as amended, the “**RFP**”) to obtain proposals from qualified and experienced contract operators to operate and maintain the Project;

(E) Cascade received [\_\_\_\_\_] proposals in response to the RFP on [\_\_\_\_\_] , 2026 and provided for the review of such proposals by its evaluation committee in accordance with the terms and conditions of the RFP;

(F) based on the evaluation and scoring of the proposals, the selection committee determined that the proposal submitted by the Company was the highest scored and best value proposal received in response to the RFP;

(G) in [July] 2026, negotiations were initiated with the Company, which negotiations have concluded with this Agreement;

(H) on [\_\_\_\_\_] , 2026] the Cascade Board of Directors authorized the execution and delivery of this Agreement by Cascade;

(I) the execution and delivery of this Agreement by the Company has been duly authorized by all necessary corporate action of the Company; and

(J) Cascade desires to receive, and the Company desires to provide, the operations and maintenance services for the Project under the terms and conditions described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties, intending to be legally bound, agree as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. As used in this Agreement, the following capitalized terms shall have the following meanings:

**“Affiliate”** means, with respect to any person, any other person that directly or indirectly controls or is controlled by such person or that is under direct or indirect common control with such person.

**“Agreement”** means this White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement between the Parties, as identified in the preamble hereto, including all Appendices, as the same may be amended or modified from time to time in accordance herewith.

**“Annual Budget”** means the budget for each Contract Year, as established in accordance with Section 7.6 hereof and including the First Annual Budget.

**“Appendix”** means an appendix to this Agreement, as listed in the table of contents hereto and as the same may be amended or modified from time to time in accordance herewith.

**“Applicable Law”** means (1) any federal, State or local law, statute, ordinance, regulation, code or regulation; (2) any formally adopted and generally applicable rule, requirement, determination, standard, policy, implementation schedule or other order of any Governmental Body having appropriate jurisdiction; (3) any established interpretation of law or regulation utilized by an appropriate Governmental Body if such interpretation is documented by such Governmental Body and generally applicable; (4) any Governmental Approval; and (5) any consent order or decree, settlement agreement or similar agreement between Cascade and any Governmental Body; in each case having the force of law and applicable from time to time to the Project, the Contract Services, the Parties or any other matter or transaction contemplated hereby (including any of the foregoing which pertain to health, safety,

environmental protection, labor relations, building codes, land use, the payment of prevailing or minimum wages and non-discrimination).

**“Base O&M Charge”** has the meaning provided in subsection 7.2(B)(1) hereof.

**“Bankruptcy Code”** means the United States Bankruptcy Code, 11 U.S.C. 101 *et seq.*, as amended from time to time and any successor statute thereto. “Bankruptcy Code” shall also include any similar state law relating to bankruptcy, insolvency, the rights and remedies of creditors, the appointment of receivers or the liquidation of companies and estates that are unable to pay their debts when due.

**“Billing Period”** means each calendar month in each Contract Year, except that (1) the first Billing Period shall begin on the Commencement Date and shall continue to the last day of the month in which the Commencement Date occurs, and (2) the last Billing Period shall end on the last day of the Term. Any computation made based on a Billing Period shall be adjusted on a pro rata basis to take into account any Billing Period of less than the actual number of days in the month to which such Billing Period relates.

**“Billing Statement”** has the meaning specified in subsection 7.5(A) hereof.

**“Blended Adjustment Factor”** has the meaning provided in subsection 7.3(D) hereof.

**“Capital Improvement Project”** means work, construction, alteration, repair or improvement (other than ordinary maintenance) with respect to the Project and that must be solicited by competitive bid or similar processes under State law, as further described in subsection 5.6(E) hereof.

**“Cascade”** has the meaning set forth in the preamble hereto.

**“Cascade Contract Representative”** means the individual designated pursuant to subsection 10.4(b) hereof.

**“Cascade Decision”** has the meaning provided in subsection 8.8(C) hereof.

**“Cascade Directive”** has the meaning provided in subsection 5.2(E) hereof.

**“Cascade Fault”** means (1) any breach or failure of compliance by Cascade of its obligations hereunder or (2) any negligent or willful misconduct by Cascade, its officials, agents, employees, representatives, independent contractors or subcontractors of any tier (excluding the Company or any other Company Person); in each case, to the extent not directly attributable to any Uncontrollable Circumstance and that materially and adversely affects the Company’s performance or the Company’s rights or obligations under this Agreement.

**“Cascade Indemnitee”** has the meaning specified in subsection 10.2(A) hereof.

**“Change in Law”** means any of the following events or conditions having a material and adverse effect on the performance by a Party of its obligations under this Agreement (except for payment obligations), or on the operation, maintenance, repair or replacement of the Project:

(1) the adoption, promulgation, issuance, modification, amendment or written change in administrative or judicial interpretation on or after the Effective Date of any Applicable Law, unless such Applicable Law was on or prior to the Effective Date proposed and published in the federal or State registers or was duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in final form, to become effective without any further action;

(2) the order or judgment of any federal, State or local court, administrative agency or governmental officer or body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Party asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment by such Party shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

(3) the denial of an application for, delay in the review, issuance or renewal of, or the suspension, termination, interruption of, any Governmental Approval, or the imposition of a term, condition or requirement in connection with a Governmental Approval which is more stringent or burdensome than the Contract Standards in effect as of the Effective Date; in each case to the extent that such occurrence materially and adversely interferes with the performance of this Agreement, and to the extent that such occurrence is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the Party asserting the occurrence of a Change in Law; provided, however that the contesting in good faith or the failure in good faith by such Party to contest any such occurrence shall not be construed as such a willful misconduct or negligent action, error or omission or lack of reasonable diligence.

It is specifically understood, however, that none of the following shall constitute a “Change in Law”: (a) a change in any tax or similar law regarding income or business taxes or similar charges; (b) a change in Applicable Law, including the terms and conditions of any Governmental Approval, the terms and conditions of which do not impose more stringent or burdensome requirements on either Party than are imposed hereunder as of the Effective Date; or (c) a change in the nature or severity of the actions typically taken by a Governmental Body to enforce compliance with Applicable Law that was in effect as of the Effective Date.

“**CMMS**” means the computerized maintenance management system for the Project, as developed, updated and maintained by the Company throughout the Term.

“**Collateral Agreements**” means, collectively, the following agreements (1) the Agreement Between the Department of the Army and Cascade Water Alliance for Operations On the White River At Buckley, Washington, dated March 2, 2018; (2) the White River Management Agreement between Cascade Water Alliance and the Puyallup Tribe of Indians and the Muckleshoot Indian Tribe dated August 8, 2008; (3) the Agreement regarding Lake Tapps between Cascade and the Lake Tapps Community dated May 12, 2009; (4) that certain “Thompson’s Ditch Agreement,” between Thompson and Laura Haugen as Grantors and Puget Sound Traction, Light & Power Company as Grantees dated July 22, 1919, Pierce County Recording Number 606744; (5) those certain “Bowman Creek Agreements” between Oravetz and Puget Sound Power & Light Company dated July 17, 1936, King County Recording Number 2919138, and October 18, 1936, Pierce County Recording Numbers 1209108; (6) the Letter Agreement for Confirmation of Areas for Required Pre-Notification of Soil Excavation and Termination of Certain Environmental Obligations, between Cascade Water Alliance and Puget Sound Energy, dated May 18, 2023; and (7) any other agreement provided by Cascade to the Company and designated as a Collateral Agreement, subject to the terms and conditions of subsection 5.9(B) hereof.

“**Commencement Date**” means the date established by Cascade’s written notice-to-proceed in accordance with subsection 4.3(B) hereof.

“**Company**” has the meaning provided in the preamble hereto.

“**Company Contract Representative**” means the individual designated pursuant to subsection 10.4(A) hereof.

“**Company Fault**” means (a) any breach or failure of compliance by the Company of its obligations hereunder or (b) any negligent or willful misconduct by the Company or any other Company Person, in each case, to the extent not directly attributable to any Uncontrollable Circumstance and that materially and adversely affects Cascade’s performance or Cascade’s rights or obligations under this Agreement.

“**Company Indemnitee**” has the meaning specified in subsection 10.2(B) hereof.

“**Company Person**” means (1) the Company and each Subcontractor; (2) any other person (excluding Cascade, any Cascade Indemnitee and any Separate Contractor) performing Contract Services for or on behalf of the Company; (3) any other person (excluding Cascade, any Cascade Indemnitee and any Separate Contractor) for whom the Company may be legally or contractually responsible in connection with the Project or the Contract Services; and (4) any

director, officer, employee, agent, representative, consultant, advisor, successor or assign of any of the foregoing Company Persons.

**“Company Provided Equipment”** means all equipment, vehicles and rolling stock provided by or on behalf of the Company for the performance of the Contract Services.

**“Contract Administration Memorandum”** has the meaning set forth in subsection 10.3(B).

**“Contract Services”** means everything required to be furnished and done for and relating to the Project by the Company pursuant to this Agreement, including the employment and furnishing of all labor, materials, equipment, supplies and other things and services of every kind whatsoever necessary for the full performance and completion of the Company’s operations, maintenance and related obligations under this Agreement, and all of the Company’s administrative, accounting, record-keeping, notification and similar responsibilities of every kind whatsoever under this Agreement pertaining to such obligations. A reference to the Contract Services shall mean any part and all of the Contract Services unless the context otherwise requires.

**“Contract Standards”** means the terms, conditions, requirements, methods, techniques, standards and practices imposed or required by: (1) Applicable Law, including the Water Rights Permits; (2) Prudent Industry Practices; (3) the Collateral Agreements; (4) the Key Performance Indicators; (5) the O&M Manual; (6) applicable equipment manufacturer’s specifications; (7) applicable Insurance Requirements; and (8) any other standard, term, condition or requirement provided in this Agreement to be observed by the Company.

**“Contract Year”** means the calendar year commencing on January 1 in any year and ending on December 31 of that year; provided, however, that the first Contract Year shall commence on the Commencement Date and shall end on December 31 of that year, and the last Contract Year shall commence on January 1 prior to the date this Agreement expires or is terminated, whichever is appropriate, and shall end on the last day of the Term. Any computation made based on a Contract Year shall be adjusted on a pro rata basis to take into account any Contract Year of less than 365/366 days.

**“Cost Substantiation”** means the process of providing evidence of actual costs and establishing the amount payable by Cascade in accordance with Section 7.4 hereof.

**“CPI Adjustment Factor”** has the meaning provided in subsection 7.3(B) hereof.

**“ECI Adjustment Factor”** has the meaning provided in subsection 7.3(C) hereof.

**“Effective Date”** means the date this Agreement is executed and delivered by both Parties.

**“Emergency”** means an occurrence or condition affecting the safety or protection of persons or endangering the Project or property located at or about the Project Site that requires an immediate response under Prudent Industry Practice.

**“Encumbrance”** means any lien, lease, mortgage, security interest, charge, judgment, judicial award or encumbrance with respect to the Project.

**“Environmental Liabilities”** means claims or liabilities for any damages, remediation (including costs incurred in connection with any investigation of site conditions or any clean up, remedial, removal action or restoration work), fines, penalties, judgments, costs and expenses (including Fees-and-Costs), charges, forfeitures, or liens relating to Pollution or Hazardous Substances.

**“Event of Default”** means, with respect to the Company, those items specified in Section 8.2 hereof and, with respect to Cascade, those items specified in Section 8.3 hereof.

**“Excess Maintenance Item”** has the meaning provided in subsection 5.6(D)(2) hereof.

**“Extraordinary Item”** has the meaning provided in subsection 7.2(C)(2) hereof.

**“Fees-And-Costs”** means reasonable fees and expenses of employees, attorneys, architects, engineers, expert witnesses, contractors, consultants and other persons, and costs of transcripts, printing of briefs and records on appeal, copying and other reimbursed expenses, and expenses reasonably incurred in connection with investigating, preparing for, defending or otherwise appropriately responding to any Legal Proceeding.

**“First Annual Budget”** has the meaning provided in subsection 7.2(A) hereof.

**“Governmental Approval”** means any permit, license, authorization, consent, certification, exemption, ruling, entitlement or approval issued by a Governmental Body of whatever kind and however described, which is required under Applicable Law to be obtained or maintained by any person with respect to the Project or the performance of the Contract Services, including the Water Rights Permits.

**“Governmental Body”** means any federal, State, municipal, local, tribal or regional legislative, executive, judicial or other governmental board, agency, authority, commission, administration, court or other body or any official thereof having jurisdiction with respect to any matter which is a subject of this Agreement.

**“Hazardous Substance”** means any substance, material, waste, pollutant or contaminant listed or defined as hazardous or toxic under Applicable Law, and petroleum,

including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas or other such synthetic gas).

**“Initial Term”** has the meaning set forth in Section 3.1 hereof.

**“Insurance Requirement”** means any rule, regulation, code, or requirement issued by any fire insurance rating bureau or entity having similar functions or by any insurance company which has issued a policy of Required Insurance under this Agreement, as in effect during the Term.

**“Key Performance Indicator”** has the meaning provided in subsection 5.3(B) hereof.

**“Key Personnel”** means the personnel identified in Appendix 5 (Key Personnel and Approved Subcontractors) and any replacement personnel approved by Cascade pursuant to subsection 5.4(A) hereof.

**“Legal Proceeding”** means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a bearing upon this Agreement.

**“Loss-and-Expense”** means any and all loss, liability, obligation, damage, delay, penalty, judgment, deposit, cost, expense, claim, demand, suit, charge, or tax, and including all Fees-And-Costs.

**“O&M Manual”** means the operations and maintenance manual for the Project, including plans for corrective, preventive and predictive maintenance and all techniques, processes and practices, including standard operating practices, as in effect as of the Effective Date and as further developed, updated and maintained by the Company in accordance with this Agreement.

**“Outage”** means that all or any part of the Project water management systems are off-line to halt or curtail inflows and outflows from Lake Tapps.

**“Overdue Rate”** means the then current prime rate plus two (2%) percent per annum.

**“Party”** has the meaning provided in the preamble hereto.

**“Performance and Payment Bond”** means the performance and payment bond required to be provided by the Company to Cascade in accordance with subsection 9.1(A) hereof.

**“Pollution”** means the contamination or altering of waters, land, subsurface land or air in a manner that creates a nuisance or makes waters, land, subsurface land or air unclean, or noxious, or impure, or unfit so that they are actually or potentially harmful or detrimental or

injurious to public health, safety or welfare, to domestic, commercial, industrial or recreational use, or to livestock, wild animals, birds, fish or other aquatic life.

**“Pre-Existing Intellectual Property”** has the meaning provided in subsection 10.5(B) hereof.

**“Progress Payment Item”** has the meaning provided in subsection 7.2(B)(2) hereof.

**“Project”** means the White River-Lake Tapps Reservoir Project, including the headworks, intake and associated facilities that serve to divert water from the White River into the flow line to Lake Tapps Reservoir; Lake Tapps Reservoir itself and its associated dikes; the various flow release features that allow water to leave Lake Tapps Reservoir and return to the White River; the powerhouse; the tailrace canal that conveys water from the powerhouse back to the White River; and all structures, offices, roadways, appurtenant structures, landscaping facilities and equipment constructed or installed on the Project Site, as more particularly described in Appendix 1 (Description of Project and Project Site).

**“Project Equipment”** means the vehicles and other equipment listed and identified in Appendix 2 (Project Equipment).

**“Project Site”** means the real property described in Appendix 1 (Description of Project and Project Site) within which the Project is located.

**“Prudent Industry Practices”** means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally accepted as prudent industry practices in the operations and maintenance of assets and facilities similar in size and scope to the Project, as practiced in the United States.

**“Renewal Term”** has the meaning specified in Section 3.1 hereof.

**“Required Insurance”** means the insurance policies and coverage required to be provided by the Company under this Agreement, as set forth in Appendix 8 (Insurance Requirements).

**“RFP”** has the meaning provided in the recitals hereto.

**“SCADA System”** means the supervisory control and data acquisition system for the Project, as in place as of the Effective Date and as updated and maintained throughout the Term.

**“Senior Supervisor”** has the meaning provided in subsection 5.4(C) hereof.

**“Separate Contractor”** means any contractors or service providers other than the Company retained directly by Cascade for the performance of work or services related to the Project, together with any subcontractors (of any tier) to such contractors or service providers.

**“Service Fee”** means the compensation payable to the Company for the performance of the Contract Services following the Commencement Date, as provided in Section 7.2 hereof.

**“Services Manager”** has the meaning specified in Section 5.4(B) hereof.

**“Staffing Plan”** means the plan for the staffing of the performance of the Contract Services, as developed by the Company and set forth in Appendix 6 (Staffing Plan).

**“State”** means the State of Washington.

**“Subcontract”** means an agreement between the Company and a Subcontractor, or between two Subcontractors, as applicable, with respect to the performance of the Contract Services.

**“Subcontractor”** means every person (other than the Company or employees of the Company) employed or engaged by the Company or any person directly or indirectly, in privity with the Company, and includes every sub-subcontractor of whatever tier, for any portion of the Contract Services, whether for the furnishing of labor, materials, equipment, supplies, services or otherwise.

**“Term”** has the meaning set forth in Section 3.1 hereof.

**“Termination Date”** means the last day of this Agreement resulting from a termination under Article VIII hereof.

**“Transition Period”** means the period commencing on the Effective Date and ending on the Commencement Date.

**“Transition Period Fee”** has the meaning provided in Section 7.1 hereof.

**“Transition Period Operator”** has the meaning provided in subsection 4.1(A) hereof.

**“Transition Plan”** means the plan for the transition of operating responsibility for the Project from the Transition Period Operator to the Company, as developed by the Company and set forth in Appendix 3 (Transition Plan).

**“Uncontrollable Circumstance”** means any act, event or condition affecting the Project, Cascade, any Company Person, or any Separate Contractor to the extent that it materially and adversely affects the ability of either Party to perform any obligation under this

Agreement (except for payment obligations) as long as such act, event or condition is beyond the reasonable control of, and is not a result of the breach of this Agreement, willful misconduct, negligent act or omission or failure to exercise reasonable diligence (including a failure to mitigate) by the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party under this Agreement.

(A) Inclusions. Subject to the foregoing, Uncontrollable Circumstances may include the following:

(1) an act of God (excluding reasonably anticipated weather conditions for the geographic area of the Project Site), drought, landslide, earthquake, fire, explosion, flood, sabotage or similar occurrence, acts of a public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;

(2) a Change in Law;

(3) with respect to the Company, any Cascade Fault;

(4) with respect to Cascade, any Company Fault;

(5) labor disputes, strikes, slowdowns, stoppages, boycotts or disruption affecting a specific trade on a national or regional level;

(6) any failure of title to the Project or any placement or enforcement of any Encumbrance on the Project not consented to in writing by, or arising out of any action, omission or agreement entered into by, the Party adversely affected thereby;

(7) the preemption, confiscation, diversion, destruction or other interference in possession or performance of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any material portion of the Project;

(8) the issuance of an injunction (whether temporary or permanent) or any other final order by a court of competent jurisdiction, with the result that either Party becomes unable to perform its material obligations under this Agreement;

(9) the loss of or inability to obtain service from a Utility necessary to furnish Utilities required for the operation or maintenance of the Project;

(10) with respect to the Company, the issuance of a Cascade Directive that is not due to Company Fault; and

(11) any other act, event or circumstance specifically identified in this Agreement as a basis for Uncontrollable Circumstance relief hereunder.

(B) Exclusions. Without limitation, none of the following acts, events or circumstances shall constitute an Uncontrollable Circumstance or otherwise provide a basis for relief hereunder:

(1) any act, event or circumstance that would not have occurred but for the affected Party's failure to comply with its obligations under this Agreement;

(2) changes in interest rates, inflation rates, wage rates, insurance premiums, commodity prices, labor availability, currency values, exchange rates or other general economic conditions;

(3) changes in the financial condition of the Company, any other Company Person or any Affiliate of a Company Person;

(4) labor or union work rules, requirements or demands which have the effect of increasing the number of employees employed at the Project or otherwise increasing the Company's cost of performing the Contract Services;

(5) any impact of prevailing wage or similar laws, customs or practices on the cost of performing the Contract Services;

(6) with respect to the Company, the failure of any Subcontractor or supplier to furnish labor, services, materials or equipment on the dates agreed to unless such failure arises from an event that would otherwise qualify as an Uncontrollable Circumstance hereunder;

(7) all strikes, work stoppages or labor disputes except as otherwise expressly set forth in item (5) of paragraph (A) of this definition; or

(8) reasonably anticipated weather conditions for the geographical area of the Project Site.

**"USGS Gages"** means the United States Geological Survey gages identified in the Water Rights Permits.

**"Utilities"** means any and all utility services and installations whatsoever (including gas, water, electricity, internet, telephone and other telecommunications), and all piping, wiring, conduit, and other fixtures of every kind whatsoever related thereto or used in connection therewith.

**"Water Rights Permits"** means Water Right Numbers S2-29920(A), No. S2-29920(B), No. R2-29935 and No. S2-29934, issued by the Department of Ecology on December 10, 2010, and Certificate of Change of Water Right, No. S2-CV1-2P168(B), issued by the Department of Ecology on June 26, 2015.

**“Work Product”** means any and all data, documents, plans, reports, descriptions, manuals, operating procedures, information, drawings, specifications, as-built drawings and other data, prepared or developed by or on behalf of the Company in the performance of the Contract Services, including the O&M Manual (as updated by the Company hereunder) and the CMMS.

SECTION 1.2. INTERPRETATION. In this Agreement, unless the context otherwise requires:

(A) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder” and any similar terms refer to this Agreement.

(B) Gender and Plurality. Words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(C) Reference to Including. The words “include,” “includes” and “including” are to be construed as meaning “include without limitation,” “includes without limitation” and “including without limitation,” respectively.

(D) Days. All references to days herein are references to calendar days, unless otherwise indicated such as by reference to business days.

(E) References to Promptly. All references to “promptly” herein shall be interpreted as meaning as soon as is reasonably practicable in light of then-prevailing circumstances.

(F) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including Governmental Bodies, as well as individuals.

(G) References to All Reasonable Efforts. The expression “all reasonable efforts” and expressions of like import, when used in connection with an obligation of either Party, means taking in good faith and with due diligence all commercially reasonable steps to achieve the objective and to perform the obligation, including doing all that can reasonably be done in the circumstances taking into account each Party’s obligations hereunder to mitigate delays and additional costs to the other Party, and in any event taking no less steps and efforts than those that would be taken by a commercially reasonable and prudent person in comparable circumstances; provided that, the foregoing will not require Cascade to (1) take any action which is contrary to the public interest, as reasonably determined by Cascade; or (2) undertake action that might be available to Cascade due to its status as a Governmental Body but that would not be available to a private, commercially reasonable and prudent person.

(H) References to Dollar Amounts. All statements of, or references to, dollar amounts or money, including references to “\$” and “dollars,” are to the lawful currency of the United States of America. All payments required to be made by either Party hereunder shall be made in dollars.

(I) References to Documents and Standards. Each reference to an agreement, document, standard, principle or other instrument includes a reference to that agreement, document, standard, principle or instrument as amended, supplemented, substituted, novated or assigned.

(J) References to Statutes. Each reference to a statute or statutory provision includes any statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision or which has been amended, extended, consolidated or replaced by the statute or statutory provision and includes any orders, regulations, by-laws, ordinances, codes of practice or instruments made under the relevant statute.

(K) References to Governmental Bodies and Private Persons. Each reference to a Governmental Body is deemed to include a reference to any successor to such Governmental Body or any organization or entity which has taken over the functions or responsibilities of such Governmental Body. Each reference to a private person that is not an individual is deemed to include a reference to its successors and permitted assigns.

(L) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(M) Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby. Without limiting the generality of the foregoing, this Agreement shall completely and fully supersede all other understandings and agreements among the Parties with respect to such transactions, including those contained in the RFP, the proposal of the Company submitted in response thereto, and any amendments or supplements to such proposal or the RFP.

(N) Counterparts and Electronic Delivery. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different Parties in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic signatures or

electronic delivery of an executed counterpart of a signature page of this Agreement or any document or instrument delivered in connection herewith in accordance with Section 10.14 hereof shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable.

(O) Governing Law. This Agreement shall be governed by and construed in accordance with the applicable laws of the State.

(P) Severability. Each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Agreement is held to be invalid, unenforceable or illegal to any extent, such provision shall be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Agreement. If any provision of this Agreement is held to be invalid, unenforceable or illegal, the Parties will promptly endeavor in good faith to negotiate new provisions to eliminate such invalidity, unenforceability or illegality and to restore this Agreement as nearly as possible to its original intent and effect.

(Q) Prudent Industry Practices. Prudent Industry Practices shall be utilized hereunder, among other things, to implement and in no event displace, the other Contract Standards. In no event shall any evolution of Prudent Industry Practices relieve the Company of its obligations hereunder.

(R) Applicability, Stringency and Consistency of Contract Standards. The Company shall be obligated to comply only with those Contract Standards which are applicable in any particular case. Where more than one Contract Standard applies to any particular performance obligation of the Company hereunder, the Company shall comply with each such applicable Contract Standard. In the event there are different levels of stringency among such applicable Contract Standards, the most stringent of the applicable Contract Standards shall govern. In the event of any inconsistency among the Contract Standards, Cascade's determination as to the applicable standard shall be binding.

(S) Delivery of Documents in Digital Format. In this Agreement the Company is obligated to deliver reports, records, drawings, proposals and other documentary submittals in connection with the performance of its duties hereunder. The Company agrees that all such documents shall be submitted to Cascade in digital form and, at Cascade's request, in printed form in the number of copies indicated. Electronic copies shall consist of computer readable data submitted in any standard interchange form which Cascade may reasonably request to facilitate the administration and enforcement of this Agreement. Without limiting the generality of the foregoing, Cascade utilizes Microsoft products as of the Effective Date and shall have the right to require the Company to transmit electronic data utilizing compatible Microsoft products.

(T) No Third-Party Rights. This Agreement is exclusively for the benefit of the Parties and, except as specifically provided in Section 10.2 hereof with respect to the Cascade Indemnitees and the Company Indemnitees, shall not provide any third parties with any remedy, claim, liability, reimbursement, cause of action or other rights.

(U) Acting Reasonably and in Good Faith; Discretion. Each Party shall act reasonably and in good faith in the exercise of its rights hereunder, except where a Party has the right to act in its “discretion” by the express terms hereof. When a Party has “discretion,” it means that Party has the sole, absolute and unfettered discretion, with no requirement to act reasonably or provide reasons unless otherwise specifically required under the provisions of this Agreement. When a Party does not have “discretion” it means that the Party shall act reasonably.

(V) Drafting Responsibility. The Parties waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement to the effect that ambiguous or conflicting terms or provisions should be construed against the party who (or whose counsel) prepared the executed agreement or any earlier draft of the same.

(W) Causing Performance. A Party shall itself perform, or shall cause to be performed, subject to any limitations specifically imposed hereby with respect to Subcontractors or otherwise, the obligations affirmatively undertaken by such Party under this Agreement.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

#### SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF CASCADE.

Cascade represents and warrants that:

(A) Existence and Powers. Cascade is a municipal corporation of the State with full legal right, power and authority to enter into and perform its obligations under this Agreement.

(B) Due Authorization and Binding Obligation. Cascade has duly authorized the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by Cascade and constitutes a legal, valid and binding obligation of Cascade, enforceable against Cascade in accordance with its terms except insofar as such enforcement may be affected by the Bankruptcy Code or by equitable principles of general application.

(C) No Conflict. Neither the execution nor the delivery by Cascade of this Agreement nor the performance by Cascade of its obligations hereunder nor the consummation by Cascade of the transactions contemplated hereby (1) conflicts with, violates or results in a breach of any law or governmental regulation applicable to Cascade or (2) conflicts with, violates or results in a breach of any term or condition of any judgment, decree, agreement or instrument

to which Cascade is a party or by which Cascade or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument.

(D) No Litigation. There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to Cascade's knowledge, threatened against Cascade which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this Agreement or any other agreement or instrument entered into by Cascade in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by Cascade of its obligations hereunder or under any such other agreement or instrument.

SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants that:

(A) Existence and Powers. The Company is a [\_\_\_\_], duly organized, validly existing and in good standing under the laws of the State of [\_\_\_\_] and has the authority to do business in the State and in any state in which it conducts its activities, with the full legal right, power and authority to enter into and perform its obligations under this Agreement.

(B) Due Authorization and Binding Obligation. The Company has duly authorized the execution and delivery of this Agreement. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms except insofar as such enforcement may be affected by the Bankruptcy Code or by equitable principles of general application.

(C) No Conflict. Neither the execution nor delivery by the Company of this Agreement nor the performance by the Company of its obligations in connection with the transactions contemplated hereby nor the fulfillment by the Company of the terms or conditions hereof (1) conflicts with, violates or results in a breach of any constitution, law, governmental regulation, by-laws or certificates of incorporation applicable to the Company or (2) conflicts with, violates or results in a breach of any order, judgment or decree, or any contract, agreement or instrument to which the Company is a party or by which the Company or any of its properties or assets are bound, or constitutes a default under any of the foregoing.

(D) No Litigation. There is no action, suit or other proceeding, at law or in equity, before or by any court or governmental authority, pending or, to the Company's knowledge, threatened against the Company which is likely to result in an unfavorable decision, ruling or finding which would materially and adversely affect the validity or enforceability of this

Agreement or any other agreement or instrument entered into by the Company in connection with the transactions contemplated hereby, or which would materially and adversely affect the performance by the Company of its obligations hereunder or under any such other agreement or instrument.

(E) Information Supplied by the Company. The information supplied by the Company in all submittals made in response to the RFP and in all post-proposal submittals (and to its knowledge, all information supplied in such submittals with respect to any Affiliate, Key Personnel or Subcontractor) is correct and complete in all material respects.

### ARTICLE III

#### TERM

SECTION 3.1. EFFECTIVE DATE AND INITIAL TERM. This Agreement shall become effective on the Effective Date and shall continue in effect for five years following the Commencement Date (the period from the Effective Date to the fifth anniversary of the Commencement Date constituting the “**Initial Term**”) or, if renewed as provided in Section 3.2, until the last day of the renewal term (the “**Renewal Term**”; the Initial Term and any Renewal Term being referred to herein as the “**Term**”), unless earlier terminated pursuant to the termination provisions of Article VIII (Default, Termination and Dispute Resolution), in which event the Term shall be deemed to have ended as of the Termination Date. All rights, obligations and liabilities of the Parties shall commence on the Effective Date, subject to the terms and conditions hereof. At the end of the Term, all obligations of the Parties shall terminate, except as provided in this Section and Section 3.3 hereof. No expiration or termination of this Agreement shall (1) limit or otherwise affect the respective rights and obligations of the Parties accrued prior to the date of such expiration or termination or (2) preclude either Party from impleading the other Party in any Legal Proceeding originated by a third party as to any matter occurring during the Term. Upon any termination or expiration of this Agreement, the Company shall have the obligations specified in Section 8.5 hereof.

SECTION 3.2. RENEWAL TERM. This Agreement may be renewed and extended for up to five additional five-year Renewal Terms upon the mutual written agreement of the Parties and the approval of the Cascade Board of Directors; provided that in no event shall the Term extend beyond the thirtieth anniversary of the Effective Date. The Parties shall coordinate commencing no later than 24 months prior to the expiration of the then-current Term to determine each Party’s intentions with respect to any subsequent Renewal Term and, if requested by Cascade at any time during such period, the Company shall provide Cascade with a written proposal to continue to provide the Contract Services for the applicable Renewal Term.

If the Parties elect to provide for a Renewal Term, such election shall be memorialized by written agreement executed by both Parties.

SECTION 3.3. SURVIVAL OF CERTAIN PROVISIONS UPON TERMINATION.

Notwithstanding any other provision of this Agreement, this Section and the following provisions hereof shall survive the expiration or any earlier termination of this Agreement:

- (1) Article II (Representations and Warranties);
- (2) Section 5.12 (Books and Records);
- (3) Article VIII (Default, Termination and Dispute Resolution), as applicable to the obligations of the Parties following the Termination Date or the expiration of the Term;
- (4) Section 10.2 (Indemnification), including all of the indemnities referred to therein;
- (5) Section 10.5 (Property Rights);
- (6) Appendix 8 (Insurance Requirements);
- (7) all provisions of this Agreement with respect to payment obligations of the Company or Cascade accrued prior to expiration or termination; and
- (8) any other provisions of this Agreement which either expressly or by their context or inherent character should survive expiration or early termination of this Agreement or the completion of the Contract Services;

together with any provisions necessary to give effect to the above provisions.

ARTICLE IV

TRANSITION PERIOD

SECTION 4.1. TRANSITION PERIOD GENERALLY.

(A) Purpose. The Parties acknowledge that Cascade will continue to provide for the operations and maintenance of the Project prior to the Commencement Date through the contract operator under contract with Cascade as of the Effective Date (such contractor, the “**Transition Period Operator**”). The purpose of the Transition Period is to enable the Parties to provide for a smooth and orderly transition of operations and maintenance services from the Transition Period Operator to the Company in accordance with Applicable Law and the terms and conditions of this Agreement and to ensure that the Company is prepared to perform all Contract Services required hereunder from and after the Commencement Date. The Company shall perform all of its Transition Period responsibilities in accordance with all applicable Contract Standards.

(B) Cooperation. The Parties shall work cooperatively together in fulfilling their respective Transition Period responsibilities and shall use all reasonable efforts to satisfy such responsibilities as soon as is reasonably practicable following the Effective Date and in no event later than by June 30, 2027. Each Party shall keep the other Party regularly informed of its progress toward satisfaction of its Transition Period responsibilities, including by providing written notice promptly upon the satisfaction of each such responsibility. Each Party shall provide such documentary evidence of the satisfaction of its Transition Period responsibilities as may be reasonably requested by the other Party.

SECTION 4.2. TRANSITION PERIOD RESPONSIBILITIES.

(A) Company Transition Period Responsibilities. The Company shall satisfy the following Company responsibilities during the Transition Period:

(1) The Company shall review the current operation and maintenance procedures for the Project through periodic observations in accordance with the Transition Plan and the review of the existing O&M Manual and any other reports or documentation regarding the current operations that Cascade may provide to the Company from time to time during the Transition Period.

(2) The Company shall develop and provide Cascade with its plan for updating the O&M Manual over the course of the performance of the Contract Services, together with its plans for environmental compliance, health and safety, staff training and records management, shall reasonably consider and respond to Cascade's comments with respect thereto and shall finalize such plans as of the Commencement Date.

(3) The Company shall commence the development and implementation of the CMMS in accordance with the terms of the Transition Plan and complete such development and implementation to the extent contemplated by the Transition Plan.

(4) The Company shall hire qualified staff in accordance with the Staffing Plan, ensure that such staff are prepared to perform their roles as of the Commencement Date and provide Cascade with contact information for all Key Personnel and Senior Supervisors.

(5) Subject to Section 5.4 hereof, the Company shall finalize and enter into all Subcontracts necessary to assume operations and maintenance responsibility for the Project as of the Commencement Date.

(6) In accordance with the schedule established by the Transition Plan, the Company shall obtain and deliver to the Project Site all Company Provided Equipment necessary to perform the Contract Services in accordance with the Contract Standards

on and after the Commencement Date, and the Company shall ensure that all such Company Provided Equipment is ready for use on the Commencement Date.

(7) The Company shall provide Cascade with the Performance and Payment Bond in accordance with subsection 9.1(A) below and shall carry out and implement all other responsibilities of the Company under the Transition Plan to ensure the orderly transfer of operations and maintenance responsibility for the Project from the Transition Period Operator to the Company.

(B) Cascade Transition Responsibilities. Cascade shall satisfy the following Cascade responsibilities during the Transition Period:

(1) Cascade shall provide the Company with reasonable access to the Project Site to enable the Company to perform its Transition Period responsibilities and shall coordinate with the Transition Period Operator to provide for such access and to facilitate interaction between the Company and the Transition Period Operator, including the exchange of information from the Transition Period Operator to the Company.

(2) Cascade shall review and provide written comments to the plans provided by the Company pursuant to item (2) of subsection 4.2(A) above.

(3) Cascade shall provide and make available to the Company, as of the Commencement Date, the Project Equipment.

(4) Cascade shall carry out and implement all other responsibilities of Cascade under the Transition Plan to ensure the orderly transfer of operations and maintenance responsibility for the Project from the Transition Period Operator to the Company.

(5) Cascade shall transfer operating responsibility for the Project from the Transition Period Operator to the Company as of the Commencement Date, subject to compliance by the Company with its obligations under subsection 4.2(A) above.

#### SECTION 4.3. COMMENCEMENT DATE.

(A) Commencement Date Conditions. The Commencement Date shall not occur until the satisfaction of the respective Transition Period responsibilities of the Parties under Section 4.2 above. Either Party may waive a Transition Period responsibility of the other Party if such waiver is in writing and delivered to the other Party, in which case the waived Transition Period responsibility shall be deemed satisfied for purposes of this Section.

(B) Establishment of Commencement Date. Upon satisfaction of the Transition Period responsibilities of the Parties in accordance with subsection (A) of this Section,

Cascade shall issue a written notice to proceed to the Company evidencing such satisfaction and establishing the Commencement Date hereunder.

## ARTICLE V

### PROJECT OPERATIONS AND PERFORMANCE

#### SECTION 5.1. THE PROJECT.

(A) Essential Public Service. The Company recognizes that the Project serves an essential public service and is critically important to maintaining a safe, clean and reliable source of future water supply and Cascade's rights to the same. The Company shall perform the Contract Services in accordance with the Contract Standards to further the interests of Cascade and the Project. The Company agrees that it will be relieved of its performance obligations under this Agreement solely to the extent provided hereunder with respect to the occurrence of Uncontrollable Circumstances and acknowledges that Cascade will rely on the performance by the Company of its obligations hereunder.

(B) Limitations on Company Rights. The Company shall not use the Project for any purpose other than the purposes contemplated hereby or to serve or benefit any person other than Cascade and the Project stakeholders, including Cascade's members, the tribes and other counterparties to the Collateral Agreements and all other Governmental Bodies. The Company shall not impose a fee or charge on any person for the use of the Project or any part or product thereof. The only compensation to the Company for providing the Contract Services shall be the Transition Period Fee and the Service Fee payable by Cascade hereunder.

#### SECTION 5.2. ROLE OF CASCADE.

(A) Generally. Cascade shall be responsible for the overall management of the Project and shall have the right and responsibility to determine the scope of the Contract Services, including the right to direct changes in the scope of the Contract Services from time to time, subject to the Company's rights hereunder with respect to any such changes. Cascade is and shall remain the permittee under the Water Rights Permits and shall have the right and responsibility to make all major Project decisions, including on matters relating to requests from or coordination with other Governmental Bodies and the counterparties to the Collateral Agreements, communications with other Project stakeholders and the media and whether and how to undertake any Capital Improvement Project.

(B) Specific Responsibilities. Cascade shall:

(1) make available to the Company upon request all information relating to the Project which is in the possession of Cascade and material to the Company's performance hereunder;

(2) assure the Company access to the Project for the performance of its obligations hereunder in accordance with the terms hereof and provide the Company with office space at the Project Site as of the Commencement Date and throughout the Term thereafter;

(3) promptly notify the Company whenever Cascade observes or becomes aware of conditions which may impact the Company's performance of the Contract Services;

(4) procure any necessary engineering, architectural or other similar professional services in accordance with Applicable Law, including a certified dam safety engineer;

(5) maintain the Water Rights Permits to the extent necessary for the performance of the Contract Services and prepare and submit regulatory compliance reports in accordance with and as required by the Water Rights Permits;

(6) maintain, repair and replace all USGS Gages;

(7) manage and maintain the SCADA System;

(8) solicit, procure, manage and fund any Capital Improvement Projects, subject to the Company's responsibilities under Section 5.6 hereof; and

(9) pay the Transition Period Fee and the Service Fee to the Company in accordance with the terms and conditions of this Agreement.

(C) Cascade Access. Cascade has and shall continue to have video surveillance access to the Project at all times. In addition, Cascade, its officials and representatives and any Governmental Body or representative thereof shall have the right of immediate physical access to the Project at all times, without notice, including nights, weekends and holidays, and may visit and inspect the Project and observe the Company's performance of the Contract Services without providing advance notice to the Company. The Company shall permit and facilitate access to the Project for such purposes. All visitors shall comply with the Company's reasonable operating and safety procedures and rules and shall not unreasonably interfere with the Company's operations. No Company rule or procedure shall impede, impair or delay access to the Project by any representatives of Cascade or any Governmental Body in accordance with this subsection.

(D) Cascade Oversight. Cascade intends to have periodic meetings with the Company to discuss the performance of the Contract Services. Such meetings will be held with such frequency as shall be determined by Cascade, and will include discussion of required water surface elevations, desired target dates for the same, maintenance activities, Outages and

planning for Capital Improvement Projects. The Company shall attend such meetings, shall be prepared to discuss its approach to the Contract Services with respect to all such matters and shall reasonably cooperate with Cascade to coordinate the Contract Services with Cascade's overall management of the Project.

(E) Cascade Directives. Cascade shall have the right to modify the Contract Services, including to add or exclude such activities as may be in the best interest of the Project. The Parties intend to negotiate the terms of any such modification that would reasonably be expected to increase the cost to the Company of performing the Contract Services and, where necessary in accordance with the terms and conditions of this Agreement, to effectuate any such modification by Contract Administration Memorandum, the Annual Budget or by written amendment to this Agreement. The Company shall consult with Cascade, at Cascade's request, concerning possible means of addressing any proposed modification, and the Company and Cascade shall cooperate to minimize any delay and lessen any additional cost in light of any such proposed change in the scope of the Contract Services. However, notwithstanding the foregoing, Cascade shall have the right, by written notice executed by the Cascade Contract Representative, to direct a change in the Contract Services pursuant to this subsection (a "**Cascade Directive**"). A Cascade Directive may be issued to address any inability of the Parties to reach agreement on the terms and conditions of a proposed change to the Contract Services or to direct changes in the Contract Services in circumstances where the Company has no entitlement to an increase in compensation or other performance relief hereunder. No Cascade Directive shall be made that would be contrary to Applicable Law or that is beyond the general scope of this Agreement. Upon receipt of a Cascade Directive in accordance with this subsection, the Company shall promptly proceed with the change in the Contract Services as instructed.

### SECTION 5.3. COMPANY PERFORMANCE.

(A) General Performance Responsibilities. Commencing on the Commencement Date, the Company shall, in accordance with the Contract Standards and without limitation:

(1) operate and maintain the Project and perform all services described in Appendix 4 (Scope of Services and Key Performance Indicators) and otherwise indicated in this Agreement;

(2) obtain and maintain any Governmental Approvals (other than the Water Rights Permits) required under Applicable Law for the performance of the Contract Services and otherwise comply with all Applicable Law, including the Water Rights Permits, in performing the Contract Services;

(3) keep the Project free from any and all Encumbrances arising out of or in connection with (a) the Contract Services, or (b) any acts, omissions or debts of the Company, its Affiliates and any Subcontractors;

(4) coordinate the Contract Services with the work or services performed or provided by any Separate Contractor, including, at Cascade's request, by participating in meetings with Cascade and such Separate Contractors, by facilitating Project Site access and through advance planning for and accommodations of any Outages or disruptions required for the implementation of any Capital Improvement Projects, as further described in Section 5.7 below;

(5) continuously monitor the SCADA System and any other systems, processes, security alarms and gages in connection with the Project, including the USGS Gages, and collect, record and transmit to Cascade all data regarding such monitoring at specified frequency intervals established by the O&M Manual or otherwise reasonably designated by Cascade;

(6) respond to each and every alarm (including those that may exist within the SCADA System) that sounds on the Project, promptly notify Cascade, and expeditiously resolve any underlying issue, performance challenge, or other problem giving rise to the alarm; and

(7) unless otherwise directed by Cascade, have exclusive responsibility for all means, methods, techniques, sequences and procedures necessary or desirable for the correct, prompt and orderly performance of the Contract Services.

(B) Key Performance Indicators. Certain standards for the performance of the Contract Services ("**Key Performance Indicators**") are set forth in Appendix 4 (Scope of Services and Key Performance Indicators) hereto. The Company shall perform the Contract Services to achieve compliance with the Key Performance Indicators, shall track and record its compliance with the Key Performance Indicators on a continuous basis and shall report to Cascade the level of compliance achieved against the Key Performance Indicators with each monthly report delivered in connection with each Billing Statement. Cascade shall have the right to assess deductions against the Service Fee for the unexcused failure of compliance with the Key Performance Indicators, as and to the extent provided in Appendix 4 (Scope of Services and Key Performance Indicators) and subsection 7.2(E) below. The Company may be entitled to incentive compensation related to compliance with the Key Performance Indicators in accordance with the applicable Annual Budget, as described in subsection 7.2(D) below.

(C) Emergencies. In the event of any Emergency, the following procedures shall apply:

(1) The Company shall provide Cascade with immediate notice of any Emergency, orally or by phone call or text, followed promptly by an email confirmation.

(2) If Cascade staff can be directly contacted, Cascade staff will provide direction to the Company to prevent, avoid or mitigate injury, damage, or loss.

(3) After providing notice to Cascade under item (1) above, whether or not direction can be obtained under item (2) above, the Company shall take action or direct its Subcontractors to take action to avoid endangerment to life, property or the environment. No further task order or approval need be obtained from Cascade for such Emergency work, and the Company shall prepare its internal approval processes to allow its staff to take immediate action as needed during the Emergency. However, the Company shall not take action contrary to any Cascade direction and, except as provided in item (4) below, shall not be required or authorized to take action that requires contracting for architectural and engineering services in accordance with Prudent Industry Practices or that would constitute a Capital Improvement Project.

(4) For actions that require contracting for architectural and engineering services in accordance with Prudent Industry Practices or that would constitute a Capital Improvement Project, the Company must obtain a declaration of emergency from the Cascade Contract Representative (orally or by phone call, and/or text, followed promptly by an email confirmation). Only Cascade can make the determination that an exception to the public contracting law exists.

#### SECTION 5.4. KEY PERSONNEL AND STAFFING.

(A) Key Personnel. The Company acknowledges that the identity and commitment of the Key Personnel, as set forth in Appendix 5 (Key Personnel and Approved Subcontractors), were material factors in the selection of the Company to perform this Agreement. The Company shall utilize such Key Personnel to perform the roles and services identified in Appendix 5 (Key Personnel and Approved Subcontractors) unless the Company obtains the written consent of Cascade to replace such Key Personnel, which consent shall be in the discretion of Cascade, or unless such personnel are unavailable for good cause shown. "Good cause shown" for purposes of this Section 5.4 shall be limited to termination for cause, employee death, disability, retirement, resignation or any job-protected leave available under Applicable Law and shall not include performing services on other projects or contracts for any Company Person or any Affiliate of a Company Person. In the event of any such permissible unavailability, the Company shall promptly retain a replacement with at least equivalent expertise and experience to the unavailable Key Personnel, which replacement shall be satisfactory to Cascade, acting reasonably. The Company shall:

(1) provide Cascade with all information reasonably requested by Cascade in connection with its review of any proposed replacement of Key Personnel, including resumes and reference contacts;

(2) replace any Key Personnel at the request of Cascade, after notice and a reasonable opportunity for corrective action, in the event Cascade determines, acting reasonably, that an unworkable relationship has developed between such Key Personnel and Cascade; and

(3) ensure that Cascade has appropriate contact information, including business telephone, mobile telephone and email address, for each person designated as Key Personnel at all times.

Any replacement Key Personnel shall be subject to the same terms and conditions specified in this subsection for all other Key Personnel. Cascade shall have the right to equitably reduce the Service Fee for any period during which the Company does not have all Key Personnel in place to perform the roles and services identified in Appendix 5 (Key Personnel and Approved Subcontractors). At the request of Cascade, the Company shall make Key Personnel available for meetings between Cascade and the Company concerning any aspect of the Contract Services relevant to their role or services.

(B) Services Manager. The individual responsible for the overall management of the Contract Services on behalf of the Company (the “**Services Manager**”) is designated as part of the Key Personnel in Appendix 5 (Key Personnel and Approved Subcontractors). The Services Manager shall be appropriately trained and experienced in the management and operation of services and projects of similar size and complexity as the Project and the Contract Services and shall be appropriately familiar with the day-to-day operation and maintenance activities of the Project so as to knowledgeably interact and communicate with Cascade regarding the Project and to perform and oversee the performance of the Contract Services.

(C) Communications. The Services Manager shall coordinate all service matters arising pursuant to this Agreement for the Company and shall attend all meetings with Cascade which Cascade may request from time to time to review operational, performance and planning matters arising with respect to this Agreement. The Company shall also designate from time to time and inform Cascade of the identity of officials of the Company with senior supervisory responsibility for the performance of this Agreement (the “**Senior Supervisors**”), and of the contact information for such Senior Supervisors. The Senior Supervisors shall be made available for consultation regarding all matters related to this Agreement, as reasonably requested by Cascade, and shall cooperate with Cascade in any reviews of the performance of the Services Manager and any other Key Personnel or staff and give full consideration to any

issues raised by Cascade in conducting any such performance reviews. Without limiting the generality of the foregoing, unless otherwise directed by Cascade, the Senior Supervisors shall attend quarterly meetings with the Cascade Contract Representative and other Cascade staff (as determined by Cascade) to discuss the Company's performance of the Contract Services.

(D) Staffing. In addition to the Key Personnel, the Company shall adequately staff the Project during the Term in accordance with the Contract Standards. All personnel shall be qualified and shall meet any licensing and certification requirements under Applicable Law. The Company shall discipline or replace, as appropriate, any employee of the Company or any Subcontractor engaging in unlawful, unruly or objectionable conduct. Staffing levels and qualifications shall be consistent with the Staffing Plan, and the Company shall utilize designated staff to perform the specific roles identified in the Staffing Plan. For example, the Company shall not provide for the performance of janitorial or vegetation management services by persons responsible for other critical maintenance activities under the Staffing Plan. In no event may the Company reduce the number of qualified staff members to less than the number of qualified staff indicated in the Staffing Plan without the approval of Cascade, which approval shall be in Cascade's discretion and may be conditioned upon an equitable reduction to the Service Fee. Cascade shall also have the right to equitably reduce the Service Fee for any period during which the Company does not have all staff in place in accordance with the Staffing Plan. The Company shall notify Cascade of any material change in staffing levels and positions from time to time and shall not make any such material change if the new staffing level would contravene the provisions of this subsection or otherwise adversely affect the ability of the Company to provide the Contract Services in accordance with the Contract Standards.

(E) Training. The Company shall provide ongoing training and education for its employees and the employees of any Subcontractor involved with the performance of the Contract Services in all necessary areas of process control, operation, maintenance, management, safety, computer operations, and management skills, including training of new personnel, as and to the extent relevant to their role in performing the Contract Services. Process control training shall include mitigation, notification and corrective procedures for potential violations and for each type of possible public health threat. Such training shall include appropriate hazard information and training to all Company Persons who will be performing work at the Project Site, including a description of the Hazardous Substances present or likely to be present at the Project Site and instructions and information regarding the potential health hazard of, and how to work safely with, such Hazardous Substances. The Company shall submit for Cascade review and comment its initial training plan prior to the Commencement Date and shall annually update its training plan and provides copies of such updates to Cascade. The

Company shall reasonably consider and provide written responses to any comments received from Cascade concerning its training plan.

(F) Training of Cascade Personnel. Cascade shall have the right to designate two employees for the purpose of receiving preparedness training in Project operations and maintenance and Emergency conditions response from the Company. Such training shall be regularly repeated and renewed so as to be sufficient to enable each of the two individuals to be familiar with the equipment, supplies, processes, operations, and performance of the Project at a level which will permit such officers or employees to respond to any Emergency and assume operations and maintenance responsibility in the event of any expiration or termination of this Agreement.

(G) Prevailing Wages. The Company shall pay, or cause to be paid by its Subcontractors, prevailing wages for all labor engaged in connection with the Company's maintenance-related Contract Services in accordance with Chapter 39.12 RCW, and to the extent required by Applicable Law for all other Contract Services. The Company is solely responsible to pay all charges and fees under Chapter 39.12 RCW.

(H) Use of Subcontractors. The Company shall utilize the Subcontractors identified in Appendix 5 (Key Personnel and Approved Subcontractors) to perform the Contract Services specified therein. The Company may enter into Subcontracts for the performance of other Contract Services, subject to the terms and conditions of this Section. Except with respect to the Subcontractors identified in Appendix 5 (Key Personnel and Approved Subcontractors) for the Contract Services specified therein, Cascade shall have the right to approve all Subcontractors engaged to perform any portion of the Contract Services where the applicable Subcontract has a contract value equal to or greater than \$50,000, adjusted annually, commencing on January 1, 2028, in the same manner as provided for under Section 7.3 below for the Base O&M Charge of the Service Fee. Any such approval by Cascade shall not be unreasonably withheld or delayed. The Company shall furnish Cascade written notice of its intention to enter into any such Subcontract or to request proposals from such Subcontractors, together with all information requested by or otherwise available to the Company pertaining to the proposed Subcontractor and Subcontract; in each case pertaining to the demonstrated responsibility of the proposed Subcontractor in the following areas: (1) any conflicts of interest, (2) any record of felony criminal convictions or pending felony criminal investigations, (3) any final judicial or administrative finding or adjudication of illegal employment discrimination, and (4) any final judicial or administrative finding or adjudication of non-performance in contracts with Cascade or any other Governmental Body. In the event Cascade fails to respond to any such notice of intention within 10 business days of receipt thereof, Cascade shall be deemed to have approved the proposed Subcontractor. The approval or withholding thereof by Cascade of

any proposed Subcontractor shall not create any liability of Cascade to the Company, to third parties or otherwise. In addition, in the event of a material failure by a Subcontractor to perform any Contract Services included within the scope of its Subcontract in accordance with the applicable terms of this Agreement, Cascade may, after reasonable notice and consultation with the Company, require the Company to terminate such Subcontractor and replace it with one reasonably satisfactory to both Parties.

(I) Subcontract Terms. Subcontracts entered into by the Company for the performance of the Contract Services shall neither supersede nor abrogate any of the terms or provisions of this Agreement. Each Subcontract shall preserve and protect the rights of Cascade hereunder with respect to the Contract Services to be furnished or performed under the Subcontract, so that the subcontracting thereof will not prejudice or otherwise affect such Cascade rights. The Contractor shall require each Subcontractor to comply with all provisions of this Agreement pertaining to the Contract Services to be furnished or performed under the applicable Subcontract and shall further require that all indemnities and waivers of subrogation it obtains and any stipulation to be named as an additional insured it obtains also be extended to waive rights of subrogation against Cascade and to add Cascade as additional named indemnitee and as additional insured. All Subcontracts entered into by the Company shall be assignable to Cascade, solely at Cascade's election and without cost or penalty, upon the expiration or earlier termination of this Agreement, and the Company shall so provide in its Subcontracts.

(J) Indemnity for Subcontractor Claims. The Company shall pay or cause to be paid to all Subcontractors all amounts due in accordance with their respective Subcontracts. No Subcontractor shall have any right against Cascade for labor, services, materials or equipment furnished for the Contract Services. The Company acknowledges that its indemnity obligations under subsection 10.2(A) shall extend to all claims for payment or damages by any Subcontractor who furnishes or claims to have furnished any labor, services, materials or equipment in connection with the Contract Services.

(K) Responsibility for Company Persons. All obligations of the Company hereunder shall be performed by Company Persons who are qualified to perform the specific services and meet all licensing and certification requirements of Applicable Law. The Company shall be fully responsible, in accordance with the terms and conditions of this Agreement, for all Contract Services performed by all Company Persons, including the selection, pricing, and performance of all Subcontractors. The Company shall, as between itself and Cascade, be responsible and liable to Cascade for, and not relieved of its obligations under this Agreement by, the acts, omissions, breaches, defaults, non-compliance, negligence, willful misconduct, or other legal fault of each Company Person, and all references in this Agreement to any act,

omission, breach, default, non-compliance, negligence, willful misconduct, or other legal fault of the Company shall be construed accordingly to include any such act, omission, breach, default, non-compliance, negligence, willful misconduct, or other legal fault committed by any other Company Person.

SECTION 5.5. O&M MANUAL.

(A) Initial Update, Review and Finalization. The Company shall initially develop and update the O&M Manual in accordance with its plan delivered to Cascade as a Transition Period responsibility pursuant to subsection 4.2(A) hereof and shall complete such update, including having addressed all Cascade comments to the reasonable satisfaction of Cascade, by no later than the first anniversary of the Effective Date. The O&M Manual, as updated by the Company, shall be consistent with the terms and provisions of this Agreement, shall contain a detailed description of the means and methods of properly operating and maintaining the Project and shall document predictive and preventive maintenance procedures, practices and schedules. The O&M Manual, as updated by the Company, shall also address all aspects of process control and unit process operation, including start-up, shutdown, troubleshooting and safety, as well mitigative and corrective procedures for reasonably anticipated Uncontrollable Circumstances and responding to Emergencies. The Company shall review and discuss in good faith with Cascade any aspect of any draft update to the O&M Manual and shall reasonably consider and address in writing any comments made by Cascade to any such draft update.

(B) Compliance and Annual Updates. The Company shall perform the Contract Services in accordance with the O&M Manual, as established pursuant to this Section, and all other Contract Standards. The Company shall keep the O&M Manual current and shall supply Cascade with appropriate updates, supplements or revisions thereto annually, at any earlier time that a material change to the O&M Manual is made, including to account for newly installed equipment or replacement equipment and any modified regulatory requirements or operating practices, and in connection with each Capital Improvement Project to the extent reasonably necessary to account for any resulting modifications to the Project. Each annual update to the O&M Manual shall be subject to review and comment by Cascade in the same manner as provided hereunder for the initial update to the O&M Manual. Each such annual update shall reflect the experience of the Company in performing the Contract Services over the prior year and every update to the O&M Manual shall preserve or improve upon the standards set forth in the initial update to the O&M Manual accepted by Cascade. The Company shall provide Cascade with a draft annual update to the O&M Manual by no later than July 1 of each Contract Year, commencing with the Contract Year following the Contract Year in which the initial update is finalized in accordance with subsection (A) of this Section, and with a final

update, having addressed all Cascade comments to the reasonable satisfaction of Cascade, by no later than November 1 of each such Contract Year.

SECTION 5.6. MAINTENANCE, REPAIR AND REPLACEMENT.

(A) Ordinary Maintenance. The Company shall perform all maintenance activities required to assure the efficient and effective operation of the Project, excluding activities constituting a Capital Improvement Project and subject to Cascade's approval rights under subsection (D)(2) of this Section. The Company shall keep the Project in good working order, condition and repair, in a neat and orderly condition and in accordance with the Contract Standards. The Company shall provide or make provisions for all labor, materials, supplies, equipment, spare parts, consumables and services which are necessary for the maintenance of the Project in accordance with this Section and shall conduct predictive, preventive and corrective maintenance of the Project as required by the Contract Standards. The Company's maintenance obligations hereunder include the obligation to maintain, repair and replace all Project Equipment and Company Provided Equipment so that the Company has sufficient equipment to perform the Contract Services at all times.

(B) CMMS, Maintenance Program and Records. The Company shall develop, update and maintain the CMMS in accordance with the Contract Standards and provide for an orderly and detailed maintenance program to schedule, record, track and monitor all maintenance activities, including predictive, routine, corrective and preventive maintenance, maintenance histories of each piece of equipment, manufacturers' requirements for maintenance, warranties, costs, labor hours and inventories of spare parts and equipment. The CMMS shall have the functionality and meet all requirements specified in Appendix 7 (CMMS Requirements). The Company shall obtain and maintain all equipment, equipment components and process operation and maintenance manuals and other technical information provided by the equipment vendors or manufacturers for use with the Company's maintenance management program and shall keep maintenance records in accordance with the requirements of Applicable Law and all other Contract Standards.

(C) Maintenance of Project Site. The Company shall keep the grounds of the Project Site, including all buildings, fences, landscaping and roadways, in a neat and orderly condition (including the cleanup of litter and debris on a daily basis or more frequently as required) and shall perform general vegetation management of the Project Site to facilitate Project inspections and as otherwise required by the Contract Standards. The Company shall also maintain all roadways, fencing and signage at the Project Site in accordance with and subject to the terms of this Section, shall maintain in a clean condition all storm drainage systems, and

shall provide snow removal, landscaping, lawn mowing, leaf raking, and brush cutting services for the Project Site.

(D) Cost Responsibility. The Company shall pay the cost of performing and causing the performance of its obligations under this Section, subject to reimbursement from Cascade in accordance with the provisions set forth in this subsection and Article VII (Compensation).

(1) The cost of each individual maintenance item, including parts, materials and supplies but excluding Company labor costs, that is equal to or less than \$10,000 is included in the Base O&M Charge of the Service Fee and is not separately reimbursable by Cascade unless the total number of individual maintenance items with a cost greater than \$5,000 but less than \$10,000, with cost determined in the same manner, exceeds 10 in any full Contract Year (with pro rata adjustment for any partial Contract Year). For the avoidance of doubt, while Company labor costs will not be counted in determining the costs of each individual maintenance item, such costs are also included in the Base O&M Charge of the Service Fee and are not separately reimbursable by Cascade unless otherwise expressly provided for herein. The Company shall not aggregate related but different maintenance items to exceed the \$10,000 or \$5,000 thresholds established by this clause (1). Cascade approval shall not be required for the performance of maintenance items contemplated by this clause (1). The maintenance cost thresholds set forth in this clause (1) shall be adjusted annually, commencing on January 1, 2028, in the same manner as provided for under Section 7.3 below for the Base O&M Charge of the Service Fee.

(2) Cascade shall reimburse the Company in accordance with subsection 7.2(C) below for the cost of individual maintenance items that exceed the thresholds determined in accordance clause (1) above (each such maintenance item, an “**Excess Maintenance Item**”), subject to this clause (2). Prior to proceeding with any Excess Maintenance Item, the Company shall notify Cascade and obtain Cascade’s approval in accordance with the following:

(a) Subject to clause (d) below, at least 14 days in advance of the proposed commencement of such Excess Maintenance Item, the Company shall submit a written request to Cascade (i) identifying the Excess Maintenance Item (or items) that the Company is requesting to perform, (ii) setting forth the basis for the Company’s determination that the proposed work qualifies as an Excess Maintenance Item and (iii) providing an estimate or, if reasonably practicable, a firm price for each such Excess Maintenance Item.

(b) Within seven days of its receipt of any such written request, Cascade, acting reasonably, shall provide a written response to the Company with Cascade's approval or rejection of the request, and the Company shall provide Cascade with any additional information reasonably requested by Cascade in evaluating the request, including any documentation necessary to support the Company's determination that the work qualifies as an Excess Maintenance Item and to support the Company's proposed estimate or firm price. If Cascade rejects such request, Cascade shall indicate its reasons for the rejection in its response. Cascade shall have the right to deny the approval of any Excess Maintenance Item and to cause the associated work to be performed by a Separate Contractor. If Cascade determines that a proposed Excess Maintenance Item is a Capital Improvement Project, the provisions of subsection 5.6(E) below shall apply. Except as provided in clause (d) below, if no response from Cascade is received by the Company, the request shall be deemed rejected. The Company shall not be deemed to be in violation of any Key Performance Indicator to the extent reasonably resulting from a rejection by Cascade of a request to perform an Excess Maintenance Item in accordance with this subsection.

(c) If Cascade agrees to the performance of an Excess Maintenance Item but does not agree with the estimate or firm price proposed by the Company, Cascade may authorize such Excess Maintenance Item to be performed on a Cost Substantiation basis.

(d) In the case of an Emergency requiring an Excess Maintenance Item to remedy the Emergency and mitigate the effects thereof, the Company shall comply with the procedures set forth in subsection 5.3(C) above but shall not be required to provide an estimate or firm price before proceeding with the Excess Maintenance Item in accordance with subsection 5.3(C). Unless otherwise directed by Cascade, the Company shall proceed with any such Excess Maintenance Item on a Cost Substantiation basis to the extent reasonably necessary to remedy the Emergency situation and mitigate the effects thereof. This clause (d) shall not be construed to authorize the Company to perform any Capital Improvement Project.

(e) Nothing in this subsection shall obligate Cascade to reimburse the Company for any cost incurred due to Company Fault. The Company shall promptly remedy at its sole cost all damage or loss to any property to the extent

that it is caused by Company Fault, and such cost shall not be reimbursable by Cascade.

(3) The costs associated with development of the CMMS are included in the Transition Period Fee and, to the extent of development of the CMMS following the Commencement Date, as a Progress Payment Item payable by Cascade in accordance with Section 7.2(B)(2) hereof. The ongoing cost of updating and maintaining the CMMS are included in the Base O&M Charge of the Service Fee and are not separately reimbursable by Cascade.

(E) Capital Improvement Projects. The Company's maintenance obligations under this Section do not include the obligation to undertake Capital Improvement Projects. The Parties acknowledge and agree that none of the maintenance activities that are included in the Base O&M Charge of the Service Fee in accordance with this Section are a Capital Improvement Project. The Company shall perform all other services hereunder concerning and in support of any Capital Improvement Project or any other work to be performed by a Separate Contractor, including satisfaction of its responsibilities under Section 5.7, at no additional cost to Cascade. Additional services with respect to Capital Improvement Projects, such as the management or undertaking of a Capital Improvement Project, may be undertaken by the Company only by separate written agreement of the Parties and only to the extent permitted by Applicable Law.

#### SECTION 5.7. SEPARATE CONTRACTORS AND SUSPENSION.

(A) Non-Exclusive Access Rights. Nothing in this Agreement shall be interpreted as granting the Company exclusive occupancy of the Project Site. Cascade reserves the right to perform or cause the performance of other work within or near the Project Site and to authorize other persons, including Separate Contractors, to access the Project Site for such purposes and for any other purpose deemed appropriate by Cascade. The Company must ascertain to its own satisfaction the scope of the Project and the nature of any other contracts that have been or may be awarded by Cascade in relation to its overall capital improvement and management program with respect to the Project. To the extent Cascade authorizes any Separate Contractor to perform work at the Project Site, Cascade shall notify the Company of the nature of the work and the area of the Project Site where such work will be performed, with the understanding that, unless otherwise determined by mutual agreement of the Parties reflected in a Contract Administration Memorandum, the Separate Contractor (and not the Company) will be responsible for such area of the Project Site, including with respect to job-site safety, during the performance of such work and that the Company's responsibility for such area will resume upon completion of such work.

(B) Coordination Meetings. Cascade intends to have coordination meetings among the Company and the various Separate Contractors to coordinate the overall program associated with the work being performed at the Project Site and to avoid or mitigate cost and time impacts to the overall capital improvements program and the management of the Project. The Company agrees that it will attend and participate in these logistics meetings and shall cooperate with Cascade and the Separate Contractors to the extent reasonably necessary for the performance by such other contractors of their work. The Company's responsibilities under this Section include the responsibility to facilitate access to the Project Site by Separate Contractors, as directed by Cascade, and to use all reasonable efforts to coordinate the performance of the Contract Services with the work to be performed by any Separate Contractor.

(C) Disputes Associated with Separate Work. If the performance of any work by Cascade or a Separate Contractor is likely to be interfered with by the simultaneous performance of any part of the Contract Services or some other contract or contracts, Cascade shall decide which contractor shall cease work temporarily and which contractor shall continue or whether the work under the contracts can be coordinated so that the contractors may proceed simultaneously. On all questions concerning the coordination of contractors performing related work, the decision of Cascade shall be binding upon the Company and all contractors concerned, and Cascade shall not be responsible for any damages suffered or extra costs incurred by the Company resulting directly or indirectly from the award or performance or attempted performance of any other contract or contracts at the Project Site or, except as provided in subsection (D) below, caused by a decision or omission of Cascade respecting the order of precedence in the performance of all such contracts. Any decision by Cascade to halt or delay the performance of any aspect of the Contract Services by the Company pursuant to this Section shall be made in accordance with subsection (D) below. The Parties acknowledge and agree that this Section is intended only to address coordination of work under separate contracts at the Project Site and shall not be construed to assign any responsibility for the performance of the Contract Services to Cascade. The Company shall retain responsibility for the means and methods of performing the Contract Services in accordance with the Contract Standards.

(D) Suspension of Contract Services. Cascade may, by Cascade Directive, order the Company to suspend, delay or interrupt all or any part of the Contract Services for such period as the Cascade Contract Representative may determine to be appropriate for the coordination of the work of Separate Contractors or otherwise for the convenience of Cascade. The Company shall be entitled to Uncontrollable Circumstance relief as and to the extent provided hereunder in the event of any such order, except to the extent such order is issued due to Company Fault, including any failure of compliance with the requirements of this Section or subsection 5.8(A) below.

SECTION 5.8. SAFETY AND SECURITY.

(A) Safety. The Company shall maintain safety in the performance of the Contract Services at a level consistent with the Contract Standards. Without limiting the foregoing, the Company shall: (1) take all reasonable precautions for the safety of, and provide all reasonable protection to prevent damage, injury or loss by reason of or related to the performance of the Contract Services to, (a) all employees working at the Project Site and all other persons who may be involved in work at the Project Site (subject to Section 5.7 above), (b) all visitors to the Project, and (c) all materials and equipment under the care, custody or control of the Company or any other Company Person; (2) establish and enforce all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards and promulgating safety regulations; (3) give all notices and comply with all Applicable Laws relating to the safety of persons or property or their protection from damage, injury or loss; (4) designate a qualified and responsible employee whose duty shall be the supervision of safety in the performance of the Contract Services, the prevention of fires and accidents and the coordination of such activities as shall be necessary with federal, State and Cascade officials; (5) operate all equipment in a manner consistent with the manufacturer's safety recommendations; (6) provide for safe and orderly vehicular movements; (7) develop and carry out a written Project Site-specific safety program, including employee training and periodic inspections, designed to implement the requirements of this Section; and (8) conduct weekly safety audit meetings with all Subcontractors and other Company Persons involved in the performance of the Contract Services to discuss general and specific safety matters. Cascade shall have the right to review and comment on the Company's Project Site-specific safety program, but no such review or comment (or failure to review or comment) shall serve to transfer any responsibility from the Company to Cascade.

(B) Security. The Company shall monitor all security systems in accordance with the Contract Standards and shall use all reasonable efforts to secure the Project Site at appropriate times, within the limits of the security devices included as part of the Project, to protect against vandalism and intrusion. The Company shall keep buildings and gates locked as appropriate, shall promptly report security issues to Cascade and any security firm designated by and under contract with Cascade from time to time, and shall have on-site staff coordinate with public safety officials and any such security firm with respect to security for buildings and property.

SECTION 5.9. COMPLIANCE WITH APPLICABLE LAW AND COLLATERAL AGREEMENTS.

(A) Applicable Law. The Company shall perform all obligations hereunder in accordance with Applicable Law and shall cause all Subcontractors and other Company Persons to comply with Applicable Law in the performance of the Contract Services. The Company shall comply with the terms of all Governmental Approvals applicable to Project operations, including the Water Rights Permits, notwithstanding the fact that the Company may not be a permittee or co-permittee with respect to some or all such Governmental Approvals. The Company shall familiarize itself with the Water Rights Permits and all other Governmental Approvals. The Company shall provide Cascade with (1) promptly upon receipt thereof, a true, correct and complete copy of any written notice of noncompliance with Applicable Law, and a true and accurate description of any oral notice of noncompliance with Applicable Law, issued or given by any Governmental Body, and (2) prompt written notice describing the occurrence of any event or the existence of any circumstance which does or may reasonably be expected to result in any such noncompliance, or of any Legal Proceeding alleging such noncompliance. Except to the extent excused by Uncontrollable Circumstances, in the event that the Company or any other Company Person fails at any time to comply with Applicable Law in the performance of the Contract Services, the Company shall promptly remedy or cause its Subcontractor to remedy such failure at its cost and expense, bear all Loss-and-Expense of the Company and Cascade resulting therefrom, and pay any resulting fines, assessments, levies, impositions, penalties or other charges resulting therefrom.

(B) Collateral Agreements. The Company shall familiarize itself with the terms of the Collateral Agreements, perform the Contract Services in accordance with the Collateral Agreements and cause all Subcontractors and other Company Persons to comply with the Collateral Agreements in the performance of the Contract Services. The Company shall be responsible for fines or penalties assessed under the Collateral Agreements for failure of compliance to the extent resulting from Company Fault. Cascade shall have the right to designate additional Collateral Agreements or changes to the Collateral Agreements in effect as of the Effective Date by written notice to the Company from time to time. However, any such additional or changed Collateral Agreement shall be an Uncontrollable Circumstance to the Company, entitling the Company to an equitable adjustment to the Service Fee to the extent the terms thereof could reasonably be expected to increase the cost of the performance of the Contract Services.

(C) Supporting Obligations. The Company shall provide reasonable support to Cascade in connection with its reporting obligations under the Water Rights Permits and the Collateral Agreements. Such reasonable support shall include providing Cascade with all data

developed in the performance of the Contract Services and necessary for Cascade to provide such reports.

SECTION 5.10. REQUIRED INSURANCE. Commencing on the Commencement Date (or as otherwise specified in Appendix 7 (Required Insurance)) and continuing throughout the Term, the Company shall obtain and maintain the Required Insurance and comply with all associated requirements specified in Appendix 8 (Insurance Requirements). Required Insurance coverage shall be maintained with insurers with an A.M. Best rating of no less than A-, VII, unless otherwise acceptable to Cascade in its discretion, and who are qualified and licensed to insure risks within the State.

SECTION 5.11. UTILITIES.

(A) Company Responsibilities. Except as expressly provided in subsection (B) of this Section, the Company shall arrange for the supply of electricity, water, sewer, stormwater, solid waste, recycling and all other Utilities to the Project Site, and shall be the account party on such Utility accounts. The Company shall have the right to negotiate and establish rates and terms of service with the respective suppliers and shall pay its Utility bills in a timely manner. The Company shall provide Cascade with Utility account information, including statements, promptly at Cascade's request and shall include Utility usage and cost information in its monthly reports. The Company acknowledges that the Base O&M Charge of the Service Fee, as escalated, includes all compensation to which the Company is entitled on account of Utility service.

(B) Cascade Responsibilities. Cascade shall continue to provide solar electrical power at the Project Site to the same extent as it provides such solar electrical power as of the Effective Date. Cascade shall also be responsible for internet and landline telephone service at the Project Site to the same extent as such service is provided as of the Effective Date.

SECTION 5.12. BOOKS AND RECORDS.

(A) Required Financial Recordkeeping. The Company shall prepare and maintain proper, accurate, complete and current financial books, records and accounts, in accordance with generally accepted accounting principles, with respect to all aspects of the Contract Services, including direct and indirect personnel expenses, Subcontractor costs, the costs of material, equipment and supplies, maintenance, repair and replacement items, operating expenses and overhead. These financial records shall be in form and substance sufficient to support all financial reporting, including Cost Substantiation, required hereunder and shall be presented in a format such that an independent auditor will be able to perform a review of such information in accordance with generally accepted accounting principles. The Company shall keep the books, records and accounts maintained with respect to each Contract Year until at least the sixth anniversary of the last day of each such Contract Year (or such longer

period as may be appropriate to account for any dispute then pending). The provisions of this Section shall survive the termination of this Agreement.

(B) Required Operations Recordkeeping.

(1) Generally. Cascade shall have access to records required to be kept by the Company concerning the Project and the Company's responsibilities hereunder in accordance with this Section. Such records include all information related to the operation and maintenance of the Project and the requirements of this Agreement, including the following records:

- (a) names and addresses of suppliers of all supplies, materials, Utilities and services;
- (b) all regulatory records, including reports and inspections, and correspondence with Governmental Bodies;
- (c) operations and maintenance logs, records and software programs, including CMMS reports;
- (d) reports to Cascade;
- (e) collective bargaining agreements, if any;
- (f) training, qualifications, certifications and education of employees assigned to the Project;
- (g) a list of training programs conducted and their subject content;
- (h) plans, drawings, maps and manuals for emergency management, operations, maintenance, repair and replacement;
- (i) requests for proposals or quotes, and proposals from suppliers or potential suppliers of maintenance, repair and replacement products or services; and
- (j) Subcontracts, job cost reports, certified payrolls and all other information necessary to support Cost Substantiation.

(2) Records Management Plan. The Company shall submit for Cascade approval a records management plan prior to the Commencement Date which shall comply with the Contract Standards and be acceptable to Cascade, acting reasonably. This plan shall describe the records storage systems, facilities, procedures, storage media and methods that will be used throughout the Term. All records shall be stored in a secure manner, be clearly identified, and always be accessible by Cascade.

(3) Cascade Access to Operations Data. Cascade shall have direct, real-time access (i.e., immediate ability to access and review data) to the CMMS and hardcopy reproduction capability. Cascade's access to all other information shall be in accordance with the Company's records management plan, as accepted by Cascade. All software programs used to generate, store, analyze or report data or records shall be compatible with Cascade's information technology systems, as provided in subsection 1.2(S) above. The Company shall keep Cascade regularly informed of all access and security codes for computer systems used in the performance of the Contract Services.

(4) Work Product, Public Disclosure and Confidential Records. All data in the CMMS and otherwise generated in the performance of the Contract Services shall be Work Product subject to Section 10.5 hereof. Both Parties acknowledge that Cascade is subject to the Washington State Public Records Act, which mandates public access to certain records, as defined therein. The Company shall provide Cascade with all information in its possession that is necessary for Cascade to respond to any public records request. Certain records of the Company may be designated as confidential by mutual agreement of the Parties, in which case, such records so designated shall be subject to Section 5.14 below.

(C) Inspection, Audit and Adjustment. Cascade shall have the right to commission an independent audit of the financial information required to be maintained pursuant to this Section and of all payments whatsoever by Cascade to the Company (other than the underlying costs that comprise the Base O&M Charge of the Service Fee and any mutually agreed fixed rates, fees, multipliers, percentages or unit prices) at its sole cost and expense, subject to possible reimbursement as provided in this Section. Notwithstanding the exclusion of underlying costs from the preceding sentence, the Company acknowledges and agrees that Cascade shall have all rights necessary to confirm that all payments have been properly charged in accordance with this Agreement and all rights specified in subsection 7.4(B) below with respect to the negotiation of any fixed pricing. If an inspection or audit reveals that the amount of any payment to the Company has been overstated, then the Company shall immediately reimburse to Cascade the overstated amount, in addition to interest from the time such amount was initially overpaid until reimbursed or credited to Cascade, at the Overdue Rate. If an inspection or audit contemplated by this Section discloses an overpayment of the Service Fee to the Company of 2% or more of the total amount that should have been properly paid by Cascade during the period audited, then the Company shall, in addition to the reimbursement or credit of such overstated amount, with interest, reimburse Cascade for any and all costs incurred in connection with the inspection or audit, including reasonable accounting and attorneys' fees and other Fees-and-

Costs. The foregoing remedies shall be in addition to any other remedies Cascade may have under Applicable Law.

(D) Record Documents. The Company shall maintain at the Project Site a copy of all designs, drawings, blueprints, plans, specifications and as-built or record drawings and documents pertaining to the Project which are provided by Cascade or otherwise in the possession of the Company.

SECTION 5.13. PERIODIC REPORTS.

(A) Monthly Reports. The Company shall provide Cascade with monthly operations reports, in a format reasonably acceptable to Cascade, no later than 15 days after the end of each month and in connection with each Billing Statement, including the following operating data:

- (1) a description of all major events of the prior month;
- (2) a description of material maintenance activities, including any Excess Maintenance Items, during the prior month and anticipated during the current month, together with summary information based on the CMMS to track the thresholds for Excess Maintenance Items under subsection 5.6(D)(1) above;
- (3) a description of any material safety incidents;
- (4) current staffing levels and any modifications;
- (5) the level of compliance achieved with respect to the Key Performance Indicators during the prior month and notification of any violations of Applicable Law or the Collateral Agreements;
- (6) the results of any regulatory or insurance inspections conducted during the prior month;
- (7) the quantities and costs of electricity, natural gas and potable water used during such month, together with information on any Utility outages occurring during the prior month;
- (8) any other data or information agreed to be furnished under the O&M Manual; and
- (9) any other reports or information that Cascade reasonably requests.

(B) Situation Reports. The Company shall promptly notify Cascade of any sudden changes, serious problems or safety incidents, equipment failures, security issues, violations or occurrences which could reasonably be expected to constitute violations of

Applicable Law or the Collateral Agreements or which could reasonably be expected to result in an Emergency.

(C) Regulatory Reports and Correspondence. The Company shall promptly provide Cascade with copies of all regulatory reports and regulatory correspondence received or sent by the Company. If the regulatory document contains a violation, notice of violation, regulatory action, liability or potential liability, the Company shall notify Cascade of the presence of such in a cover memo with the regulatory documents sent to Cascade even if notification has already occurred.

(D) Annual Reports. The Company shall furnish Cascade, within 45 days after the end of each Contract Year, an annual summary report of the data provided in the monthly reports. Such annual report shall include, without limitation, a summary of such Contract Year's data, including a summary report on compliance with the Key Performance Indicators for such Contract Year, and planned activities for the then-current Contract Year.

(E) Default Reports. The Company shall provide to Cascade, upon receipt thereof, copies of any written notice of a material default, breach or noncompliance received under or in connection with any Governmental Approval, Subcontract or other agreement pertaining to the performance of the Contract Services.

#### SECTION 5.14. PROPRIETARY INFORMATION.

(A) Company Requests. Cascade acknowledges that the Company may have a proprietary interest in certain information that may be furnished pursuant to the provisions of this Agreement and certain information may be deemed confidential and exempt from disclosure under the Washington State Public Records Act. The Company shall have the right to request in writing that Cascade not publicly disclose any information which the Company believes to be proprietary and not subject to public disclosure under Applicable Law, any such request to be accompanied by an explanation of its reasons for such belief. The Company shall submit such information which is the subject of such a request under separate cover and clearly marked "Confidential – Not Subject to Public Disclosure" on all relevant pages, and the disclosure of such information shall be subject to the provisions of this Section.

(B) Permitted Disclosures. In the event that records marked "Confidential – Not Subject to Public Disclosure" are requested by the public or pursuant to Applicable Law, Cascade shall endeavor to notify the Company of any such request. If so notified, the Company at its option may seek a protective order in a court of competent jurisdiction. If Contractor fails or neglects to take such action within the timeframe provided by Cascade, Cascade will release the records. In the event that records marked "Confidential – Not Subject to Public Disclosure" (1) are requested pursuant to any Applicable Law other than the Washington State Public

Records Act, or (2) Cascade deems disclosure of such records necessary to show compliance by Cascade with any Applicable Law, then Cascade shall endeavor, where reasonably possible, to notify the Company of the request and refer the individual or entity requesting the information to the Company for disclosure purposes. The burden to obtain any desired temporary restraining order or injunctive relief to prevent disclosure is with the Company. To the extent that Cascade withholds from disclosure records at the Contractor's request, the Contractor agrees to fully indemnify, defend, and hold harmless Cascade from all damages, penalties, attorneys' fees, and costs Cascade incurs related to withholding information from public disclosure. No information shall be considered to be confidential or proprietary hereunder, notwithstanding any confidential or proprietary designation thereof, which (1) is known to Cascade without any restriction as to disclosure or use at the time it is furnished, (2) is or becomes generally available to the public without breach of any agreement, (3) is received from a third party without limitation or restriction on such third party or Cascade at the time of disclosure, or (4) is required to be or may be disclosed under or pursuant to the Washington State Public Records Act or any other Applicable Law or regulations governing such disclosure, an order of a court of competent jurisdiction, or a lawful subpoena.

(C) Documents in Sole Possession of Company. The Parties acknowledge that there may be documents in the sole possession of the Company that may be considered public records subject to public disclosure under the Washington State Public Records Act due to use by Cascade, and the Company will reasonably cooperate with Cascade in either making those records available and/or seeking a protective order as set forth in subsection (B) of this Section.

## ARTICLE VI

### ENVIRONMENTAL MATTERS

SECTION 6.1. PREEXISTING ENVIRONMENTAL LIABILITIES. The Company is not obligated to assume, and does not assume, responsibility for any potential Environmental Liabilities arising from any Project Site condition existing as of the Effective Date. The Company's responsibilities with respect to any Pollution or Hazardous Substances that may exist at the Project Site as of the Effective Date are limited to those set forth in Section 6.2 below.

SECTION 6.2. COMPANY RESPONSIBILITIES. In performing the Contract Services, the Company shall employ water pollution control procedures in accordance with the Contract Standards and shall exercise due care, in light of all relevant facts and circumstances, to avoid exacerbating any Pollution or Hazardous Substance condition after the location and existence of such condition has been disclosed to the Company or becomes actually known by the Company through physical observation. The Company shall not use, store or otherwise permit any Hazardous Substances at the Project Site in violation of any Applicable Law. The

Company's obligation to comply with Applicable Law hereunder includes the obligation to comply with all applicable environmental laws, including Chapter 90.48 RCW, and the Company shall be responsible for all penalties, damages and violations under such Applicable Law to the extent arising from Company Fault. Notwithstanding anything to the contrary in this Article, the Company shall bear full responsibility for the handling, treatment, storage, removal, remediation, avoidance or other appropriate action (if any), with respect to:

(1) any Hazardous Substances present at, on, in or under, or migrating or emanating to or from the Project Site, that were generated by or brought or caused to be brought on the Project Site by any act or omission of the Company or any other Company Person; and

(2) the creation of any Pollution condition due to Company Fault, or the exacerbation of any Pollution or Hazardous Substance condition due to Company Fault once the location and existence of such condition becomes actually known to the Company.

The Company shall be responsible for any and all potential Environmental Liabilities resulting from Pollution or Hazardous Substances for which the Company bears responsibility pursuant to this Section. The Company shall transport and dispose of any Hazardous Substances for which it bears responsibility under this Section in accordance with all Applicable Law.

SECTION 6.3. REMEDIATION. Except as provided in Section 6.2 with respect to Pollution or Hazardous Substances for which the Company bears responsibility, Cascade shall be responsible for any enforcement or remedial action required by or undertaken pursuant to Applicable Law with respect to Pollution or Hazardous Substance conditions at the Project Site. The Company shall provide reasonable assistance to Cascade in connection therewith but shall not be liable for any associated Environmental Liabilities or required to incur material additional cost and expense in connection therewith unless Cascade agrees to compensate the Company for such cost and expense pursuant to mutual written agreement of the Parties. In the event of any enforcement or remedial action with respect to Pollution or Hazardous Substance conditions for which the Company bears responsibility under Section 6.2, the provisions of Section 6.2 shall control, and the Company shall, at its own cost and expense, undertake all required remedial action in accordance with Applicable Law, develop and obtain Cascade approval of appropriate remediation plans for the same and obtain all Governmental Approvals required for such remedial action.

## ARTICLE VII

### COMPENSATION

SECTION 7.1. TRANSITION PERIOD FEE. The “**Transition Period Fee**” is the compensation payable to the Company for the performance of all Transition Period responsibilities. The Transition Period Fee shall be an amount equal to \$[\_\_\_\_\_] and shall be payable on a progress payment basis pursuant to monthly invoices over the course of the Transition Period in generally the same manner as provided for under Section 7.5 below with respect to payments of the Service Fee. If the Commencement Date occurs prior to completion by the Company of all activities anticipated by the Transition Plan such that the Company has not yet earned the full amount of the Transition Period Fee as of the Commencement Date, the Company shall continue with the performance of such Transition Period responsibilities on and after the Commencement Date and shall be paid any remaining amount of the Transition Period Fee when earned as a Progress Payment Item pursuant to subsection 7.2(B)(2) below. A breakdown of the Transition Period Fee and the terms for the progress payments thereof are set forth in Appendix 9 (Detailed Pricing and Payment Information).

#### SECTION 7.2. ANNUAL SERVICE FEE.

(A) Service Fee Generally. From and after the Commencement Date, Cascade shall pay the Service Fee to the Company as compensation for the performance of the Contract Services. The Service Fee comprises fixed components and variable components, each as summarized in this Section and as established by each Annual Budget. The Annual Budget for the period comprising the Transition Period and the Contract Year ending December 31, 2027 (the “**First Annual Budget**”) is set forth as an attachment to Appendix 9 (Detailed Pricing and Payment Information).

(B) Fixed Components. The fixed components of the Service Fee are the Base O&M Charge and any Progress Payment Items, as follows:

(1) Base O&M Charge. The “**Base O&M Charge**” is the Company’s base compensation for the performance of the Contract Services, excluding the performance of Progress Payment Items, Excess Maintenance Items and Extraordinary Items. The Base O&M Charge for the Contract Year ending December 31, 2027, assuming the Commencement Date were to occur on January 1, 2027, is \$[\_\_\_\_\_] and shall be adjusted for each subsequent Contract Year by the Blended Adjustment Factor in accordance with Section 7.3 below. The Base O&M Charge payable for the Contract Year ending December 31, 2027 shall be adjusted on a pro rata basis to account for the actual number of days from the Commencement Date to the end of such Contract Year. The

annual Base O&M Charge shall be payable in equal monthly installments, subject to pro rata adjustment for any partial month.

(2) Progress Payment Items. A “**Progress Payment Item**” is a fixed scope of work for a fixed fee that is identified in an Annual Budget as payable on a progress payment basis. The First Annual Budget includes the development of the initial update to the O&M Manual and the development of the CMMS as Progress Payment Items, in each case to the extent such work is not completed as of the Commencement Date, and the amount and payment terms for each such Progress Payment Item are set forth in the First Annual Budget. Any amount remaining and not yet earned against the Transition Period Fee as of the Commencement Date will also be converted to a Progress Payment Item for the period covered by the First Annual Budget, as described in Section 7.1 above and on the same terms and conditions as are established in Appendix 9 (Detailed Pricing and Payment Information) for the payment of the Transition Period Fee. Cascade may, but shall not be obligated to, authorize Progress Payment Items in subsequent Annual Budgets.

(C) Variable Components. The variable components of the Service Fee are any Excess Maintenance Items, any Extraordinary Items, each as follows, and any incentive compensation payable pursuant to subsection (D) of this Section:

(1) Excess Maintenance Items. The Service Fee shall include compensation for Excess Maintenance Items as and to the extent provided in subsection 5.6(D) above. Excess Maintenance Items are additionally subject to Section 7.4 below.

(2) Extraordinary Items. To the extent an Uncontrollable Circumstance, such as an Emergency or Cascade Directive that is not due to Company Fault, occurs and results in work that is not otherwise required by the terms of this Agreement, the cost of such work shall be payable by Cascade as an “**Extraordinary Item**.” Any Extraordinary Item shall be subject to Cost Substantiation and the terms and conditions of Sections 7.4 and 10.1 below.

(D) Incentive Compensation. The Parties anticipate that each Annual Budget will include incentive compensation to incentivize superior performance by the Company. Such incentive compensation may include a sharing in savings against a contingency line item in the Annual Budget or specified payments for superior performance, as measured against the Key Performance Indicators. However, incentive compensation shall be payable only pursuant to the Billing Statement immediately following the end of a Contract Year based on performance during such Contract Year, shall in no event exceed 4.0% of the amount of the Base O&M Charge of the Service Fee payable to the Company for such Contract Year, and shall be conditioned upon

satisfactory compliance with the Key Performance Indicators, as determined in accordance with the applicable Annual Budget, and such other conditions as may be specified in the applicable Annual Budget. The incentive compensation that may be payable for the Contract Year ending December 31, 2027 is set forth in the First Annual Budget.

(E) Service Fee Offsets. Cascade shall have the right to offset the Service Fee in accordance with this subsection for amounts due and owing by the Company to Cascade hereunder, including deductions incurred by the Company in accordance with subsection 5.3(B) above and with respect to any exercise by Cascade of its rights to equitably adjust the Service Fee under the circumstances specified in subsections 5.4(A) and 5.4(D) above. Once it is determined that any such amounts are due and owing to Cascade in accordance with the terms and conditions of this Agreement, Cascade shall notify the Company, and the Company shall include such amounts as a credit in the next monthly Billing Statement provided to Cascade in accordance with Section 7.5 below. In the event the Company does not provide for such credit in the next monthly Billing Statement provided to Cascade, Cascade shall have the right to offset the Service Fee otherwise payable for such monthly Billing Statement by the amount due and owing to Cascade. Notwithstanding any of the foregoing, Cascade shall have the right to offset the Service Fee otherwise payable to the Company for the final monthly Billing Statement of the Term by any amount due and owing to Cascade in accordance with the terms and conditions of this Agreement.

SECTION 7.3. INDEX ADJUSTMENTS.

(A) Applicable Indices. The indices used for the annual adjustment of the Base O&M Charge shall be the Consumer Price Index (CPI-W) West Coast Regional Size Class A and the Employment Cost Index (ECI-W) for the Seattle/Tacoma area, each as published by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). If either the CPI-W or the ECI-W is no longer published at the time that an adjustment is to be calculated hereunder, or if the base or method of calculation used for either such index is materially altered, the calculation shall be made using a comparable similar index or method mutually agreed upon by the Parties.

(B) CPI Adjustment Factor. The “**CPI Adjustment Factor**” shall be calculated as follows:

$$\text{CPIAF}_n = \text{CPI-W}_{n-1} \div \text{CPI-W}_b$$

Where,

CPIAF<sub>n</sub> = The CPI Adjustment Factor for Contract Year “n”.

CPI-W = As specified in subsection (A) of this Section.

CPI-W<sub>n-1</sub> = The average of the 12 monthly CPI-W values occurring in the Contract Year preceding the Contract Year with respect to which a calculation is to be made hereunder.

CPI-W<sub>b</sub> = The base CPI-W, which is [\_\_\_\_\_] (*to be established based on annual average CPI-W value at the time of pricing*)).

(C) ECI Adjustment Factor. The “**ECI Adjustment Factor**” shall be calculated as follows:

ECIAF<sub>n</sub> = ECI-W<sub>n-1</sub> ÷ ECI-W<sub>b</sub>

Where,

ECIAF<sub>n</sub> = The ECI Adjustment Factor for Contract Year “n”.

ECI-W = As specified in subsection (A) of this Section.

ECI-W<sub>n-1</sub> = The average of the four quarterly ECI-W values occurring in the Contract Year preceding the Contract Year with respect to which a calculation is to be made hereunder.

ECI-W<sub>b</sub> = The base ECI-W, which is [\_\_\_\_\_] (*to be established based on the annual average ECI-W value at the time of pricing*)).

(D) Application to Base O&M Charge. The Base O&M Charge shall be adjusted on January 1 of each Contract Year, commencing January 1, 2028, in accordance with this subsection. For each such adjustment, the CPI Adjustment Factor and the ECI Adjustment Factor shall each be separately calculated and then multiplied by [0.50]. The product for each shall then be added together to create a “**Blended Adjustment Factor**” in accordance with the following equation: Blended Adjustment Factor = (0.50 x CPI Adjustment Factor) + (0.50 x ECI Adjustment Factor). The Blended Adjustment Factor shall then be applied by multiplying the value of the Base O&M Charge set forth in subsection 7.2(B)(1) above by the Blended Adjustment Factor. For clarity, the Blended Adjustment Factor shall be applied to the amount actually set forth in subsection 7.2(B)(1) above for the Contract Year ending December 31, 2027 and not to any applicable amount calculated for the prior Contract Year. The average CPI-W and ECI-W values shall be rounded to the same number of decimal places as reported by the BLS. When determining any amount to be adjusted by the adjustment factors for any Contract Year, the adjustment factors shall not be rounded and the resulting adjusted amount shall be rounded to the nearest penny.

(E) Estimates and Adjustments. If the final value of any component index is not available for the applicable period when required hereunder, the amount of the adjustment to be made shall be estimated by using the preliminary value of the index for the applicable

period or the final value of the index for the latest available period. All calculations and payments based on such estimate shall be adjusted (increase or decrease) as soon as is reasonably practicable after the final value of the index for the applicable period is published. The Company shall set forth the calculation of the estimated values of the index in its monthly Billing Statements until the final values are published. The Company shall set forth the calculation of the final values of the index and the resulting calculation of the adjustment (increase or decrease), if any, to payments made based on the estimated values during the Contract Year in a Billing Statement as soon as is practicable after the final value is published. The final adjustment (increase or decrease), if any, shall be applied in connection with the payment of such Billing Statement.

SECTION 7.4. PRICING AND COST SUBSTANTIATION.

(A) Fixed Pricing as of the Effective Date. The Transition Period Fee, the Base O&M Charge and the Progress Payment Items included in the First Annual Budget have been negotiated, fixed and agreed upon by the Parties as of the Effective Date and are not subject to Cost Substantiation. However, any adjustment to the Transition Period Fee, Base O&M Charge or such Progress Payment Items due to the occurrence of an Uncontrollable Circumstance shall be subject to this Section.

(B) Pricing of Additional Amounts Payable by Cascade. All amounts payable by Cascade hereunder shall be based on and limited by the reasonable and necessary costs paid or incurred or reasonably expected to be paid or incurred by the Company in the proper performance of the Contract Services in accordance with this Agreement and the permissible markups provided for under this Agreement. In no event will Cascade be responsible for costs incurred due to Company Fault. While the Company will not be required to provide subsequent Cost Substantiation of fixed pricing agreed upon by the Parties in accordance with this Agreement, in proposing or negotiating any such fixed pricing, the Company shall provide Cascade with all information reasonably required by Cascade regarding the Company's expected costs of performing the work and its mark-up, which shall be consistent with this Section.

(C) Cost Substantiation Generally. The Company shall provide Cost Substantiation for the costs for which Cascade is financially responsible hereunder, other than the Transition Period Fee, the Base O&M Charge, Progress Payment Items (unless specified in the applicable Annual Budget) and other costs for which the Parties have negotiated and established a fixed price in accordance with this Agreement. In incurring costs which are or may be subject to Cost Substantiation, the Company shall utilize competitive practices to the maximum reasonable extent (including, where practicable and consistent with Prudent Industry Practice, obtaining three competing quotes or estimates), and shall enter into Subcontracts on

commercially reasonable terms and prices in light of the work to be performed and Cascade's potential obligation to pay for it. Personnel and labor rates shall not exceed any then currently applicable rates reflected in Appendix 9 (Detailed Pricing and Payment Information) or the applicable Annual Budget or, in the absence of any such rate, the prevailing market rates for similar work or services considering the location of the Project. Rates and quantities of equipment rented shall be supported (where applicable) by industry-standard rental rate manuals reasonably acceptable to Cascade and shall be subject to any applicable provisions of Appendix 9 (Detailed Pricing and Payment Information) and the applicable Annual Budget.

(D) Permissible Markups. The Company may apply a markup to costs subject to Cost Substantiation. However, no such markup shall exceed the applicable markup set forth in Appendix 9 (Detailed Pricing and Payment Terms) for the work or services involved.

(E) Cost Substantiation Certificate. Any Billing Statement requesting payment for costs subject to Cost Substantiation shall be accompanied by a certificate stating that the applicable costs being invoiced (exclusive of any permissible markup) are (1) properly payable under this Agreement, specifying the provisions of this Agreement under which compensation is due; and (2) equal to amounts paid by the Company for work that has been properly performed. Each Cost Substantiation certificate shall be accompanied by copies of all documentation reasonably necessary to demonstrate that the costs have been paid and are reasonable. Such documentation shall be in a format and level of detail reasonably acceptable to Cascade. To the extent reasonably necessary to confirm the payment of the costs that are subject to Cost Substantiation, copies of timesheets, invoices, canceled checks, expense reports, receipts and other documents, as appropriate, shall be provided. Cascade's obligation to make payments with respect to costs subject to Cost Substantiation shall be conditioned upon compliance with this Section.

#### SECTION 7.5. BILLING.

(A) Billing Statements and Payment. The Service Fee for each month shall be on account of the Contract Services rendered during the prior month. For each Billing Period the Company shall render a written statement (a "**Billing Statement**") to Cascade by the 15th day of the following Billing Period, which shall set forth each component of the Service Fee payable for the prior Billing Period, shall be in the form set forth as Transaction Form A (Form of Billing Statement)<sup>9</sup> and shall be accompanied by the monthly report required by subsection 5.13(A) above. Each Billing Statement shall also include any credit required by subsection 7.2(E) above and all other information required by this Article, including (1) a Cost Substantiation certificate if the Billing Statement requests payment for any Extraordinary Item or any Excess Maintenance

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<sup>9</sup> As noted in the table of contents, this form will be developed during negotiations with the successful Proposer.

Item subject to Cost Substantiation and (2) such other information as Cascade may reasonably request, including documentation concerning the payment of prevailing wages (where applicable) and completion of the relevant work. Cascade shall pay the amount of the Service Fee due to the Company within 30 days of the date of receipt of the Billing Statement in accordance with this subsection.

(B) Billing Disputes. If Cascade disputes any amount billed by the Company in any Billing Statement, Cascade shall pay that portion of the billed amount which is not in dispute and shall provide the Company with written objection within 15 days of the receipt of such Billing Statement indicating the portion of the billed amount that is being disputed and providing all reasons then known to Cascade for its objection to or disagreement with such amount. If Cascade and the Company are not able to resolve such dispute within 30 days after Cascade's objection, either Party may elect to initiate dispute resolution procedures in accordance with this Agreement. If any such amount is adjusted in the Company's favor pursuant to agreement, mediation or otherwise, Cascade shall pay the amount of such adjustment to the Company, with interest thereon at the Overdue Rate from the date such disputed amount was due the Company in accordance with the terms hereof to the date of payment in full of such amount. Nothing contained in this subsection shall limit the authority of any authorized officer of Cascade or any other Governmental Body to raise a further objection to any amount billed by the Company pursuant to an audit conducted pursuant to Applicable Law or this Agreement.

SECTION 7.6. ANNUAL BUDGET. By no later than 60 days prior to the commencement of each Contract Year, beginning with the Contract Year commencing on January 1, 2028, the Company shall provide Cascade, for its approval (acting reasonably), a proposed budget for the upcoming Contract Year, which shall include an estimate of the adjustment to the Base O&M Charge for such Contract Year (in accordance with Section 7.3 above) and a proposed contingency amount for Excess Maintenance Items and Extraordinary Items reasonably anticipated based on experience during the current Contract Year and reasonable expectations for the upcoming Contract Year. The Company may also include in its proposed budget a proposal for incentive compensation in accordance with subsection 7.2(D) above and, if requested by Cascade, a proposal for any potential Progress Payment Items. The Parties shall meet within 30 days following Cascade's receipt of the Company's proposed budget for the upcoming Contract Year and shall use all reasonable efforts to agree upon an Annual Budget for such Contract Year prior to commencement. The Company shall provide Cascade with all information reasonably requested by Cascade to support its proposed budget, including supporting cost information, and shall resubmit its proposed budget to address comments reasonably made by Cascade. Upon written approval by Cascade, the proposed budget shall be

the Annual Budget for the Contract Year. Absent such approval, the Annual Budget for the prior Contract Year shall continue in effect for the next Contract Year, with the Base O&M Charge adjusted in accordance with Section 7.3 above, until such time as the Parties reach agreement and Cascade approval is obtained.

SECTION 7.7. PRIVATE BUSINESS USE RESTRICTIONS.

(A) Management Contract. It is the intent of Cascade and the Company that this Agreement shall be construed and applied so as to constitute a management contract that does not result in private business use of property financed by Cascade within the meaning and intent of the applicable regulations of the United States Treasury and rulings of the Internal Revenue Service. In particular, Cascade and the Company agree that, notwithstanding any provision of this Agreement to the contrary, Cascade shall be under no obligation to, and shall not, pay compensation for services to the Company for any Contract Year, if such payment, or any portion thereof, would, in the opinion of Cascade's bond counsel, result in any portion of the Company's compensation being based on net profit or net losses (as such terms are defined in Internal Revenue Service Revenue Procedure 2017-13) of the Project.

(B) No Inconsistent Position. The Company agrees that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to Cascade with respect to the Project. Company agrees not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the Project.

(C) No Circumstances Limiting Exercise of Rights. The Company represents that no more than 20 percent of the voting power of the governing body of Cascade is vested or will become vested in the directors, officers, shareholders, partners, members, and employees of the Company, in the aggregate. The Company represents that the governing body of Cascade does not include and will not include the chief executive officer of the Company or the chairperson (or equivalent executive) of the Company's governing body. The Company represents that the chief executive officer of the Company is not the chief executive officer of Cascade. For purposes of this subsection, all references to the Company include any related person to the Company within the meaning of Treas. Reg. § 1.150-1(b) and the phrase "chief executive officer" includes a person with equivalent management responsibilities.

ARTICLE VIII

DEFAULT, TERMINATION  
AND DISPUTE RESOLUTION

SECTION 8.1. REMEDIES FOR BREACH.

(A) Generally. The Parties agree that, except as otherwise provided in this Article with respect to termination rights, in the event that either Party breaches any obligation under this Agreement or any representation made by either Party hereunder is untrue in any material respect, the other Party shall have the right to take any action under this Agreement or at law or in equity to recover actual damages or to secure specific performance, and that such rights to recover actual damages and to secure specific performance shall ordinarily constitute adequate remedies for any such breach. Neither Party shall have the right to terminate this Agreement except as expressly provided in this Article.

(B) Cascade Deduction Rights. This Agreement provides for the assessment of deductions against the Service Fee in certain circumstances of failure of compliance with the Key Performance Indicators, as specified in subsection 5.3(B) above. Each Party agrees that such deductions are in the nature of liquidated damages, that Cascade's actual damages in each such circumstance of failure of compliance would be difficult or impossible to ascertain, and that the deductions provided for herein with respect to each such circumstance are intended to place Cascade in the same economic position as it would have been in had the unexcused failure of compliance not occurred. Such deductions shall constitute the only damages payable by the Company to Cascade to compensate Cascade for such unexcused failure of compliance with the Key Performance Indicators, regardless of legal theory. This limitation, however, is not intended to limit any of the other remedies for breach specifically provided for in this Agreement, including Cascade's remedies associated with an Event of Default by the Company under Section 8.2 below, and will not limit any obligation of the Company to pay fines or penalties under and in accordance with Section 5.9 above or any indemnification obligation of the Company hereunder with respect to third-party claims.

#### SECTION 8.2. EVENTS OF DEFAULT BY THE COMPANY.

(A) Events of Default Not Requiring Further Notice or Cure Opportunity. Each of the following shall constitute an Event of Default on the part of the Company for which Cascade, by written notice to the Company, may terminate this Agreement without any requirement of having given notice previously or providing any further cure opportunity:

(1) Abandonment of Operations. The abandonment by the Company of the Project.

(2) Emergencies. The occurrence of an Emergency caused by Company Fault and not due to an Uncontrollable Circumstance, which results in Cascade takeover of all or any major component of the Project.

(3) Voluntary Bankruptcy. The written admission by the Company that it is bankrupt, or the filing by the Company of a voluntary petition under the Bankruptcy

Code, or the consent by the Company to the appointment by a court of a receiver or trustee for all or a substantial portion of its property or business, or the making by the Company of any arrangement with or for the benefit of its creditors involving an assignment to a trustee, receiver or similar fiduciary, regardless of how designated, of all or a substantial portion of the Company's property or business.

(4) Involuntary Bankruptcy. The issuance of an order of a court of competent jurisdiction appointing a receiver, liquidator, custodian or trustee of the Company or of a major part of the property of the Company, or the filing against the Company of a petition to reorganize the Company pursuant to the Bankruptcy Code, which order shall not have been discharged or which filing shall not have been dismissed within 90 days after such issuance or filing.

(B) Events of Default Requiring Notice or Cure Opportunity for Termination. It shall be an Event of Default by the Company upon which Cascade may terminate this Agreement, by written notice to the Company, if: (x) the Company fails or refuses to perform any material obligation under this Agreement and such failure or refusal is not excused by an Uncontrollable Circumstance, (y) the Company fails to pay or credit amounts owed to Cascade under this Agreement within 60 days following the due date for such payment or credit and such failure is not the subject of a good faith dispute between the Parties, or (z) any representation or warranty of the Company hereunder or in any certificate, schedule, instrument or other document delivered by the Company pursuant to this Agreement, in each case, shall have been false or materially misleading when made or delivered; except that no such default (other than those set forth in Subsection (A) of this Section) shall constitute an Event of Default giving Cascade the right to terminate this Agreement for cause under this subsection unless:

(1) Cascade has given prior written notice to the Company stating that a specified default has occurred which gives Cascade a right to terminate this Agreement for cause under this Section, and describing the default in reasonable detail; and

(2) the Company has not initiated within a reasonable time (in any event not more than 30 days from the initial default notice) and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence; or

(3) if the Company shall have initiated and continued with due diligence to carry out to completion all actions required under item (b), above, the Company shall not have continued with due diligence to carry out to completion all such actions (which completion shall in any event be not more than 120 days from the initial default notice).

(C) Other Remedies Upon Company Event of Default. The right of termination provided under this Section upon an Event of Default by the Company is not exclusive. If this Agreement is terminated by Cascade for an Event of Default by the Company, Cascade shall have the right to pursue a cause of action for actual damages and to exercise all other remedies which are available to it under this Agreement, under the Performance and Payment Bond and under Applicable Law.

(D) Company Limitation of Liability. The Company's aggregate liability under this Agreement with respect to damages of any kind payable to Cascade arising out of the performance or unexcused nonperformance of the Contract Services as a consequence of a claim or suit initiated by Cascade shall not exceed an amount equal to: (1) for the Initial Term, three times the aggregate amount payable to the Company under the First Annual Budget and (2) for any Renewal Term, three times the average annual Service Fee payment received by the Company under this Agreement. This limitation on liability is in addition to the waiver of consequential or punitive damages provided for under Section 8.7 below and applies solely to the liability of the Company for damages payable to Cascade arising out of the performance or unexcused nonperformance of Contract Services as a consequence of a claim or suit initiated by Cascade. This limitation on liability does not apply to any other liability, loss, damage, cost or expense that may be incurred by the Company in connection with this Agreement. Any payments made in connection with any Required Insurance, including the proceeds of Required Insurance and the payment of any deductible or self-insured retention, will not serve to offset the maximum liability amount established by this subsection. Additionally, the limitation on liability provided for under this subsection will not apply in the case of willful misconduct or fraud or other criminal conduct on the part of the Company.

### SECTION 8.3. EVENTS OF DEFAULT BY CASCADE.

(A) Cascade Events of Default Defined. Each of the following shall constitute an Event of Default on the part of Cascade for which the Company may terminate this Agreement by written notice to Cascade:

(1) Failure to Pay or Otherwise Comply with Agreement. The failure or refusal by Cascade to perform any material obligation under this Agreement unless such failure or refusal is excused by an Uncontrollable Circumstance, including the failure of Cascade to pay undisputed amounts owed to the Company under this Agreement within 60 days following receipt of a Company invoice therefor, which failure is not the subject of a good faith dispute between the Parties; except that no such failure or refusal shall constitute an Event of Default giving the Company the right to terminate this Agreement for cause under this Section unless:

(a) The Company has given prior written notice to Cascade stating that a specified failure or refusal to perform exists which will, unless corrected, constitute a material breach of this Agreement on the part of Cascade and which will, in its opinion, give the Company a right to terminate this Agreement for cause under this Section unless such default is corrected within a reasonable period of time, and

(b) Cascade has neither challenged in an appropriate forum the Company's conclusion that such failure or refusal to perform has occurred or constitutes a material breach of this Agreement nor corrected or diligently taken steps to correct such default within a reasonable period of time but not more than 30 days from the date of the notice given pursuant to clause (a) of this subsection; or

(c) if Cascade shall have initiated and continued with due diligence to carry out to completion all actions required under item (b), above, Cascade shall not have continued with due diligence to carry out to completion all such actions (which completion shall in any event be not more than 120 days from the initial default notice).

(2) Bankruptcy or Insolvency. The filing by Cascade of a petition seeking relief, a final adjudication of insolvency or bankruptcy, or an assumption by a cognizant regulatory body of supervision of Cascade's finances, in any case under the Bankruptcy Code or any federal or State statute intended to provide relief or otherwise become effective for political subdivisions which are insolvent, financially unsound or unable to meet their obligations as they mature.

(B) Effect of Termination for Cascade Event of Default. If this Agreement is terminated by the Company for cause as a result of an Event of Default by Cascade, Cascade shall pay the Company the same amount which would be payable under subsection 8.4(A) if this Agreement were terminated at the election of Cascade for its convenience and without cause at the same time as termination for an Event of Default by Cascade.

#### SECTION 8.4. CASCADE CONVENIENCE TERMINATION.

(A) Convenience Termination Right. Cascade shall have the right to terminate this Agreement, in its sole discretion, for its convenience and without cause at any time upon 30 days' written notice to the Company. If Cascade exercises its right to terminate the Agreement pursuant to this Section following the Commencement Date, Cascade shall pay the Company a

convenience termination fee equal to the sum of: (1) \$[150,000]<sup>10</sup> reduced by 1/60 of such amount for each month which has elapsed following the Commencement Date to and including the month in which the termination date occurs, plus (2) the Company's reasonable demobilization costs, subject to Cost Substantiation and a maximum cap of \$25,000 for the aggregate of such demobilization costs. If Cascade exercises its convenience termination right prior to the Commencement Date, Cascade shall pay the Company for its reasonable mobilization and demobilization costs, subject to Cost Substantiation and a maximum cap equal to the Transition Period Fee (less any Transition Period Fee payments already made to the Company) but shall not be required to pay any other convenience termination fee to the Company. The convenience termination fee payable during a Renewal Term, if any, shall be set forth in the written agreement of the Parties required by Section 3.2 above with respect to the applicable Renewal Term. The Company shall submit an invoice to Cascade for any convenience termination payment due under this subsection, which invoice shall be supported by Cost Substantiation to the extent applicable, and Cascade shall pay the amount due in accordance with this subsection within 60 days following receipt of the invoice; provided that Cascade's obligation to pay any convenience termination fee under this Section shall be subject to satisfaction by the Company of its obligations under subsection 8.5(A) below, and Cascade shall have right to dispute the invoice in the same manner as specified in subsection 7.5(B) above.

(B) Adequacy of Termination Payment. The Company agrees that the applicable termination payment provided for in this Section will fully and adequately compensate the Company for all profits, costs, expenses, losses, liabilities, damage, taxes, and charges of any kind whatsoever (whether foreseen or unforeseen) attributable to such termination of the Company's right to perform this Agreement. The obligation to pay such amounts shall not impair or limit the obligation of Cascade to the Company under any other provision of this Agreement which expressly survives termination hereunder, including any Cascade payment obligation under subsection 8.5(D) below.

(C) Amounts Owing through Termination Date. Upon any termination pursuant to this Section, the Company shall also be paid all amounts due for the Contract Services performed prior to the Termination Date to be paid as part of the Transition Period Fee or Service Fee, as applicable, but not yet paid as of the Termination Date.

(D) Consideration. The right of Cascade to terminate this Agreement for its convenience and in its discretion in accordance with this Section constitutes an essential part of the overall consideration for this Agreement, and the Company hereby waives any right it may

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<sup>10</sup> Cascade will consider a higher amount if warranted based on the extent of the investment proposed to be made by the successful Proposer to provide the Contract Services.

have under Applicable Law to assert that Cascade owes the Company a duty of good faith dealing in the exercise of such right.

(E) Continuance by Cascade. After the date of any termination or expiration of this Agreement, Cascade may at any time (but without any obligation to do so) take any action necessary or desirable to continue and complete the Contract Services so terminated, including by entering into contracts with other contractors and operators.

SECTION 8.5. COMPANY OBLIGATIONS UPON TERMINATION OR EXPIRATION.

(A) Obligations Generally. Upon a termination of the Company's right to perform this Agreement or upon the expiration of the Term, the Company shall, as applicable:

(1) stop the Contract Services on the date and to the extent specified by Cascade;

(2) promptly take all action as necessary to protect and preserve all materials, equipment, tools, facilities and other property;

(3) promptly remove from the Project Site all equipment, implements, machinery, tools, temporary facilities of any kind and other property owned or leased by the Company (including, but not limited to, sheds, trailers, workshops and toilets), and repair any damage caused by such removal;

(4) leave the Project Site and Project in a neat and orderly condition;

(5) subject to Cascade's rights hereunder with respect to employees and Subcontractors, promptly remove all employees of the Company and any Subcontractors and vacate the Project Site.

(6) promptly deliver to Cascade copies of all Subcontracts, together with a statement of:

(a) the items ordered and not yet delivered pursuant to each such Subcontract;

(b) the expected delivery date of all such items;

(c) the total cost of each such Subcontract and the terms of payment;  
and

(d) the estimated cost of cancelling each such Subcontract;

(7) promptly deliver to Cascade promptly a list of:

- (a) all special order items previously delivered or fabricated by the Company or any Subcontractor but not yet incorporated in the Project; and
- (b) all other supplies, materials, machinery, equipment and other property previously delivered or fabricated by the Company or any Subcontractor but not yet incorporated in the Project;
- (8) advise Cascade promptly of any special circumstances which might limit or prohibit cancellation of any Subcontract;
- (9) assign to Cascade any Subcontract that Cascade elects in writing, at its sole election and without obligation, to have assigned to it, including with respect to any equipment or vehicle leases;
- (10) unless Cascade directs otherwise, terminate all Subcontracts and make no additional agreements with Subcontractors;
- (11) as directed by Cascade, transfer to Cascade by appropriate instruments of title, and deliver to the Project Site (or such other place as Cascade may specify), all special order items;
- (12) promptly transfer to Cascade all warranties given by any manufacturer or Subcontractor with respect to particular components of any repairs or replacements of any part of the Project;
- (13) notify Cascade promptly in writing of any Legal Proceedings against the Company relating to the termination of this Agreement (or any Subcontracts);
- (14) promptly deliver to Cascade the O&M Manual, including all revisions and updates thereto, and, to the extent not already in the possession of Cascade, all license and access rights necessary for the continued use of the CMMS and all other computer programs used at the Project Site in the performance of the Contract Services;
- (15) unless otherwise directed by Cascade, promptly deliver to Cascade a copy of all books and records in its possession relating to the performance of the Contract Services;
- (16) promptly provide Cascade with a list of all files, and access and security codes with instructions and demonstrations which show how to open and change such codes;
- (17) take such other actions, and execute such other documents, as may be necessary to effectuate and confirm the foregoing matters, or as may be otherwise

necessary or desirable to minimize Cascade's costs and take no action which will increase any amount payable by Cascade under this Agreement.

(B) Continuity of Service. Upon the termination of the Company's right to perform this Agreement under this Article or upon the expiration of this Agreement under Article III (Term), the Company, at the request and direction of Cascade, shall provide for an effective continuity of service and the smooth and orderly transition of service to Cascade or any replacement operator designated by Cascade. Except in the event of a termination of this Agreement for an Event of Default by Cascade under Section 8.3 above, such service shall be for a period of up to 180 days and shall include providing technological advice and support, delivering any information useful or necessary for Cascade or any replacement operator designated by Cascade and providing Cascade and any such replacement operator with a one-time training program relating to the performance of the Contract Services.

(C) Company Payment of Certain Costs. The Company shall be responsible for the costs and expenses of undertaking its obligations under subsection (A) of this Section upon the expiration of this Agreement under Article III (Term). In the event of a termination of this Agreement for an Event of Default by the Company pursuant to Section 8.2 hereof, the Company shall be obligated to pay the costs and expenses of undertaking its obligations under both subsections (A) and (B) of this Section. If the Company fails to comply with any such obligation, Cascade may, with reasonable notice to the Company, perform or cause the performance of such obligation; and the Company shall pay the reasonable costs and expenses incurred by Cascade (subject to reasonable cost substantiation) upon demand.

(D) Cascade Payment of Certain Costs. Except as provided in subsection (C) of this Section, Cascade shall pay the Company for the reasonable costs and expenses incurred by the Company in satisfying its obligations under subsections (A) and (B) of this Section; provided that the cost of the Company's obligations under subsection (A) of this Section shall be considered a demobilization cost subject to subsection 8.4(A) above. Except as provided in subsection (C) of this Section, if Cascade elects to require the Company to perform services pursuant to subsection (B) of this Section, the Company shall be permitted to submit monthly invoices to Cascade for payment during the period of service elected by Cascade, which invoices shall be supported by Cost Substantiation. Cascade shall pay such invoices within 30 days of receipt, subject to Cascade's right to dispute the invoice in the same manner as specified in subsection 7.5(B) above.

(E) Hiring of Company Personnel. Upon the termination or expiration of this Agreement under any provision hereof, Cascade or any successor operator of the Project designated by Cascade shall have the right to offer employment on any terms it may choose to

any Company employee employed full time at the Project. No Company employment agreement, job offer, letter or similar document may contravene this right. Cascade or its designated successor operator shall extend any such job offer within 30 days of the expiration or termination of this Agreement. The Company shall assist and cooperate with any such employee transition.

SECTION 8.6. NO WAIVERS. No action of Cascade or the Company pursuant to this Agreement (including any investigation or payment), and no failure to act, shall constitute a waiver by either Party of the other Party's compliance with any term or provision of this Agreement. No course of dealing or delay by Cascade or the Company in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof or otherwise prejudice such Party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of Cascade or the Company under this Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

SECTION 8.7. NO CONSEQUENTIAL OR PUNITIVE DAMAGES. In no event shall either Party hereto be liable to the other or obligated in any manner to pay to the other, except with respect to indemnification of Loss-and-Expenses arising from third party claims for which one Party is obligated to indemnify the other pursuant to the provisions of this Agreement, any special, incidental, consequential, punitive or similar damages (but not actual or direct damages) based upon claims arising out of or in connection with the performance or non-performance of its obligations or otherwise under this Agreement, or the material inaccuracy of any representation made in this Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory. The Company acknowledges and agrees that such waiver shall not apply to or limit recovery in respect of the Company's liability for any deductions applied to the Service Fee in accordance with subsection 5.3(B).

SECTION 8.8. DISPUTE RESOLUTION PROCEDURES.

(A) Generally. Each Party shall follow the dispute resolution procedures set forth in this Section to attempt to resolve and settle disputes between themselves concerning the rights, obligations and liabilities of the Parties. These dispute resolution procedures are intended to encourage a negotiated resolution of disputes in a prompt and efficient manner without resort to litigation, which should be a last resort.

(B) Informal Negotiations. Representatives of Cascade and the Company with day-to-day involvement in the administration of this Agreement and the performance of the Contract Services shall initially and promptly enter into negotiations to attempt to address and resolve any disputes that may arise among the Parties concerning this Agreement. In connection with such negotiations, the Party asserting the dispute shall provide the other with a written description of the nature of the dispute, along with reasonable supporting documentation. The

Parties shall consider involving senior representatives and other upper management personnel of each Party in the informal negotiation process, as well as other representatives of the Parties not actively involved in the day-to-day activities associated with the dispute who might be able to take a broader look at the dispute in the context of the overall objectives of the Project and this Agreement. At Cascade's request, the Company shall involve senior representatives of any of its Subcontractors in such negotiations. Following the exercise of reasonable efforts towards resolution of a dispute through such informal negotiations without reaching agreement, a Party may declare that the informal negotiations have been exhausted, and such Party may request a Cascade Decision in accordance with this Section. Nothing in this Section shall be construed to limit any of the procedural requirements set forth in Section 10.1 below with respect to any Uncontrollable Circumstance claim.

(C) Cascade Decision. If a dispute has not been resolved through direct, informal negotiations as provided in subsection (B) of this Section, then upon the written request of the Company (or on Cascade's initiative), a representative designated by Cascade shall review the dispute and issue his or her determination of the dispute (the "**Cascade Decision**"). The Cascade Decision shall be issued in writing within 60 days following the date of the request for review or such longer period as the Parties may stipulate in writing. During such period, the Cascade representative may require such additional documentation or testimony as deemed necessary to support his or her response. If the Company disagrees with the Cascade Decision, or if no Cascade Decision is issued within such 60-day period (or such longer period as the Parties may stipulate in writing), then the Company shall have the right to initiate Legal Proceedings concerning the dispute, subject to Section 8.9 below. If the Company fails to initiate Legal Proceedings concerning the dispute within 60 days (or such longer period as Cascade may agree to in writing) following the earlier to occur of the issuance of the Cascade Decision or the expiration of the period for issuance specified above in this subsection, then the Company shall be deemed to have accepted the Cascade Decision, waived its rights to any further relief for the matters covered by such Cascade Decision and waived its rights to initiate Legal Proceedings in accordance with Section 8.9 below for the matters in dispute between the Parties. A Cascade Decision, or the failure to issue a Cascade Decision in accordance with this subsection, shall be a condition precedent to the Company's right to initiate Legal Proceedings in accordance with this Agreement.

(D) Non-Binding Mediation. Either Party may request non-binding mediation of any dispute arising among the Parties under this Agreement, whether before or after the issuance of a Cascade Decision. The non-requesting Party may decline the request in its discretion. If there is concurrence that any particular matter shall be mediated, the following provisions of this subsection shall apply:

(1) The costs of the mediator shall be divided equally between the Parties.

(2) The mediator shall be a professional mutually acceptable to the Parties who has no current conflict or on-going relationship to either Party. The mediator shall have full discretion as to the conduct of the mediation. Each Party shall participate in the mediator's program to resolve the dispute until and unless the Parties reach agreement with respect to the dispute or one Party determines in its discretion that its interests are not being served by the mediation.

(3) Mediation is intended to assist the Parties in resolving disputes arising among the Parties under this Agreement. No mediator shall be empowered to render a binding decision.

(4) Nothing in this subsection shall operate to limit, interfere with or delay the right of either Party to commence judicial Legal Proceedings upon a breach of this Agreement by the other Party, whether in lieu of, concurrently with or at the conclusion of any non-binding mediation.

(E) Continuance of Performance. Unless otherwise directed in writing by Cascade, at all times during the course of any dispute resolution procedure or Legal Proceeding, the Company shall continue with the performance of the Contract Services in a diligent manner and in accordance with the applicable provisions of this Agreement. Cascade shall continue to satisfy its uncontested payment obligations to the Company during the pendency of any such dispute, subject to the terms and conditions of this Agreement. Records of the Contract Services performed during such time shall be kept in accordance with the applicable provisions of this Agreement.

SECTION 8.9. FORUM FOR LEGAL PROCEEDINGS. It is the express intention of the parties that all Legal Proceedings between the Parties shall be governed solely by the laws of the State and shall be solely and exclusively initiated and maintained in a court of competent jurisdiction in King County, Washington. The Company irrevocably consents to the jurisdiction of such courts in any such actions or proceedings, waives any objection it may have to the laying of the jurisdiction of any such action or proceeding.

ARTICLE IX

SECURITY FOR PERFORMANCE<sup>11</sup>

SECTION 9.1. PERFORMANCE AND PAYMENT BOND.

(A) Company Obligation. On or before the Commencement Date, the Company shall provide Cascade with the Performance and Payment Bond in the form set forth as Transaction Form B (Form of Performance and Payment Bond). The Performance and Payment Bond shall be in the amount of the aggregate amount payable to the Company under the applicable Annual Budget, shall secure the faithful performance of the Contract Services, the payment of all labor, outside services and supplies required for the Contract Services, and the payment of taxes, increases, and penalties incurred on the Contract Services under Titles 50, 51, 82 RCW. The Performance and Payment Bond shall be for a term of one year, and shall be continuously renewed, extended or replaced so that it remains in effect for the entire Term. The Company shall provide Cascade with a replacement or renewal of the Performance and Payment Bond not later than 15 days prior to the expiration of the then current Performance and Payment Bond. Each Performance and Payment Bond shall be issued by a surety company: (1) approved by Cascade having a rating of “A” in the latest revision of the A.M. Best Company’s Insurance Report; (2) listed in the United States Treasury Department’s Circular 570, “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsurance Companies”; and (3) holding a certificate of authority to transact surety business in the State. The Company has the material obligation to provide security for performance through the Performance and Payment Bond commencing on the Commencement Date and throughout the Term thereafter in accordance with this Section. In no event shall the Performance and Payment Bond serve as a limitation on the liability of the Company under this Agreement.

(B) Monitoring of Sureties. The Company shall be responsible throughout the Term for monitoring the financial condition of any surety issuing the Performance and Payment Bond and for making inquiries no less often than annually to confirm that each such surety complies with the qualification requirements and maintains at least the minimum rating level specified in this Section. In the event the rating of any issuing surety falls below such minimum level, or if any surety is declared bankrupt or becomes insolvent or has the rights to do business in the State terminated, the Company shall promptly notify Cascade of such event and shall promptly take steps to ensure continued compliance with this Section by furnishing or arranging for the furnishing of a substitute or additional bond of a surety whose rating and other

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<sup>11</sup> If the successful Proposer proposes a guarantor to meet the financial qualifications required by the RFP or is otherwise required by the terms of the RFP to provide a guarantor, these provisions will be updated to include guarantor requirements, and a form of guaranty agreement will be provided.

qualifications satisfy all above requirements, unless Cascade agrees in its discretion to accept the surety that no longer satisfies the minimum rating level specified above or to an alternative method of assurance.

SECTION 9.2. COST OF PROVIDING SECURITY FOR PERFORMANCE. The cost and expense of obtaining and maintaining the Performance and Payment Bond required under this Article as security for the performance of the Company's obligations hereunder shall be borne by the Company and included in the Base O&M Charge of the Service Fee, without additional reimbursement from Cascade. Cascade shall have the right at any time to release the Company from its obligation to provide the Performance and Payment Bond required under this Article. Upon any such release, the Base O&M Charge of the Service Fee shall be equitably reduced to account for the Company no longer having to pay the cost of the Performance and Payment Bond.

## ARTICLE X

### GENERAL PROVISIONS

#### SECTION 10.1. UNCONTROLLABLE CIRCUMSTANCES GENERALLY.

(A) Performance Excused. Except as otherwise specifically provided in this Agreement, neither Cascade nor the Company shall be liable to the other for any failure or delay in performance of any obligation under this Agreement (other than any payment at the time due and owing) to the extent such failure is due to the occurrence of an Uncontrollable Circumstance.

(B) Notice, Mitigation. The Party experiencing an Uncontrollable Circumstance shall notify the other Party in writing, on or promptly after the date the Party experiencing such Uncontrollable Circumstance first knew of the commencement thereof, followed within 15 days by a written description of (1) the Uncontrollable Circumstance and the cause thereof (to the extent known), (2) the date the Uncontrollable Circumstance began, its estimated duration, the estimated time during which the performance of such Party's obligations hereunder will be affected, (3) the estimated amount, if any, by which the Service Fee may need to be adjusted as a result of such Uncontrollable Circumstance, (4) its estimated impact on the other obligations of such Party under this Agreement and (5) potential mitigating actions which might be taken by the Company or Cascade and any areas where costs might be reduced and the approximate amount of such cost reductions. Each Party shall provide prompt written notice of the cessation of such Uncontrollable Circumstance. Whenever such act, event or condition shall occur, the Party claiming to be adversely affected thereby shall, as promptly as reasonably possible, use all reasonable efforts to eliminate the cause therefor, mitigate the effect thereof, reduce costs and resume performance under this Agreement. The Company shall furnish

promptly (if and to the extent available to the Company) any additional documents or other information relating to the Uncontrollable Circumstance reasonably requested by Cascade.

(C) Conditions to Uncontrollable Circumstance Relief. In the event of an Uncontrollable Circumstance, the Company shall, subject to the limitations specifically provided for in this Agreement, be entitled to relief from the performance of its obligations hereunder, an extension of schedule or an increase in the Service Fee, or any combination thereof, which properly reflects the interference with performance, the time lost or the amount of the increased cost (including Cost Substantiated costs associated with the mitigating measures undertaken by the Company pursuant to subsection (B) of this Section), in each case as a result thereof, but only to the minimum extent reasonably forced on the Company by the event, and the Company shall perform all other Contract Services. The proceeds of any Required Insurance available to meet any such increased cost, including any deductible required to be paid by the Company or Cascade, as applicable, pursuant to Appendix 8 (Insurance Requirements), shall be applied to such purpose prior to any determination of cost increase payable by Cascade under this Section. Any cost reduction achieved through the mitigating measures undertaken by the Company pursuant to subsection (B) of this Section shall be reflected in a reduction of the amount by which the Service Fee would have otherwise been increased or shall serve to reduce the Service Fee to reflect such mitigating measures, as applicable. In the event that the Company believes it is entitled to any relief on account of an Uncontrollable Circumstance, it shall furnish Cascade written notice of the specific relief requested and detailing the event giving rise to the claim within 30 days after the giving of notice delivered pursuant to subsection (B) of this Section, or if the specific relief cannot reasonably be ascertained and such event detailed within such 30-day period, then within such longer period within which it is reasonably possible to detail the event and ascertain such relief. Within 30 days after receipt of such a timely submission from the Company, Cascade shall issue a written determination as to the extent, if any, it concurs with the Company claim for performance, price or schedule relief, and the reasons therefor. The Company acknowledges that its failure to mitigate, or to give timely notice pertaining to, an Uncontrollable Circumstance as required under this Section may adversely affect Cascade. To the extent Cascade asserts that any such adverse effect has occurred and that the relief to the Company or the additional cost to be borne by Cascade under this subsection should be reduced to account for such adverse effect, the Company shall have the affirmative burden of refuting Cascade's assertion. Absent such refutation, the reduction in relief to the Company in such circumstances shall be effective. The agreement of the Parties as to the specific relief to be given the Company hereunder on account of an Uncontrollable Circumstance shall be evidenced by a Contract Administration Memorandum or an amendment to this Agreement, as applicable.

(D) Acceptance of Relief Constitutes Release. The Company's acceptance of any Uncontrollable Circumstance relief under this Section shall be construed as a release of Cascade by the Company (and all persons claiming by, through, or under the Company) for any and all cost or Loss-and-Expense resulting from, or otherwise attributable to, the event giving rise to the relief claimed.

SECTION 10.2. INDEMNIFICATION.

(A) Indemnification by the Company. The Company shall indemnify, defend and hold harmless Cascade, and its elected officials, appointed officers, employees, agents and representatives (each, a "**Cascade Indemnitee**"), from and against (and pay the full amount of) any and all Loss-and-Expense incurred by a Cascade Indemnitee to third parties resulting from or in connection with (or alleged to result from or in connection with): (1) any failure by the Company to perform its obligations under this Agreement; (2) the negligent acts, errors or omissions or willful misconduct of the Company or any other Company Person in connection with this Agreement; (3) any Subcontractor claims, as provided in subsection 5.4(I); and (4) the infringement or unauthorized use of any patent, trademark, copyright or trade secret, as and to the extent provided in subsection 10.5(A) below. The Company agrees that its indemnification obligations under Item (1) of this Section shall apply with respect to any failure by the Company to perform under this Agreement, notwithstanding that indemnification is specifically mentioned with respect to certain obligations in this Agreement and not other obligations. The Company's indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by the Company which is intended to respond to such events. The Company's duty to indemnify the Cascade Indemnitees shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the Cascade Indemnitees. The Company's duty to indemnify the Cascade Indemnitees for liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of the Cascade Indemnitees and the Company or any Company Person shall apply only to the extent of negligence of the Company and other Company Persons. The Company's duty to indemnify the Cascade Indemnitees shall include, as to all claims, demands, losses and liability to which it applies, Cascade's personnel-related costs, reasonable attorneys' fees, court costs and all other claim-related expenses. The Company further agrees that this duty to indemnify the Cascade Indemnitees applies regardless of any provisions in RCW Title 51 to the contrary, including any immunity of the Company for liability for injuries to workers or employees, and the Company hereby specifically and expressly waives any such immunity for this duty to indemnify the Cascade Indemnitees. This waiver has been mutually negotiated and agreed to by the Parties. The Company further agrees to require its contractors, subcontractors, and suppliers and their

contractors, subcontractors and suppliers to similarly indemnify and hold the Company harmless and waive immunity under Title 51 solely for the purposes of this indemnification. Except as otherwise expressly stated in this Section, the Parties do not waive or surrender any indemnity rights available under Applicable Law. A Cascade Indemnitee shall promptly notify the Company of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and the Company shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. These indemnification provisions are for the protection of the Cascade Indemnitees only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection shall survive termination of this Agreement.

(B) Indemnification by Cascade. Cascade shall, to the extent permitted by law, indemnify, defend and hold harmless the Company and its officers, directors and employees, agents and representative (each a “**Company Indemnitee**”) from (and pay the full amount of) any and all Loss-and-Expense incurred by a Company Indemnitee to third parties resulting from or in connection with any and all present or future claims, demands, and causes of action in law or equity to the extent caused by (1) the negligent or intentionally wrongful acts of the officers, authorized agents or employees of Cascade in connection with Cascade’s duties under this Agreement; (2) any failure by Cascade to perform its obligations under this Agreement; and (3) any failure of the officers, authorized agents or employees of Cascade to comply with Applicable Law or the Collateral Agreements in connection with the Project. Cascade’s indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by Cascade that is intended to respond to such events. Notwithstanding any of the foregoing, Cascade shall not be required to reimburse or indemnify any Company Indemnitee under this subsection to the extent caused by a failure of the Company to perform its obligations under this Agreement or by the negligence or willful misconduct of any Company Indemnitee or Company Person. A Company Indemnitee shall promptly notify Cascade of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and Cascade shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. These indemnification provisions are for the protection of the Company Indemnitees only and shall not establish, of themselves, any liability to third parties. The provisions of this subsection shall survive termination of this Agreement.

### SECTION 10.3. CONTRACT ADMINISTRATION.

(A) Administration Communications. The Parties recognize that a variety of contract administrative matters will routinely arise throughout the Term of this Agreement. These matters will by their nature involve requests, notices, questions, assertions, responses, objections, reports, claims, and other communications made personally, in meetings, by phone,

by mail and by electronic and computer communications. The purpose of this Section is to set forth a process by which the resolution of the matters at issue in such communications (except to the extent that the resolution of any such matter requires an amendment to this Agreement pursuant to subsection (D) of this Section), once resolution is reached, can be formally reflected in the common records of the Parties so as to permit the orderly and effective administration of this Agreement.

(B) Contract Administration Memoranda. The principal formal tool for the administration of matters arising under this Agreement between the Parties shall be a “**Contract Administration Memorandum**.” A Contract Administration Memorandum shall be prepared, once all preliminary communications have been concluded, to evidence the resolution reached by Cascade and the Company as to matters of interpretation and application arising during the performance of their obligations hereunder. Such matters may include, for example: (1) issues as to the meaning, interpretation or application of this Agreement in particular circumstances or conditions; (2) calculations required to be made; (3) notices, waivers, releases, satisfactions, confirmations, further assurances, consents and approvals given hereunder; and (4) other similar routine contract administration matters.

(C) Procedures. Either Party may request the execution of a Contract Administration Memorandum. When resolution of the matter is reached, a Contract Administration Memorandum shall be prepared by or at the direction of Cascade reflecting the resolution. The Contract Administration Memoranda shall be numbered, dated, signed by the Cascade Contract Representative and the Company Contract Representative and, at the request of Cascade, co-signed by a Senior Supervisor for the Company. Cascade and the Company each shall maintain a parallel, identical file of all Contract Administration Memoranda, separate and distinct from all other documents relating to the administration and performance of this Agreement.

(D) Effect. Executed Contract Administration Memoranda shall serve to guide the ongoing interpretation, application and performance of this Agreement.

(E) Amendments. Notwithstanding the foregoing, any material change, alteration, revision or modification of this Agreement shall be effectuated only through a formal written amendment to this Agreement, authorized, approved or ratified by Cascade in accordance with Applicable Law and properly authorized by the Company.

#### SECTION 10.4. CONTRACT REPRESENTATIVES.

(A) Company's Contract Representative. The Services Manager shall be the Company Contract Representative for all purposes under this Agreement, available to be contacted by Cascade immediately at any time on a 24-hour per day, 7-day per week basis, for

Emergency response, information, or any other purpose hereunder. In the case of the temporary unavailability of the Services Manager (e.g., due to illness or reasonable vacation periods) and without limiting anything under subsection 5.4(a) above, the Company shall designate, by written notice to Cascade, another member of the Company's Key Personnel team reasonably acceptable to Cascade to serve as the Company Contract Representative during such period of temporary unavailability and shall ensure that Cascade always has current communication information (business telephone, mobile telephone and e-mail) for the individual serving as the Company Contract Representative.

(B) Cascade Contract Representative. The Chief Executive Officer of Cascade or an alternative individual designated by written notice to the Company from time to time shall be the Cascade Contract Representative for all purposes under this Agreement. Cascade shall ensure that the Company always has current communication information (business telephone, mobile telephone and e-mail) for the individual serving as the Cascade Contract Representative. The Company acknowledges and agrees that the Cascade Contract Representative cannot bind Cascade with respect to any amendment to this Agreement (absent the approval of the Cascade Board of Directors) or to incurring costs in excess of the amounts appropriated therefor. Within such limitations, the Company shall be entitled to rely on the written directions of the Cascade Contract Representative. When this Agreement requires any approval or consent by Cascade to a Company submission, request or report, the approval or consent shall be given by the Cascade Contract Representative in writing and such writing shall be conclusive evidence of such approval or consent, subject only to compliance by Cascade with the Applicable Law that generally governs its affairs.

#### SECTION 10.5. PROPERTY RIGHTS.

(A) Work Product. Subject to subsection (B) of this Section, Cascade shall own exclusively any and all Work Product in whatsoever form and character produced or maintained in accordance with, pursuant to, or as a result of this Agreement. Subject to subsection (B) of this Section, the Company hereby irrevocably transfers and assigns at no additional cost to Cascade all of the Company's right, title and interest, throughout the world, in and to the Work Product, including all of the Company's right, title and interest in the copyrights to such Work Product, and the unrestricted right to make modifications, adaptations and revisions to such Work Product and to display such Work Product. The Company hereby waives any so-called "moral rights" with respect to such Work Product. Cascade shall have the right, notwithstanding any expiration or termination of this Agreement, to use (or permit use of) any Work Product, and all ideas or methods represented by such Work Product, without further verification or authorization by the Company and without additional compensation. All Work

Product shall be delivered to Cascade at no additional cost to Cascade as required hereunder, upon request or upon termination of this Agreement.

(B) Pre-Existing Intellectual Property. Cascade acknowledges and agrees that in the performance of the Contract Services, Company Persons may use proprietary algorithms, software, hardware, databases, other background technology, and other proprietary information that such Company Person developed or licensed from third parties prior to the Contract Date (“**Pre-Existing Intellectual Property**”). Without limiting Cascade’s rights with respect to the Work Product, the applicable Company Person shall retain all right, title, and interest in such Pre-Existing Intellectual Property and such Pre-Existing Intellectual Property shall not be owned by Cascade pursuant to subsection (A) of this Section. However, the Company hereby grants to Cascade a perpetual, worldwide, transferable, sub-licensable (through multiple tiers), irrevocable, royalty-free right and license to use (or permit use of) all Pre-Existing Intellectual Property incorporated in the Work Product or the Project, all oral information received by Cascade in connection with the Contract Services, and all ideas or methods represented by Pre-Existing Intellectual Property incorporated in the Work Product or the Project, in each case without additional compensation. Cascade’s use of such license rights for any purpose other than the Project shall be at its own risk, and no Company Person shall have any liability for or relating to any such use.

(C) Protection from Infringement. The Company shall pay all royalties and license fees in connection with the performance of the Contract Services during the Term. The Company shall indemnify, defend and hold harmless the Cascade Indemnitees in accordance with and to the extent provided in subsection 10.2(A) above from and against any and all Loss-and-Expense arising out of or related to the infringement or unauthorized use of any patent, trademark, copyright or trade secret relating to, or for the performance of the Contract Services, including with respect to any Work Product or Pre-Existing Intellectual Property. The Company’s indemnity pursuant to this subsection shall apply only when infringement occurs or is alleged to occur from the intended use for which the Work Product, Pre-Existing Intellectual Property, process or equipment was provided by the Company pursuant to this Agreement. The provisions of this Section shall survive termination of this Agreement.

SECTION 10.6. RELATIONSHIP OF THE PARTIES. Nothing in this Agreement shall be deemed to constitute either Party a partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties. The Company shall not lease or otherwise have a possessory interest in the Project and shall only have a right to be on the Project Site to perform its obligations under this Agreement, subject to the terms and conditions of this Agreement.

SECTION 10.7. ASSIGNMENT AND TRANSFER.

(A) By the Company. The Company shall not assign, transfer, convey, sell, lease, encumber or otherwise dispose of this Agreement, its right to execute the same, or its right, title or interest in all or any part of this Agreement or any monies due hereunder whatsoever prior to their payment to the Company, whether legally or equitably, by power of attorney or otherwise, without the prior written consent of Cascade in its discretion. Any such approval given in one instance shall not relieve the Company of its obligation to obtain the prior written approval of Cascade to any further assignment. Any such assignment of this Agreement which is approved by Cascade shall require the assignee of the Company to assume the performance of and observe all obligations, representations and warranties of the Company under this Agreement. The approval of any assignment, transfer or conveyance shall not operate to release the Company in any way from any of its obligations under this Agreement unless such approval specifically provides otherwise.

(B) By Cascade. Except as otherwise provided in this subsection, Cascade may not assign its rights or obligations under this Agreement without the prior written consent of the Company in its discretion. Cascade may assign its rights and obligations under this Agreement, without the consent of the Company, to another Governmental Body if such assignee assumes, and is legally capable of discharging, the duties and obligations of Cascade hereunder.

SECTION 10.8. INTEREST ON OVERDUE OBLIGATIONS. Except as otherwise provided herein, all amounts due hereunder, whether as damages, credits, revenue or reimbursements, that are not paid when due shall bear interest at the Overdue Rate on the amount outstanding from time to time, on the basis of a 365-day year, counting the actual number of days elapsed, and all such interest accrued at any time shall, to the extent permitted by law, be deemed added to the amount due, as accrued.

SECTION 10.9. NO DISCRIMINATION. The Company shall not discriminate nor permit discrimination by any other Company Person against any person because of age, race, color, religion, national origin, sex or, with respect to otherwise qualified individuals, handicap. The Company will take all actions reasonably necessary to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their age, race, color, religion, sex, national origin or, with respect to otherwise qualified individuals, handicap. Such action shall include, without limitation, recruitment and recruitment advertising; layoff or termination; upgrading, demotion, transfer, rates of pay or other form of compensation; and selection for training, including apprenticeship. The Company shall impose the non-discrimination provisions of this Section 10.9 by contract on all Subcontractors hired to perform work related to the Project and shall take all reasonable actions necessary to enforce such

provisions. The Company will post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

SECTION 10.10. CASCADE OWNERSHIP OF THE PROJECT. The Project and the Project Site shall be owned by Cascade at all times throughout and following the Term. The Company may not treat itself as the owner of the Project or the Project Site for federal tax purposes or any other purpose or otherwise take any federal tax position that is inconsistent with its role as service provider to Cascade with respect to the Project. The Company shall perform the Contract Services as an independent contractor and shall not have any legal, equitable, tax, beneficial or other ownership or leasehold interest in the Project or the Project Site.

SECTION 10.11. ACTIONS OF CASCADE IN ITS GOVERNMENTAL CAPACITY. Nothing in this Agreement shall be interpreted as limiting the rights and obligations of Cascade in its governmental or regulatory capacity, or as limiting the right of the Company to bring any legal action against Cascade, not based on this Agreement, arising out of any act or omission of Cascade in its governmental or regulatory capacity.

SECTION 10.12. BINDING EFFECT. This Agreement shall bind and inure to the benefit of the Parties and any successor or assignee acquiring an interest hereunder consistent with the provisions of Section 10.7 hereof.

SECTION 10.13. AMENDMENTS. Neither this Agreement nor any provision hereof may be changed, modified, amended or waived except by written agreement duly executed and authorized by both Parties. As provided for in the RFP, this Agreement may be amended at any time during the Term by the mutual written agreement of the Parties to expand the Contract Services on a negotiated basis to include the operations and maintenance of other Cascade assets within a 50-mile radius of the powerhouse facility in Sumner, Washington. However, Cascade shall have no obligation to provide for any such expansion of the Contract Services or to enter into any such negotiations and may elect to provide for the operations and maintenance of such other Cascade assets by other means.

SECTION 10.14. NOTICES. Any notices or communications required or permitted hereunder shall be in writing and shall be sufficiently given if (1) in writing and delivered in person; (2) transmitted by certified mail, return receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally-recognized overnight courier service with signed verification of delivery; or (3) given by email transmission, if receipt of such email transmission is acknowledged by the recipient, in each case to the following:

If to the Company:

If to Cascade:

Changes in the respective addresses to which such notices may be directed may be made from time to time by any Party by written notice to the other Party.

SECTION 10.15. AFFILIATE TRANSACTIONS. If any costs to be reimbursed by Cascade to the Company under this Agreement arise from a transaction between the Company and any Affiliate of the Company, the Company shall notify Cascade of the specific nature of the contemplated transaction, including the identity of the Affiliate, the nature of the work to be performed by the Affiliate and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. The Company shall not enter into any such transaction, nor incur any such cost, absent the written approval of Cascade in its discretion.

SECTION 10.16. COMPLIANCE WITH MATERIAL AGREEMENTS. The Company shall comply with its obligations under agreements of the Company which are material to the performance of its obligations under this Agreement, including all Subcontracts.

SECTION 10.17. FURTHER ASSURANCES. Each Party agrees to execute and deliver any instruments and to perform any acts as may be necessary or reasonably requested by the other in order to give full effect to this Agreement. The Parties, in order to carry out this Agreement, each shall use all commercially reasonable efforts to provide such information, execute such further instruments and documents and take such actions as may be reasonably requested by the other and not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from or in excess of or in addition to those expressly provided for herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers or representatives as of the date first above written.

CASCADE WATER ALLIANCE  
a municipal corporation

[COMPANY]

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX 2**  
**PROJECT EQUIPMENT**

## APPENDIX 2

### PROJECT EQUIPMENT

The following Project Equipment will be provided by Cascade in "as is" condition, as of the Commencement Date:

<b>Tag #</b>	<b>Description</b>	<b>Serial #</b>	<b>Location</b>
482	Backhoe Cat, 2014 model 14W75789	14W75789	Fish screen
632	50g John Deere Excavator	1FF050GXTPH299242	Powerhouse
628	Tractor, John Deere 4066R	Vin	Headworks
484	Forklift, 2018 Hyundai	HKHHL06EJ0000508	Headworks
634	Kohler 35kw Portable Generator	5303802450	Powerhouse
624	Hydraulic Pressure Pump	N/A	Valvehouse
497	Genie Aerial Platform Model GS-2632	GS32P-200132	Powerhouse
430	Boat, pontoon work raft	XXQ21262F818	Fishscreen
558	Tractor, John Deere Tractor 2032R	1LV2032RCHH100582	Fish Screen
407	Gate opener, Wachs RS2 Portable	no data	Powerhouse
268	Echosounder BioSonics MX Aquatic Habitat	MX-12-115	Powerhouse
427	Boat, Clovis Bayrunner 1983 Westcoaster	XVF01339M836	Powerhouse
486	Trailer, 1995 HM custom fish trailer	no data	Powerhouse
495	Trailer, cargo/car hauler, 2012 Interstate	4RACS2028CN083105	Powerhouse
846	Lathe, Grizzly Metal Lathe Model #G1031	no data	Powerhouse
855	Mill Model FtV-2 (serial#579065)	no data	Powerhouse
856	Drill, Radial Arm Drill press Model 288RD (serial# 15165)	no data	Powerhouse
578	Trailer, light plant, 2019, model KDW1003-5138	4924100686	Powerhouse
633	B4 Brush Hound 30EX	PM168047	Powerhouse
483	Forklift, electric, 2009 model NST 20 Type E	NST 245-0494 PM-6240	Powerhouse
491	Trailer, pontoon boat hauler	no data	Fish screen
490	Trailer, 2012 ATWOH, 10K, for dumping	55XH11020C3001631	Powerhouse
963	Mower Deck, John Deere Mx7 serial	# 1P00MX7XCCP025960	Fish Screen
420	Hydraulic Unit for bypass	no data	Powerhouse
648	SNEL 2 Ton Electric Chain Hoist	135169814620	Fish Screens
406	Pipe finder ViVax 810	no data	Powerhouse
649	Dell P7524 QT 75" Monitor	CN - 0X0GMK - WSL00 - 4C2 - 103W	Powerhouse
859	Saw, band saw Model 13AW Kalamazoo	1729	Powerhouse
995	Trailer, for boat, 2014 EZ Loader EZB 19-22-3100 (2800)	1ZE1JBS19LA035764	Powerhouse
423	Boat motor, yamaha F20 LM:HB 20HP outboard	6HYKL-1002560	Fish Screens
493	Trailer, for backhoe Great, 2007 three axle white 20 foot tilt-bed license #9977TM	5VKBF20397S002395	Headworks Tin Building

<b>532</b>	Laser Level-12138405836	no data	Powerhouse
<b>488</b>	Trailer, 1999 two axle black utility car hauler license #4889XR	vin#4KNUT1824XL160712	Fish screen
<b>489</b>	Trailer, 7K utility with mesh ramp, 2011 Carry, for generator	4YMUL122XBN012804	Powerhouse
<b>967</b>	Pipe threader, Rigid 141 w/ Dye	no data	Powerhouse
<b>487</b>	Trailer, Pintle 1996 Freeway	1F9FB1623T1123556	Powerhouse
<b>494</b>	Trailer, for boat 1990 EZ Loader	1ZEAAARB4EA008936	Powerhouse
<b>525</b>	Mower Deck, WoodsStock#243336 48'	BB48XCW	Fish Screen
<b>694</b>	TV, Samsung 75"	no data	Admin Building
<b>507</b>	Generator Honda EB 2200i	EAJT-1018175	Powerhouse
<b>424</b>	Micro Pilot FMR20	R901CEO117A	Fish Screen
<b>425</b>	Micro Pilot FMR20	R901CFO117A	Comms Room
<b>656</b>	Dell Pro Max Tower T2 Computer for SCADA	ST GWQ 5L84	Powerhouse
<b>496</b>	Toilet, Honeybucket, Satellite Industries	T-16160-2A	Headworks
<b>645</b>	Control Room SCADA Desk	N/A	Powerhouse
<b>650</b>	Dell UltraSharp 43" 4K USB-C Hub Monitor	CN - 0J4M6W - WSL00 - 555 - 105L	Powerhouse
<b>651</b>	Dell UltraSharp 43" 4K USB-C Hub Monitor	CN - 0J4M6W - WSL00 - 555 - 552L	Powerhouse
<b>428</b>	Boat motor, Mercury 40 HP	dns	Powerhouse
<b>481</b>	Boat, Duckworth VI 2014 14' aluminum	N #EZX05287D414	Headworks
<b>492</b>	Trailer, compressor trailer 1989 Ingersol-Rand P160WJD	P160WJD	Powerhouse
<b>657</b>	Newstripe Rollmaster 1000 Paint Sprayer	1040073	Powerhouse
<b>834</b>	Miller portable welder generator 200 amp 3.5 KVA	JA 401003	Powerhouse
<b>854</b>	Drill Press	no data	Powerhouse
<b>860</b>	Grinder, Westinghouse Model# 535228t	8060591	Powerhouse
<b>877</b>	Pipe threader Oster Model 552	N7-2772	Powerhouse
<b>881</b>	Welder Wire Feed - Miller		Powerhouse
<b>882</b>	Welder generator, Miller 200 amp 3.5 KVA		Powerhouse
<b>619</b>	Chainsaw MS362 Stihl	1140-200-0643-191658197	Veolia vehicle
<b>620</b>	Chainsaw MS362 Stihl	191658203	Powerhouse
<b>1052</b>	Stihl ISA 400.0 Electric Weed Eater	450726676	Powerhouse
<b>563</b>	Gas Alert Max XT II	MA217-036813	Powerhouse
<b>557</b>	Tractor John Deere Ztrak 2915E	1TC915EAAHT051714	Fish Screen
<b>574</b>	Posthole auger	1XFPHD0XHK0354513	Fish Screen
<b>655</b>	Dell Pro Tower Computer for SCADA	ST 3W3L 794	Fish Screens
<b>870</b>	CO Monitor Model 3300 BioSystems Inc.	no data	Powerhouse
<b>872</b>	Dry Rod Electrode Stabilizing Oven Phoenix Model #16	no data	Powerhouse
<b>981</b>	Welder, Hobart Handler 140 Wire feed welder MD2009684	no data	Powerhouse
<b>1049</b>	Stihl MSA 220C Chainsaw	450956090	Powerhouse
<b>1050</b>	Stihl MSA 220C Chainsaw, electric	450521654	Powerhouse

<b>477</b>	Computer, ipad 4th Gen	GG7F2041Q191	Veolia
<b>478</b>	Computer, ipad 4th Gen	GG7F204TQ191	Veolia
<b>479</b>	Computer, ipad 4th Gen	GG7F203ZQ19D	Veolia
<b>480</b>	Computer, ipad 4th Gen	GG7F202UQ14D	Veolia
	Computer, ipad 4th Gen		Veolia
<b>680</b>	Battery Tender - 10 bank battery charger 6V	07M19-100042	Fish Screen
<b>998</b>	Saw, chop saw, Dewalt 12" Model #DWS780	672197 2015 50-49	Powerhouse
<b>621</b>	Weedeater FS 240Z	189069419	Powerhouse
<b>501</b>	Weedeater Stihl FS 240	189984171	Powerhouse
<b>502</b>	Weedeater Stihl FS 240	189984749	Powerhouse
<b>504</b>	Weedeater Stihl FS 240	189984161	Powerhouse
<b>505</b>	Weedeater Stihl FS 240	189999731	Powerhouse
<b>418</b>	Computer, Security Console Tower	92KQHKZ	Powerhouse
<b>874</b>	Pipe Cutter/Threader Rigid 200 Model #200	218964	Powerhouse
<b>930</b>	Pole Pruner, Stihl HT 101	no data	Powerhouse
<b>411</b>	Monitor, Magic CCTV Control room TV	6Z028418NA	Powerhouse
<b>429</b>	Boat, Nelson Hi Laker 1971, fiberglass (Jon's)	WAZ2784D1971	Fishscreen
<b>472</b>	Piezometer reader, Solinst	M/N 101PT	Powerhouse
<b>485</b>	Trailer, 1984 Calkn, for boat	1CXBA1418ES840721	Powerhouse
<b>498</b>	Gate, Valvehouse entry	32-1009688	Valvehouse
<b>541</b>	Meter, Level Soloist Piezo Reader Soloist Model 101	288422	Veolia
<b>551</b>	Meter, Soloist Water Level Meter Model 101	280985	Powerhouse
<b>576</b>	Chainsaw, Stihl MS261C	no data	Veolia truck
<b>625</b>	Appliance Dolly	N/A	Powerhouse
<b>647</b>	5 Ton Beam Clamp	F213909	Fish Screens
<b>796</b>	Tool Chest Husky		Powerhouse
<b>797</b>	Tool Chest Husky		Powerhouse
<b>831</b>	Pump, Homelite 3" Diaphragm Model #11DP3-1	no data	Headworks
<b>900</b>	Pump, submersible, 2" w/50' Hose w/ Camlocks	507036	HW Dam room
<b>957</b>	Projector, Epson Ex5210	no data	Admin Building
<b>965</b>	Weed Eater, Stihl FS 250 #2	no data	Powerhouse
<b>508</b>	Grease Gun, John Deere Cordless	A10-CWA3	Powerhouse
<b>509</b>	Grease Gun, John Deere Cordless	A10-CWA1	Powerhouse
<b>510</b>	Grease Gun, John Deere Cordless	A10-CWA2	Powerhouse
<b>546</b>	Air Compressor, Dewalt 4.5 GL	136647	Powerhouse
<b>560</b>	Chest, Greenlee	no data	Powerhouse
<b>590</b>	Toolbox, Rigid, 48x24x24, locked	2130723016 21307230	Powerhouse
<b>611</b>	Toolbox, Rigid, 48x24x24, locked	2125622072 21256220	Fishscreen
<b>612</b>	Toolbox, Rigid, 48x24x24, locked	2125622072 21256220	Headworks
<b>646</b>	Control Room SCADA Hutch	N/A	Powerhouse
<b>845</b>	Grinder, Skil Ball Bearing Bench Grinder Model 563C	3104561	Powerhouse

<b>880</b>	Drill Press, Cincinnati Royal Model 16	702628	Powerhouse
<b>968</b>	Pipe vise, Rigid Tristan Tripod	no data	Powerhouse
<b>986</b>	Weed Eater, FS-240 Serial #172048673	no data	Powerhouse
<b>987</b>	Weed Eater, FS-240; Serial #177048671	no data	Powerhouse
<b>1057</b>	DeWalt 20v XR 1/2" Impact Wrench Portable	W1 KBLD3	Powerhouse
<b>412</b>	Printer, Keycard Badge Enduro	65F2071	Powerhouse
<b>506</b>	Weedeater Stihl FS 94R	531971081	Powerhouse
<b>832</b>	Pump, Homelite 2" Trash Pump Model #121TP2-1A	40471519	Powerhouse
<b>947</b>	Tool box, Craftsman 8 Drawer Stack	no data	Headworks Dam Room
<b>985</b>	Chainsaw, MS250/18 W/Case	297845172	F-250 2014 truck -
<b>419</b>	UPS unit, Emerson	11833000347	Headworks Tin Building
<b>613</b>	Camera, trail, DSCON, 0001	H8WIFI-BT	Powerhouse
<b>614</b>	Camera, trail, DSCON, 0002	H8WIFI-BT	Powerhouse
<b>679</b>	Trash Pump, 2" submersible	19618239248	Powerhouse
<b>885</b>	Plasma Cutter, Victor on rails	CM0001628	Powerhouse
<b>1054</b>	3/4 HP Submersible Superior Model 92751 Sump Pump	no data	Valvehouse
<b>1055</b>	3/4 HP Submersible Superior Model 92751 Sump Pump	no data	Powehouse
<b>564</b>	Gas Detector Flow Regulator	no data	Powerhouse
<b>814</b>	Grinder, Dewalt 7-9" Angle grinder D28499	18353	Powerhouse
<b>1058</b>	DeWalt 12v/20v Lion Charger	2024 45-QX	Powerhouse
<b>861</b>	Impact Wrench DeWalt 1/2" Electric Model DW292	779541	Powerhouse
<b>580</b>	Rotary Hammer, Dewalt 5/8" SDS Atomic Compact	8591126080	Powerhouse
<b>586</b>	Grinder kit, Dewalt 4-12"	8591126080	Powerhouse
<b>588</b>	Rotary Hammer, Dewalt 1" SDS Plus D-Handle	8591147939	Powerhouse
<b>848</b>	Saw, circular saw Skilsaw 10 1/4" Model #860	H311136	Powerhouse
<b>876</b>	Hoist, engine hoist	17217	Powerhouse
<b>941</b>	Grinder, Milwaukee	no data	Fish Screen Facility
<b>946</b>	Tool box, Waterloo 6 Drawer Red	no data	Headworks, Dam Room
<b>959</b>	Eye wash Station Spherion Z358.1-2004	no data	Powerhouse
<b>960</b>	Eye wash Station Spherion Z358.1-2004	no data	Fish Screen Facility
<b>964</b>	Trailer, John Deer tilt trailer	no data	Headworks Tin Building
<b>969</b>	Pipe vise, Tripod	no data	Powerhouse
<b>581</b>	Multi-Tool, Dewalt Brushless 3-Speed Kit	8591178181	Powerhouse

<b>652</b>	Dell Pro 24" Plus Monitor - P2425H	VN - 030N19 - Q0V00 - 54C - 1YUB - A05	Powerhouse
<b>653</b>	Dell Pro 24" Plus Monitor - P2425H	VN - 03DN19 - QDV00 - 54H - 46PB - P05	Powerhouse
<b>654</b>	Dell Pro 24" Plus Monitor - P2425H	VN - 03DN19 - QDV00 - 54H - 47CB - A05	Powerhouse
<b>416</b>	Monitor, Security #1	CN-0KHONG Q0C00-76R-IU3L-A03	Powerhouse
<b>415</b>	Monitor, Security #2	CN-0KHONG Q0C00-76R-IU3L-A02	Powerhouse
<b>414</b>	Monitor, Security #3	CN-0KHONG Q0C00-76R-IU3L-A01	Powerhouse
<b>413</b>	Monitor, Security #4	CN-0KHONG Q0C00-76R-IU3L-A00	Powerhouse
<b>461</b>	TV/Apple for Conf room (Apple TV)	no data	Powerhouse
<b>582</b>	Impact Driver Kit, Dewalt Atomic Compact 1/4"	8591159318	Powerhouse
<b>583</b>	Impact Driver Kit, Dewalt Atomic Compact 1/4"	8591159318	Powerhouse
<b>530</b>	Vacuum, Craftsman 16 wet/dry -12007 model #125.12007	no data	Powerhouse
<b>570</b>	Camera, Game, Campark	Y001YZW8L3	Veolia's office
<b>571</b>	Camera, Game, Campark	no data	Veolia's office
<b>585</b>	Drill kit, Dewalt 1/2" Brushless Cordless	8591142530	Powerhouse
<b>589</b>	Air Compressor, Craftsman	8591155906	Powerhouse
<b>840</b>	Saw, Skilsaw worm drive Model HD77M	H28605/HG-330986	Fish screen Shop
<b>841</b>	Rotary Hammer, 1 1/4 Heavy Duty Model Macho II	5332	Powerhouse
<b>944</b>	Grinder, air	no data	Fish Screen Facility
<b>970</b>	Saw, 14" Industrial cut-off	no data	Powerhouse
<b>569</b>	Tool set, Craftsman 230 pc	no data	Veolia office
<b>587</b>	Saw, Dewalt reciprocating 20V	8591126233	Powerhouse
<b>672</b>	Drill, Rigid, lithium ion	CS192321DC40294	Powerhouse
<b>673</b>	Impact Driver, Rigid, lithium ion	CS19296NB30142	Powerhouse
<b>674</b>	Drill, Rigid, lithium ion	CS19321DC40284	Powerhouse
<b>675</b>	Impact Driver, Rigid, lithium ion	CS19296NB30125	Powerhouse
<b>676</b>	Drill, Rigid, lithium ion	CS19321DC40305	Powerhouse
<b>677</b>	Impact Driver, Rigid, lithium ion	CS19296NB30140	Powerhouse
<b>678</b>	Drill, Rigid, lithium ion	no data	Powerhouse
<b>584</b>	Impact Driver kit Dewalt 1/4"	8591122671	Powerhouse
<b>529</b>	Drill, Dewalt	DCD771C2	Veolia office
<b>568</b>	Tool set Craftsman 230-pc	no data	Veolia office
<b>572</b>	Scaffold Plank 7'	no data	Powerhouse
<b>661</b>	Scaffold Plank 7'	no data	Powerhouse
<b>662</b>	Scaffold Plank 7'	no data	Powerhouse
<b>663</b>	Scaffold Plank 7'	no data	Powerhouse

<b>664</b>	Scaffold Plank 7'	no data	Powerhouse
<b>665</b>	Scaffold Plank 7'	no data	Powerhouse
<b>666</b>	Scaffold Plank 7'	no data	Powerhouse
<b>667</b>	Scaffold Plank 7'	no data	Powerhouse
<b>668</b>	Scaffold Plank 7'	no data	Powerhouse
<b>669</b>	Scaffold Plank 7'	no data	Powerhouse
<b>670</b>	Scaffold Plank 7'	no data	Powerhouse
<b>843</b>	Saw, jigsaw Milwaukee Model 6256	749-2666	Powerhouse
<b>519</b>	Grinder, 4-1/2" Dewalt	no data	Powerhouse
<b>615</b>	Camera, trail, Blazevideo	A252	Powerhouse
<b>616</b>	Camera, trail, Blazevideo	A252	Powerhouse
<b>617</b>	Camera, trail, Blazevideo	A252	Powerhouse
<b>617</b>	Camera, trail, Blazevideo	A252	Powerhouse
<b>932</b>	Grinder, 4-1/2" Dewalt		Powerhouse
<b>937</b>	Jack, Floor Jack ( Pittsburgh Heavy Duty 3 Ton)	no data	Powerhouse
<b>417</b>	Mouse, Keyboard and Speakers	CN-ORKRON-71616-761- OCCF-A03	Powerhouse
<b>562</b>	Grinder, Makita 4 1/2" N557NB	1316238	Powerhouse
<b>936</b>	Air Compressor, Central Pneumatic 97080	no data	Powerhouse
<b>527</b>	Wrench Set, 24 PC-9498929	no data	Veolia office
<b>561</b>	Hand Truck, Haul master folding 24X36	no data	Powerhouse
<b>658</b>	Stihl AP 300 S Battery	540157169	Powerhouse
<b>659</b>	Stihl AP 300 S Battery	540321995	Powerhouse
<b>660</b>	Stihl AP 300 S Battery	540321905	Powerhouse
<b>883</b>	Plasma Cutter,Hypertherm		Powerhouse
<b>1048</b>	Stihl AP 300 S Battery	540034536	Powerhouse
<b>240</b>	Laptop Dell Latitude D830	no data	Lake Tapps Admin Office
<b>295</b>	Monitor, Sharp flat screen	no data	Powerhouse
<b>382</b>	Computer	no data	Fish Screen Facility
<b>385</b>	Computer, Dell	3NNFW52	Powerhouse
<b>402</b>	Computer, Dell OptiPlex 9020	3NNFW52	Powerhouse
<b>403</b>	Monitor, Dell P2414Hb	no data	Powerhouse
<b>473</b>	Monitor, Dell	2TD4Y13	Fish Screen Facility
<b>474</b>	Computer, Dell OptiPlex for SCADA	HKYF53	Fish Screen Facility
<b>475</b>	Monitor, Dell for SCADA	GSD4Y13	Powerhouse
<b>476</b>	Computer, Dell OptiPlex for SCADA	DLYFW53	Powerhouse
<b>511</b>	Grease Gun, Lincoln Battery	no data	Fish Screen Facility
<b>511</b>	Tractor, John Deere 5100	no data	Fish Screen Facility
<b>523</b>	Weed Eater, Stihl FS 94R	503955080	Fish Screen Facility
<b>533</b>	TRS-POD-Art No. 667301	no data	Powerhouse

<b>536</b>	Tool set, Craftsman 230 pc	9 50230	F-250 2016 truck
<b>537</b>	Radio, Motorola Two Way	024TSX8329	Headworks Gate House
<b>538</b>	Radio, RM Series Two Way	024TSX8405	Powerhouse Veolia
<b>539</b>	Radio, RM Series Two Way	024TSX8381	Powerhouse Veolia
<b>540</b>	Radio, RM Series Two Way	024TSX8411	Powerhouse Veolia
<b>542</b>	Radio, RM Series Two Way	024TSX8377	Powerhouse Veolia
<b>543</b>	Radio, RM Series Two Way	024TSX8400	Powerhouse Veolia
<b>544</b>	Radio Multi Unit Charger Kit	PMLN6384A	Powerhouse Veolia
<b>545</b>	Paint sprayer, Magnum X5 True Airless	BA416957	Powerhouse
<b>547</b>	Pressure washer, Karcher 300 PSI 2.5 GPM	GC190LA oHGFR280	Powerhouse
<b>552</b>	Radio, RM Series Two Way	024TSZQ926	Powerhouse Veolia
<b>554</b>	Weed Eater, Stihl FS 240	181910334	Veolia office
<b>555</b>	Meter, Pocket Colorimeter II	17030E324450	Powerhouse
<b>556</b>	Meter, Extech Vibration Meter	A. 030691	Powerhouse
<b>603</b>	TV, Sharp Flatscreen	no data	Powerhouse
<b>680</b>	Welder	no data	Powerhouse
<b>681</b>	Drill, DeWalt 18-Volt 1/2 in. Compact	no data	Powerhouse
<b>682</b>	Spring Balancer, Aimco	no data	Powerhouse
<b>685</b>	Fall Restraint	no data	Powerhouse
<b>688</b>	Pipe threader, Tap & Dye Set	no data	Powerhouse
<b>689</b>	Fall Protection Tripod	no data	Powerhouse
<b>690</b>	Hoist (Uni-Hoist)	no data	Powerhouse
<b>701</b>	Saw, arm saw Sears Craftsman RadialModel #113.199450	no data	Powerhouse
<b>702</b>	Mics/ Indicators	no data	Powerhouse
<b>703</b>	Sander / Grinder/ Cleaner (Square D)	no data	Powerhouse
<b>704</b>	Electric Sander (Rockwell)	no data	Powerhouse
<b>705</b>	Sander, electric	no data	Powerhouse
<b>706</b>	Saw, Unisaw	no data	Powerhouse
<b>709</b>	Crane, Coffing Portable Electric	no data	Powerhouse
<b>710</b>	Tool Box	no data	Powerhouse
<b>721</b>	Oil Pump, hydraulic	no data	Powerhouse
<b>722</b>	Hoist, Roger Engine	no data	Powerhouse
<b>725</b>	Pressure washer, Craftsman 7.0	no data	Powerhouse
<b>727</b>	Ladder, 4 Steps with Handrail Gray	no data	Powerhouse
<b>728</b>	Hand Truck, appliance	no data	Powerhouse
<b>729</b>	Impact Sockets	no data	Powerhouse
<b>730</b>	Welder	no data	Powerhouse
<b>731</b>	Mower Deck 48" Stump Mower	no data	Powerhouse
<b>756</b>	Vacuum	no data	Lake Tapps Admin Office
<b>791</b>	Chain Cutter / Sharpener (Stihl)	no data	Powerhouse
<b>793</b>	Motor, Yamaha 6hp Boat Motor	no data	Fish screen
<b>795</b>	Grinder, Floor-Mounted (Red)	no data	Powerhouse
<b>799</b>	Pressure washer, Honda GC160 5.0 ProJet	no data	Powerhouse

<b>842</b>	Rotary Hammer Hilti Model TE92	41819141	Powerhouse
<b>857</b>	Saw, band saw Model 5332-2807	no data	Powerhouse
<b>863</b>	Pressure washer, GP	no data	Powerhouse
<b>865</b>	Impact Driver Air 1/2" drive Chicago pneumatic	no data	HW Dam room
<b>869</b>	Impact Driver Air 1" drive	no data	HW Dam room
<b>888</b>	Welder, Hobart 241- Mig Welder	no data	Powerhouse
<b>901</b>	Blower, Stihl BR 600	no data	Powerhouse
<b>902</b>	Load Ramp (Aluminum)	no data	Powerhouse
<b>903</b>	Load Ramp (Aluminum)	no data	Powerhouse
<b>904</b>	Load Ramp (Aluminum)	no data	Powerhouse
<b>905</b>	Load Ramp (Aluminum)	no data	Powerhouse
<b>911</b>	Drill Press, (portable) Electromagnetic Milwaukee	no data	Powerhouse
<b>912</b>	Impact Wrench, Port Cable Torqbuster	no data	Powerhouse
<b>913</b>	Impact Wrench, Dewalt W297	no data	Powerhouse
<b>915</b>	Pressure washer, Pro Jet Honda Geiko 5.0 HP 2000 PSI	no data	Fish Screens
<b>916</b>	Sander, Hand Held Belt Sander-Belton Model B-305	no data	Powerhouse
<b>917</b>	Saw, jigsaw -Black & Decker-Electric	no data	Powerhouse
<b>925</b>	Mower Deck-woods brush bull rotary cutter BB48	no data	Fish Screen Facility
<b>926</b>	Tool set, Craftsman 182pc mechanics tool set	no data	Powerhouse
<b>929</b>	Saw, circular Saw (Dewalt DWS535 worm drive) (Replaced 847)	9012885	Powerhouse
<b>938</b>	Jack, Pallet Jack (DACO-ELP-55)	no data	Powerhouse
<b>939</b>	Tool chest Craftsman 6 Drawer 26" BB Chest Black	no data	Fish Screen Facility
<b>940</b>	Tool cabinet Craftsman 5 Drawer 26" BB Cabinet Black	no data	Fish Screen Facility
<b>945</b>	Parker Moduflow CF2 & RF2	40SAPP34NF9184 10CMP25F94N184	Fish Screen Facility
<b>952</b>	Tool set, Craftsman 154 Piece Mechanics	no data	Powerhouse vehicles
<b>956</b>	Drill, Dewalt 1/2 Speed Handle Drill	no data	Powerhouse
<b>958</b>	Chainsaw, Stihl MS 290 w Carry Case	280876772	Veolia office
<b>988</b>	Generator, 2000 Watt Portable Honda Model EU2000IA	1047523	Powerhouse
<b>991</b>	Motor, 150 HP Yamaha Outboard	63PX1141602	Powerhouse
<b>992</b>	Motor, 9.9 HP Yamaha Outboard 6AVKX1024585	no data	Powerhouse
<b>993</b>	Garmin GPS MAP for Boat	no data	Powerhouse
<b>994</b>	Motor, Troll Motor N028MK01008	no data	Powerhouse

## **APPENDIX 4**

### **SCOPE OF SERVICES AND KEY PERFORMANCE INDICATORS**

## APPENDIX 4

### SCOPE OF SERVICES AND KEY PERFORMANCE INDICATORS

- A. Purpose. The purpose of this Appendix 4 is to set forth the Key Performance Indicators and the general scope and requirements for the performance of the Contract Services following the Transition Period. The Company's obligation to perform such Contract Services includes all obligations set forth in the Articles of the Agreement, and nothing in this Appendix 4 shall serve as a limitation on any such obligation.
- B. Operations.
1. Overall Project. The Company's operations responsibilities for the overall Project include the following:
    - (a) Operate the Project in accordance with all Contract Standards, including the conditions of the Water Rights Permits and Collateral Agreements;
    - (b) Divert the maximum instantaneous quantity (1,000 cfs) of water authorized under the Water Rights Permits at least once annually or as otherwise directed by Cascade;
    - (c) Divert the total annual quantity of water available in the calendar year authorized under the Water Rights Permits. Unless informed and directed differently by Cascade, the annual quantity available in a calendar year is 91.959 acre-feet;
    - (d) Lead and prepare for Fall Drawdown (defined below), Spring Refill (defined below), and Flowline Outages (defined below):
      - (i) Preparation generally includes mobilizing equipment (including connection and operation of ancillary systems such as auxiliary pump unit, portable generator, etc.) and cleaning, maintaining, inspecting and testing of systems not typically placed in service during daily normal operations, which include: forebay and powerhouse bypass and relieve valve assemblies during drawdown, ancillary systems such as rock chutes 1& 2, six foot valve, dingle tower, fish recovery facility cleaning and screen installation, and draining and inspection of twin 10' pipelines (including grouting and air vac maintenance);
    - (e) Conduct annual testing, reporting, and minor maintenance for cathodic protection systems (10-foot diameter pipelines, fish screens, etc.);
    - (f) Maintain flows leading from the Lake Tapps Reservoir outlet to areas identified in the Bowman Creek Agreements (item 5 in the Collateral Agreements definition) at the rate of 30,000 gallons per hour on a continuous basis, provided that such flows may vary 10,000 gallons per hour, more or less;
    - (g) Participate in calls and meetings required per 2018 Corps Agreement (item 1 in the Collateral Agreements definition), as modified by the Joint Operating Protocols Manual referenced therein;
    - (h) Monitor all surveillance and security systems. Maintain the first line of response to physical and cyber security for Cascade facilities and systems to protect against vandalism and intrusion

- (i) Respond to critical alarms in the SCADA and/or security system at the Project within 15 minutes, and if required, arrive on site within 1 hour unless otherwise approved by Cascade
  - (ii) Promptly report security issues to Cascade, any security firm designated by and under contract with Cascade, and (if necessary) law enforcement, and have on-site staff coordinate with public safety officials and any such security firm with respect to security for buildings and property
  - (iii) Coordinate with towing companies for abandoned vehicles
  - (iv) Provide continuous on-call monitoring of the Project Site on a 24-hour, seven days per week basis;
  - (i) Provide first response to Emergency events, including but not limited to:
    - (i) Inclement weather
    - (ii) Power failure
    - (iii) Oil or hazardous spills
    - (iv) Seismic events
    - (v) Fires;
  - (j) Provide pest management services. Anticipated pests include rodents within buildings and structural facilities, rodents on dikes and properties (nutria, beavers, moles, etc.), and mosquitos in sensitive areas; and
  - (k) Provide janitorial services for all Project facilities.
  - (l) Become familiar with Cascade's five-year emergency action plan for reporting to the DSO and assist Cascade in implementing such plan, including by ensuring that Company Persons have appropriate emergency communications equipment.
2. Reservoir. The Company's operations responsibilities with respect to the Lake Tapps Reservoir include the following:
- (a) Maintain the following seasonal water elevation levels in the Lake Tapps Reservoir ("**Seasonal Reservoir Levels**"), as measured at USGS Gage 12101000-Lake Tapps near Sumner based on National Geodetic Vertical Datum 1929 (NVD 29), unless otherwise directed by Cascade;
    - (i) Between February 15<sup>th</sup> and April 15<sup>th</sup>, initiate refill of the Reservoir ("**Spring Refill**") to achieve a minimum water elevation level of 541.5 feet
    - (ii) By Memorial Day, achieve the water elevation level of 542.50 feet and maintain this elevation through Labor Day.
    - (iii) By November 1st, initiate drawdown ("Fall Drawdown") of Reservoir water surface elevations to achieve the Reservoir elevation of less than 540.0 feet by November 15<sup>th</sup> and maintain this elevation through at least February 15<sup>th</sup>.

3. Upper Conveyance. The Company's operations responsibilities with respect to the upper conveyance system, as identified in Appendix 1 (Description of Project and Project Site), include the following:
  - (a) Maintain a minimum diversion of 20 cfs of water from the headgate through the fish screen at all times;
  - (b) Ensure adequate water (approximately 20 cfs) is maintained in the fish return pipeline at the fish screens (approximately ½ pipe diameter);
  - (c) Flush sluicing system at Headworks at least annually, or as otherwise directed by Cascade; and
  - (d) On a one-time basis during the Initial Term and as otherwise directed by Cascade during any Renewal Term (Flowline Outage occurs approximately once every five to seven years), lead and prepare for dewatering of the upper conveyance system ("**Flowline Outage**") to perform inspection and enable repair of infrastructure and other potential projects such as sediment removal.
4. Lower Conveyance. The Company's responsibilities with respect to the lower conveyance system, as identified in Appendix 1 (Description of Project and Project Site), include the following:
  - (a) Demonstrate the ability to draw down the Reservoir at the minimum flow rate required by the Dam Safety Office, which as of 2026, is 450 cfs once per year.

C. Maintenance.

1. Overall Project. The Company's maintenance responsibilities with respect to the overall Project include the following:
  - (a) Inspect and maintain (predictive and corrective maintenance) all facilities at the Project in accordance with the O&M Manual and all other Contract Standards, including Prudent Industry Practice. Significant facilities requiring maintenance include: headworks, fish screens, valve house, tunnel intake, bear trap, forebay, and powerhouse. Additional facilities may be designated for maintenance by Cascade.
    - (i) Inspect and maintain HVAC systems, hot water tanks, etc.;
    - (ii) Inspect and maintain electrical systems (all power systems including 480 three-phase, batteries, solar panels, electrical gear, valve and pump motors, etc.);
    - (iii) Inspect, maintain, lube, and exercise all mechanical systems and equipment (pumps, valves, plumbing, compressors, gears, gates, operators, etc.);
    - (iv) Inspect, maintain, and provide regulatory reporting to Tacoma Pierce County Health Department for sanitary sewer systems, including but not limited to those at the powerhouse, admin building, headworks, and fish screen facilities;
    - (v) Inspect and maintain hydraulic systems (periodically inspect and replace hoses, fittings, etc. for hydraulic systems at the valve house, powerhouse, fish screens, six-foot valve, auxiliary pump cart units, etc.);

- (vi) Conduct line jetting and inspection, utility locate services, (including potholing and vactor services), and support leak detection and minor repairs;
  - (vii) Maintain control of Project Site and Project facility access including key distribution, control, and database management for standard mechanical keys, cyber keys, and key card readers for all Project facilities;
  - (viii) Maintain fences and electrically operated gates;
  - (ix) Provide access control and barrier installation and maintenance, such as ecology blocks and jersey barriers;
  - (x) Inspect and report annually all cranes, such as the fish screen gantry crane;
  - (xi) Paint, pressure wash, and clean facilities including graffiti mitigation;
  - (xii) Maintain log booms at various locations including, but not limited to, dingle basin, pipeline intake, backflow preventer (front and rear), Vandermark Crossing, and Sumner Tapps Highway south of Fairweather Cove;
  - (xiii) Install and maintain signage for the Project Site and Project facilities, such as “No Trespassing” signs; and
  - (xiv) Maintain Project emergency generators, including provision of propane, fuel, diesel, and conduct generator load testing in accordance with manufacturer’s recommendations to ensure generators will start when needed.
- (b) Perform year-round vegetation management:
- (i) Vegetation management increases seasonally for fire safety based on weather conditions and 4<sup>th</sup> of July holiday; and
  - (ii) Noxious weed management: tansy, ragwort, knotweed, blackberries, slender flower thistle, and any other regulated noxious weeds identified on Cascade’s property at the Project Site.
- (c) Inspect and maintain the ditch identified in Pierce County Recording No. 606744 (“**Thompson’s Ditch Agreement**”) (item 4 in the Collateral Agreements definition) in compliance with the Thompson’s Ditch Agreement, including but not limited to maintaining required water surface elevations. Maintenance responsibility includes continual pest management (beaver and nutria), vegetation management, discrete cleaning, dredging and annual debris removal (between Sept 20<sup>th</sup> to October 15<sup>th</sup> unless otherwise directed by Cascade), and providing property owner notifications prior to conducting such work;
- (d) Remove debris and garbage on the Project Site;
- (e) Maintain roadways on the Project Site, including but not limited to grading, compacting and rolling, per the list of roads in Exhibit A attached to this Appendix 4; and
- (f) Execute the fleet maintenance program on a schedule in accordance with manufacturers’ recommendations using OEM-specified materials and equipment.

2. Upper Conveyance System. The Company’s maintenance responsibilities with respect to the upper conveyance system include the following:
  - (a) Maintain fish screens in the diversion canal;
  - (b) Remove trees in the flowline to prevent blockages; and
  - (c) Maintain the backflow preventer at Printz Basin.
  
3. Reservoir. The Company’s maintenance responsibilities with respect to the Reservoir include the following:
  - (a) Perform vegetation management on all dikes on the Reservoir, including additional effort in advance of annual winter and summer dike inspections for meeting grass height restrictions of less than 8-inches, and removing small shrubs and trees rooted within the dike prism;
  - (b) Inspect, monitor, and maintain all dikes (including filling dike sinkholes). This includes: (1) Company-led annual winter comprehensive inspection and reporting to Cascade, (2) supporting the annual summer inspection with Cascade and Cascade’s dam safety consultant and (3) support for Cascade reporting to the Department of Ecology and Dam Safety Office (DSO); and
  - (c) Perform required inspections and readings of weirs and piezometers in accordance with the O&M Manual.
  
4. Lower Conveyance. The Company’s maintenance responsibilities with respect to the lower conveyance include the following:
  - (a) Maintain the Project culverts, including the culvert on the hill below the forebay and above the powerhouse, at the headworks, near the pipeline intake, at old Buckley Highway, and on the road westside of the valve house, dike 14.

D. Reporting and Planning

1. Computerized Maintenance Management System (CMMS).
  - (a) Subject to clause b below, the Company shall provide the CMMS meeting the functionality and all requirements specified in Appendix 7 (CMMS Requirements) and Section 5.6(B) of the Agreement; and
  - (b) Cascade reserves the right to develop a system-wide CMMS for the entirety of its assets, including the Project. If Cascade exercises such right and provides the Company with access to its CMMS, the Company shall utilize Cascade’s CMMS for managing all work pertaining to the Contract Services.
  
2. Reporting.
  - (a) Reporting in accordance with the following:

<b>Reporting Requirement</b>	<b>Deadline</b>
Monthly asset management and performance reporting (CMMS reporting)	15 <sup>th</sup> day of each month for the prior calendar month, to be provided as part of

	the monthly report required by Section 5.13(A) of the Agreement
Water Rights Compliance Data	15 <sup>th</sup> day of January - annually
Utility Usage Report	15 <sup>th</sup> day of each month for the prior calendar month, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement

3. O&M Manual.

- (a) Initial update to O&M Manual: The Company shall develop and provide an initial update the O&M Manual as a Transition Period responsibility and as otherwise specified in Section 5.5(A) of the Agreement by the first anniversary of the Effective Date; and
- (b) Annual update: The Company shall keep the O&M Manual current, preserving or improving upon the standards in the initial update to the O&M Manual in accordance with Section 5.5(B) of the Agreement.

4. Health and Safety Plan.

- (a) The Company shall develop and maintain a Project-specific health and safety plan in accordance with all Contract Standards, including all regulatory standards established by the Washington State Department of Labor & Industries. Such plan shall address all matters specified in Section 5.8(A) of the Agreement and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

5. Environmental Compliance Plan.

- (a) The Company shall develop and maintain a Project-specific environmental compliance plan in accordance with all Contract Standards. Such plan shall detail the Company's approach to ensuring compliance with environmental laws in the performance of the Contract Services, including spill response planning, and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

6. Staff Training Plan.

- (a) The Company shall develop and maintain a Project-specific training plan in accordance with all Contract Standards. Such plan shall address all matters specified in Section 5.4(E) of the Agreement, detailing the Company's approach to ensuring training in accordance with the Contract Standards, and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

7. Records Management Plan.

- (a) The Company shall develop and maintain a Project-specific records management plan in accordance with all Contract Standards. Such plan shall address all matters specified in Section 5.12(B) of the Agreement and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

E. Key Performance Indicators. [***The Key Performance Indicators will be provided by Addendum to the RFP.***]

**APPENDIX 7**  
**CMMS REQUIREMENTS**

## **APPENDIX 7**

### **CMMS REQUIREMENTS**

#### **1. Purpose and General CMMS Requirements.**

The purpose of this Appendix is to set forth certain requirements for the CMMS, including its required functionality, as anticipated by subsection 5.6(B) of the Agreement. The provisions of this Article are subject to Cascade's right to develop a system-wide CMMS for the entirety of its assets, including the Project, as set forth in Appendix 4 (Scope of Services and Key Performance Indicators). Subject to such Cascade right, the Company shall provide a fully licensed, installed, and configured copy of a CMMS software with all necessary management modules and with full read-only rights for Cascade. The Company shall maintain and update the CMMS software and data during the Term to maintain its functionality. The CMMS system shall provide comprehensive support for facility asset, maintenance, resource, equipment and spare parts management. The Company will provide CMMS software enabling the CMMS system to meet the following primary objectives:

- Optimize the use of resources, personnel, facilities, and equipment through effective maintenance management methods.
- Provide accurate data for maintenance and equipment repair and replacement program decision making.
- Systematically identify maintenance needs or deficiencies and capital improvement needs.
- Establish maintenance priorities.
- Monitor and document routine maintenance activities, corrective actions, failure mode and impacts, emergencies, and accomplishments.
- Work management:
  - Manage both planned and un-planned maintenance activities, from initial work request and work order generation through completion and recording of actual work performed.
  - Provide capability to match job tasks to available resources, estimate and obtain approval of costs, establish priorities, and initiate maintenance activities.
  - Track maintenance item thresholds per Section 5.6(D) of the Agreement, including all tracking necessary to determine Excess Maintenance Items.
  - Track spare parts inventories.

- Monitor compliance with Key Performance Indicators.

Work orders generated by the CMMS shall outline the required type of maintenance, describing the type work to be undertaken. The resultant maintenance work shall be logged as to when the work order was issued, when completed, by whom, duration of work, and listing of materials, supplies and equipment used in providing the required work. This information shall be maintained for all equipment and presented on a monthly basis and a summary of the work orders issued, completed and in backlog, by type and priority shall be submitted (as part of the Company's monthly operations report to Cascade to confirm that the work is being undertaken as required and in a timely manner so as to protect the investment in the infrastructure. All equipment usage, equipment maintenance and the status of all maintenance work orders shall be either manually or electronically logged to provide the necessary input to the CMMS and for maintenance program status reporting to Cascade.

## 2. Core CMMS Software Functions.

- (a) Work Order Management. The CMMS shall have the functionality to create, assign, track, update, and close maintenance and repair tasks. Technicians shall receive assigned work orders with specific ID numbers, while managers monitor progress and job costs in real time.
- (b) Job Plans. The CMMS system shall provide job plan functionality and codes for specific maintenance activities in a sequential manner. Job plans shall include safety plans.
- (c) Work Plans. The CMMS shall have the ability to generate one-week work plans and workload forecasting.
- (d) Asset Management. The CMMS shall provide for a detailed registry of all equipment, including technical specifications, service history, location, and warranty information, to assist in tracking asset lifecycles and making repair-versus-replace decisions. Such functionality shall include:
  - Establishing asset numbers, naming, and descriptions with input from Cascade.
  - Capability to upload and attach photos, schematics such as as-builts, documentary information, and changes to as-builts and work orders.
  - Automating recurring maintenance tasks based on time (e.g., monthly), usage (e.g., every 500 hours), or specific triggers such as conditional assessments.
  - Track asset failure mode and impacts.
  - Ability to track fully loaded maintenance and operations cost on all assets, including critical assets.

- Ability to track spare parts availability, costs, and storage locations, with automatic reordering alerts when stock levels fall below a reordering threshold and equipment assigned to a home location.
  - Location-based tracking of preventative and reactive maintenance.
- (e) Reporting and Analytics. The CMMS shall generate dashboards and custom reports on Key Performance Indicators and shall maintain an audit trail of all maintenance activities, inspections, and safety protocols.
- (f) Mobile Accessibility. The CMMS shall provide for mobile accessibility, enabling the technician to access work orders, scan QR/barcodes for asset info, and attach photos of completed repairs directly from smartphones or tablets, including with offline functionality.
- (g) GIS Integration. The CMMS shall have the capability to integrate geographic information systems.

### 3. CMMS Updates.

The CMMS shall be updated as necessary to reflect all newly added assets, including populating fields with the information required by this Appendix. Assets that are removed from the Project shall be deleted from the CMMS, and assets that are removed from service but left in place shall remain in the CMMS but be flagged to indicate service status as removed from service.

**APPENDIX 8**  
**REQUIRED INSURANCE**

## APPENDIX 8

### REQUIRED INSURANCE

1. Insurance Coverage. The Company shall obtain and maintain the insurance coverages listed in paragraphs (a) through (f) below with respect to the Project and with insurers meeting the requirements specified in Section 5.10 of the Agreement. The Company shall be responsible for paying the premiums, fees and other costs associated with obtaining and maintaining such Required Insurance. The Company's sole compensation for the payment of such premiums, fees and other costs is included in the Transition Period Fee and the Base O&M Charge of the Service Fee, and Cascade shall have no obligation to separately reimburse the Company therefor. Each policy of Required Insurance shall be obtained and be in full force and effect as of the Commencement Date; provided that Cascade shall have the right to require the Company to obtain and maintain any such policy as a condition precedent to accessing the Project Site for the performance of any work or the commencement of any activity intended to be insured by such policy during the Transition Period. By requiring the insurance specified herein, Cascade does not represent that the insurance coverage and limits will necessarily be adequate to protect the Company, and such coverage and limits shall not be deemed as a limitation on the Company's liability under the indemnities granted to Cascade in this Agreement.

(a) Commercial General Liability. The Company shall obtain and maintain a commercial general liability policy with a limit of \$15,000,000 per occurrence and \$15,000,000 in the aggregate, covering:

- premises and operations;
- independent contractors;
- products/completed operations;
- broad form property damage;
- blanket contractual, covering all written contracts; and
- personal injury.

The policy shall protect against claims which may arise out of or result from the performance of the Contract Services on or away from the Project Site. The policy shall contain a "cross-liability" or "severability of interest" clause or endorsement. Cascade shall be named as an additional insured only to extent of liabilities arising from performance, acts or omissions of the Company in connection with the Contract Services or this Agreement.

(b) Automobile Liability. The Company shall obtain and maintain an automobile liability policy with a combined single limit of \$1,000,000, which shall include:

- all owned vehicles;
- all hired vehicles; and
- all non-owned vehicles while used in the performance of the Contract Services.

Additionally, if a vessel owned by the Company or Cascade is used in the performance of the Contract Services, the Company shall provide evidence of protection and indemnity insurance in the amount \$1,000,000 per claim. Such insurance shall cover all of the vessel operations and shall cover all crew. Vessel shall also have hull & machinery insurance to the full replacement value of the vessel. Cascade shall be named as an additional insured only to extent of liabilities arising from performance, acts or omissions of the Company in connection with the Contract Services or this Agreement.

- (c) Workers' Compensation and Employer's Liability. The Company shall obtain and maintain workers' compensation and employer's liability insurance in compliance with the laws of the State, and where applicable, insurance in compliance with any other statutory obligations, whether federal or state, pertaining to the compensation of injured employees, and including voluntary compensation.
- (d) Contractor's Errors and Omissions. The Company shall obtain and maintain a contractor's errors and omissions policy insurance covering the Company's errors and omissions in the performance of the Contract Services, with limits of \$1,000,000 per claim and in the aggregate. Coverage under such policy may be written on a claims made basis with a retroactive date prior to the Effective Date. Coverage shall remain in force for the Term and for three years after the end of the Term.
- (e) Contractor's Pollution Liability. The Company shall obtain and maintain a contractor's pollution liability policy, with limits of \$1,000,000 per claim and in the aggregate. Coverage under such policy may be written on a claims made basis with a retroactive date prior to the Effective Date. Coverage shall remain in force for the Term and for three years after the end of the Term. Such policy shall include coverage for Environmental Liabilities and shall respond to new or exacerbated conditions caused by the Company. Cascade shall be named as an additional insured only to extent of liabilities arising from performance, acts or omissions of the Company in connection with the Contract Services or this Agreement.
- (f) Cyber Liability Insurance. The Company shall obtain and maintain a cyber liability policy, with limits of \$1,000,000 per claim and in the aggregate. Coverage under such policy may be written on a claims made basis with a retroactive date prior to the Effective Date. Coverage shall remain in force for the Term and for three years after the end of the Term. Such policy shall include coverage for the actual or suspected disclosure, unauthorized access, destruction, loss, alteration, misappropriation, or unlawful acquisition of commercial and/or personally identifiable information that is deemed confidential by Cascade or is otherwise considered to be confidential or protected from disclosure by law or agreement, and shall extend to include indemnification of Cascade's investigation, notification, regulatory response, and remedial action costs, including attorney's fees, in the event of an actual or alleged security or data breach, whether or not required by statute; including alleged theft of data in any form. Cascade shall be named as an additional insured only to extent of liabilities arising from performance, acts or omissions of the Company in connection with the Contract Services or this Agreement.

2. Primary Insurance; Additional Insureds. In each case where the Company is required to provide additional insured status to Cascade for the Required Insurance, as specified in Section 1 above, the Company shall cause such additional insured coverage to be primary insurance with respect to Cascade, its officers, members, agents and employees, and each such policy shall contain an undertaking by the insurers or the insurer's designated representative to notify Cascade in writing not less than 30 days before any material change, cancellation, non-renewal or termination (except 10 days for non-payment of premiums). Any insurance or self-insurance maintained by Cascade or any other Cascade Indemnitee shall be in excess of, and shall not contribute with, the Company's insurance.
3. Subcontractor Insurance. The Company shall require each Subcontractor to provide and maintain insurance that complies with the requirements of Applicable Law and this Appendix in connection with their presence and the performance of their duties at or concerning the Project. Such insurance shall be the same as the Company-provided insurance set forth in Section 1 above, except that, subject to the approval of Cascade (acting reasonably), the minimum coverage limits and applicability of the required coverages shall be determined based on the nature and extent of the Contract Services required under the applicable Subcontract. The Company shall cause each Subcontractor to maintain evidence of insurance required pursuant to this Section in the same manner as provided in Section 4 with respect to the Company-provided insurance and shall provide Cascade with such evidence upon request by Cascade.
4. Evidence of Insurance. Evidence of the Required Insurance must be provided to Cascade as a condition precedent to the Commencement Date (and as otherwise required during the Transition Period pursuant to Section 1 above), and every subsequent year on the anniversary of the Commencement Date throughout the Term. Such evidence shall be in form and substance reasonably satisfactory to Cascade, shall be executed by the carrier's authorized representative and issued to Cascade, and shall consist of a certificate of insurance with required endorsements attached thereto. Upon request by Cascade, the Company shall also deliver to Cascade a copy of the policies, or in lieu thereof, a copy of the declarations pages and main coverage forms applicable to this Agreement, subject to such redactions for proprietary information as may be acceptable to Cascade, acting reasonably. Upon request by Cascade, the Company shall deliver proof of payment of premiums for the Required Insurance. No review or approval of any insurance certificate or insurance policy by Cascade shall diminish Cascade's rights under this Agreement, and Cascade's acceptance of deficient evidence does not constitute a waiver of any requirement of this Agreement.
5. Deductibles and Self-Insured Retentions. The Company shall not provide for deductibles or self-insured retention amounts with respect to the Required Insurance that are unreasonable, as determined in accordance with Prudent Industry Practice. The Company shall notify Cascade of any deductible or self-insured retention associated with each policy of Required Insurance, and Cascade shall have the right to approve any such deductible or self-insured retention amount, such approval not to be unreasonably withheld. The Company shall be responsible for the payment of any deductibles or self-insured retentions under the Required

Insurance and shall be responsible for any excluded losses that are within the liability of the Company pursuant to this Agreement.

6. Waivers of Subrogation. The Company and its insurers providing the Required Insurance shall waive any rights of subrogation they may have against Cascade and any other Cascade Indemnitee, whether or not the damage is caused by their act, omission or negligence. The Company shall require the same waivers by its Subcontractors and their insurers. All insurance policies required hereunder shall permit and recognize such waivers of subrogation. A waiver of subrogation shall be effective as to any individual or entity even if such individual or entity (a) would otherwise have a duty of indemnification, contractual or otherwise, (b) did not pay the insurance premium directly or indirectly, and (c) whether or not such individual or entity has an insurable interest in the property damage.
7. Non-Recourse Provision. All policies of Required Insurance shall provide that the insurers shall have no recourse against Cascade or any other Cascade Indemnitee for payment of any premium or assessment and shall contain a severability of interest provision in regard to mutual coverage liability policies.
8. Compliance with Insurance Requirements. The Company shall comply with Insurance Requirements and take all steps necessary to ensure that the Required Insurance remains continuously in place in accordance with the requirements of this Appendix. The Company's failure to comply with any such requirement shall not relieve the Company from any liability under this Agreement, and the Company's obligations to comply with all insurance requirements set forth in this Agreement shall not be construed to conflict with or limit the Company's indemnification obligations under this Agreement.
9. Changes to Required Insurance. Cascade shall have the right to change the Required Insurance in connection with any Annual Budget, whether such changes are to provide for additional insurance, increase required coverage amounts, eliminate required coverages or decrease required coverage amounts. Cascade shall provide reasonable notice to the Company prior to implementing any such change, and the Base Operating Charge of the Service Fee shall be subject to equitable adjustment (increase or decrease, depending on the nature of the change) in connection with the adoption of the applicable Annual Budget. Cascade shall have no obligation to make any change to the Required Insurance pursuant to this Section or otherwise.

**PROPOSAL FORM A – PROPOSAL TRANSMITTAL LETTER**

**REQUEST FOR PROPOSALS  
FOR THE  
CASCADE WATER ALLIANCE WHITE RIVER-LAKE TAPPS RESERVOIR  
PROJECT  
OPERATIONS AND MAINTENANCE AGREEMENT**

***Transmittal Letter***

(To be typed on Proposer’s Letterhead)

Date: \_\_\_\_\_

Cascade Water Alliance

Re: Request for Proposals for the Cascade Water Alliance White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement

\_\_\_\_\_ (the “Proposer”) hereby submits its Proposal in response to the Request for Proposals for the Cascade Water Alliance White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement (the “RFP”) issued by Cascade Water Alliance (“Cascade”) on March 2, 2026, as amended.

As a duly authorized representative of the Proposer, I hereby certify, represent, and warrant, on behalf of the Proposer Team and not in my personal capacity, as follows in connection with the Proposal:

1. The Proposer acknowledges receipt of the RFP and the following Addenda:

No.	Date
_____	_____
_____	_____
_____	_____

2. The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer.

3. The Proposer has completely reviewed and understands and agrees to be bound by the requirements of the RFP, including all Addenda thereto.

4. The required performance and payment bond required by the O&M Agreement will be provided by \_\_\_\_\_, a surety company authorized by law to do business in the State and listed in the US Department of Treasury’s Circular 570, as evidenced by a letter issued by such surety company to verify the Proposer’s ability to obtain a performance and payment bond of at least \$4 million annually for the Term of the O&M Agreement.

5. The required insurance required by the O&M Agreement will be provided or brokered by \_\_\_\_\_, as evidenced by the attached letter from such insurance company or broker stating the Proposer's ability to meet the requirement of and acquire and provide the minimum limits for the Required Insurance under the Draft O&M Agreement.
6. All information and statements contained in the Proposal are current, correct, and complete, and are made with full knowledge that Cascade will rely on such information and statements in selecting a Proposer and executing the O&M Agreement.
7. No member of the Proposer Team is currently suspended or debarred from doing business with any governmental entity.
8. The Proposer has reviewed all of the engagements and pending engagements of the Proposer Team members, and no potential exists for any conflict of interest or unfair advantage.
9. The Proposal has been prepared and is submitted without collusion, fraud or any other action taken in restraint of free and open competition for the services contemplated by the RFP. No attempt has been made or will be made by Proposer or any member of the Proposer Team to induce any other person, partnership, firm or corporation to alter or not submit a Proposal for the purpose of restricting competition.
10. Neither the Proposer nor or any of its members have communicated with another Proposer or members of another Proposer Team with regard to this procurement or the Project, except to the extent such communication has occurred with a Subcontractor that is on both its team and another Proposer Team, such Subcontractor does not provide any Key Personnel on the Proposer Team and all communications with such Subcontractor have been pursuant to an established protocol to ensure that the Subcontractor has not acted as a conduit of information between the Proposers.
11. The Proposal has not been and will not be solicited or secured directly or indirectly in a manner contrary to the laws of the State, said laws have not been violated and shall not be violated as they relate to this procurement or the O&M Agreement by any conduct, including the paying or giving of any fee, commission, compensation, gift, or gratuity or consideration of any kind, directly or indirectly, to any member of the Cascade Board of Directors, any member of the governing body of any of its Members, or any employee, officer, or official of Cascade or its Members.
12. No person or selling agency has been employed or retained to solicit the award of the O&M Agreement under an arrangement for a commission, percentage, brokerage, or contingency fee or on any other success fee basis, except bona fide employees of the Proposer Team members.

13. Proposer Team members have not engaged in any practices that may result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration in connection with the submittal of the Proposal.

14. The Proposer, or applicable Proposer Team member, has all current and valid licenses, registrations and certificates required by applicable law to submit the Proposal and for provision of the services described in the RFP.

15. To keep the Proposal open for acceptance for ninety (90) calendar days after the Proposal Due Date without any member or partner withdrawing or any other change being made in the Proposer's organization, unless Cascade has agreed in its sole discretion and in writing to such change or withdrawal.

16. If the Proposal is accepted, to provide the security for performance, if any, proposed in the Proposal.

17. The Proposer has carefully examined and is fully familiar with the RFP documents and is satisfied that such provisions provide sufficient detail regarding the Contract Services and the other obligations of the Company under the O&M Agreement and do not contain internal inconsistencies; that it has carefully checked all the words, figures, and statements in its Proposal; that it has conducted such other field investigations which are prudent and reasonable in preparing the Proposal, including a thorough review of all of the RFP documents; and that it has notified Cascade of any deficiencies in or omissions from any RFP documents or other documents provided by Cascade.

18. Proposer certifies that each, every, and all of the representations made by Proposer in the Proposal are true and correct.

19. The Proposer understands that Cascade is not bound to accept the lowest priced Proposal or any Proposal.

20. The Proposer understands that all expenses incurred by it in preparing the Proposal and participating in the RFP process will be borne solely by the Proposer.

21. The Proposer agrees that Cascade will not be responsible for any errors, omissions, inaccuracies, or incomplete statements in the Proposal.

22. The Proposer agrees that the Proposal shall be governed by and construed in all respects according to the laws of the State of Washington.

23. The individual who will serve as the interface between Cascade and the Proposer for all further communications is:

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE \_\_\_\_\_

FAX: \_\_\_\_\_

E-MAIL: \_\_\_\_\_

24. If selected, the Proposer agrees to negotiate in good faith to enter into a O&M Agreement that reflects the substantive terms and conditions of the RFP and the Proposal.

25. The Proposer has submitted all Proposal Forms required to be submitted by the RFP, and such Proposal Forms are a part of the Proposal.

26. The Proposal and any additional materials are genuine and not a sham or collusive, and not made in the interest of any person not named, and that the Proposer has not induced or solicited others to submit a sham proposal, or to refrain from submitting a proposal.

27. The Proposer hereby agrees not to exercise any of its rights under the Washington State Public Records Act, Chapter 42.56 RCW to inspect or copy any other proposals submitted under this RFP until after an award of contract is made by Cascade.

\_\_\_\_\_  
Name of Proposer

\_\_\_\_\_  
Name of Designated Signatory

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**PROPOSAL FORM B – COMPANY PROVIDED EQUIPMENT**

The Proposer shall complete this Proposal Form based on the scope of Contract Services set forth in the Request for Proposals for the Cascade Water Alliance White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement (the “RFP”) issued by Cascade Water Alliance (“Cascade”) on March 2, 2026, as amended.

Cascade intends to provide all Project Equipment identified in Appendix 2 to the Draft O&M Agreement included as **Schedule C** (Draft O&M Agreement), and the Company will be responsible for maintaining such Cascade provided equipment and providing and maintaining all other equipment, vehicles, and rolling stock necessary for the performance of the Contract Services (i.e., the Company Provided Equipment). Cascade intends for the Company to provide all other equipment necessary for the performance of the Contract Services. The Proposer shall indicate what additional equipment the Proposer considers necessary for the performance of the Contract Services, the Proposer’s willingness to provide such equipment and the proposed terms of such delivery in the table below. Cascade values a thoughtful approach that maximizes efficiency.

Type	Location	Own/Rent	Comments

**PROPOSAL FORM C – PRICING**

**REQUEST FOR PROPOSALS  
 FOR THE  
 CASCADE WATER ALLIANCE WHITE RIVER-LAKE TAPPS RESERVOIR  
 PROJECT  
 OPERATIONS AND MAINTENANCE AGREEMENT**

The Proposer shall complete this Proposal Form based on the scope of Contract Services set forth in the Request for Proposals for the Cascade Water Alliance White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement (the “RFP”) issued by Cascade Water Alliance (“Cascade”) on March 2, 2026, as amended.

Proposers shall, in addition to completing this Proposal Form C, attach spreadsheets (in excel and PDF format) that present such information in tabular format.

Key Personnel and Subcontractors

1. **Fully Burdened Rates** – Fully burdened rates are the burdened hourly rates of pay of direct employees of the Proposer by job classification that the Proposer plans to have perform work on the Contract Services, including Key Personnel and all other staff identified in the proposed Staffing Plan. The table below shall include any and all personnel that the Proposer plans to use or may use on the Contract Services, both during the Transition Period and after the Commencement Date. The fully burdened rates will be fixed for the First Annual Budget.

Name	Title/Position	Proposed Raw Labor Rate
		\$/hour

The fully burdened rates shall be all inclusive of all salary costs, fringe benefits, payroll taxes, all overhead costs of the Proposer, inclusive of any labor burden, Labor & Industries premiums, Federal Insurance Contributions Act tax and other taxes, general and administrative expenses (including insurance).

2. **Proposed Profit Margin** – The profit margin proposed by the Proposer is the profit multiplier that the Proposer desires to have applied to the fully burdened rates. The profit margin proposed by the selected Proposer will be negotiable.

**Proposed Profit Margin** \_\_\_\_\_ %

3. **Billing Rates** – The billing rates are the product of the fully burdened rates times the proposed profit margin.

<b>Name</b>	<b>Title/Position</b>	<b>Proposed Fully Burdened Rate</b>	<b>(1 + Proposed Profit Margin)</b>	<b>Proposed Billing Rate</b>
		\$[]/hour	(1+ [])	\$[]/hour

4. **Proposed Mark-Up on Outside Direct Costs** – The mark-up on direct costs proposed by the Proposer is the multiplier expressed as a percent on any allowable outside direct cost incurred on the Contract Services by the Proposer. The mark-up on outside direct costs proposed by the selected Proposer will be negotiable.

**Proposed Mark-up on Outside Direct Costs** \_\_\_\_\_ %

5. **Proposed Mark-Up on Subcontractors** – The mark-up on subcontractors proposed by the Proposer is the multiplier expressed as a percent on any allowable subcontractor cost incurred on the Project by the Proposer. The mark-up on subcontractors proposed by the selected Proposer will be negotiable.

**Proposed Mark-up on Subcontractors** \_\_\_\_\_ %

The Proposer acknowledges that the selected Proposer’s pricing will be subject to negotiation with Cascade.

\_\_\_\_\_  
Name of Proposer

\_\_\_\_\_  
Name of Designated Signatory

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title