

**INTERLOCAL AGREEMENT
BETWEEN
SAN JUAN COUNTY FIRE DISTRICT #2, ORCAS ISLAND HEALTH CARE DISTRICT, AND
ORCAS ISLAND LIBRARY DISTRICT**

This **INTERLOCAL AGREEMENT** (the "Agreement") is made and entered into this ____ day of _____, 2026, by and between **SAN JUAN COUNTY FIRE PROTECTION DISTRICT NO. 2** ("Orcas Fire"), **SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT NO. 3 D/B/A ORCAS ISLAND HEALTH CARE DISTRICT** ("OIHCD"), and **ORCAS ISLAND LIBRARY DISTRICT** (the "Library"). Orcas Fire, OIHCD, and the Library are referred to collectively as the "Parties," and individually as a "Party."

WHEREAS, the Parties desire to enter into an interlocal agreement for Orcas Fire to provide maintenance services and associated materials to OIHCD and the Library and to provide for cost recovery to Orcas Fire in connection with the services; and

WHEREAS, the Parties are authorized, pursuant to Chapter 39.34 RCW, to enter into interlocal agreements which allow the Parties to cooperate with each other to provide high-quality services to the public in the most efficient manner possible.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the Parties agree as follows:

- 1. SCOPE OF SERVICES.** The scope of maintenance services provided under this Agreement shall be defined in a request for interlocal services and material purchases on the form provided in **Exhibit A** (attached and incorporated herein) which will list specific services, and materials associated with the services, to be provided by Orcas Fire and the estimated costs (each a "Request for Services"). Each Request for Services must be approved by Orcas Fire and the Party receiving the services (the "Requesting Party") before the initiation of work or provision of material. Individual Requests for Services over Ten Thousand Dollars (\$10,000.00) must be approved by the Fire Chief of Orcas Fire and either the Superintendent (for OIHCD) or the Library Director (for the Library), as applicable. In any particular instance or in all instances, Orcas Fire may choose not to perform requested services for the Requesting Party, in the event Orcas Fire determines that it would be undesirable, unsafe, impracticable, or otherwise not feasible for any reason.
- 2. TERM.** This Agreement shall be effective upon execution by the Parties and shall continue in effect until December 31, 2026, unless sooner terminated pursuant to the terms herein.
- 3. COMPENSATION AND METHOD OF PAYMENT.** The Requesting Party shall make payment for services and materials provided following the performance of such services and delivery of materials, unless otherwise permitted by law and approved in writing by the applicable Parties. Payment for services and materials shall include the actual costs incurred by Orcas Fire for labor, materials, equipment, and tax (the "Project Cost"). Additionally, ten percent (10%) of the Project Cost shall be included for overhead costs for account, billing, and administrative services. Orcas Fire will submit a certified statement to the Requesting Party for all costs within thirty (30) days after services are rendered. Thereafter, the Requesting Party shall pay the amount specified in the statement within thirty (30) days of receipt. Upon request of the Requesting Party, Orcas Fire shall provide adequate supporting documentation for any and all amounts billed to the Requesting Party.

4. ADMINISTRATION. The following individuals are designated as representatives under this Agreement. The representatives shall be responsible for administration, coordination, and monitoring performance under this Agreement. Each Party shall notify the other Parties in writing of changes to the following designations:

- A. Orcas Fire's representative shall be San Juan County Fire District #2 Chief, or their designee(s).
- B. OIHCD's representative shall be the Superintendent of the Orcas Island Health Care District, or their designee(s).
- C. The Library's representative shall be the Library Director of the Orcas Island Library District, or their designee(s).

5. INDEMNIFICATION. Each Party (the "Indemnifying Party") agrees to be responsible and assume all liability, losses, and damages arising out of its own acts or omissions under this Agreement, or those of its officers, agents, or employees, to the fullest extent permitted by law. The Indemnifying Party agrees to save, indemnify, defend, and hold each of the other two Parties (the "Indemnified Parties"), their officers, and employees, harmless from and against any and all claims, demands, causes of action, or administrative proceedings arising from such acts or omissions, including but not limited to statutory and tort liability.

Notwithstanding the foregoing, the Indemnifying Party's obligations under this section shall be reduced in proportion to the degree that the act or omission by an Indemnified Party contributed to the loss, damage, or claim. Further, no Party shall be required to indemnify another Party for losses caused by that Party's own sole negligence or intentional wrongful acts.

It is further specifically and expressly understood that the indemnification provided herein constitutes each Party's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification and for the benefit of each of the other two Parties. This waiver has been mutually negotiated by all three Parties. The provisions of this section shall survive the expiration or termination of this Agreement.

6. INSURANCE.

- A. Each Party will carry and maintain throughout the period of this Agreement at its own expense the following minimum insurance which must be primary and non-contributory; provided, however, that only Orcas Fire is required to maintain the automobile liability coverage specified below so long Orcas Fire is the only Party that utilizes its vehicles (including personal vehicles for Orcas Fire business) to provide services or fulfill obligations under this Agreement. The other Parties shall only be required to maintain automobile liability insurance in the event that they, or their employees, utilize vehicles (including personal vehicles for used for business) to provide services or fulfill obligations under this Agreement.
 - 1. Comprehensive commercial general liability insurance in the amount of no less than One Million Dollars (\$1,000,000.00) for combined, single-limit bodily injury, including wrongful death, or property damage to defend and indemnify all activities and services covered by this Agreement with a commercial insurance

carrier protected under the State of Washington Guaranty Fund or with a risk pool approved by the Insurance Commissioner.

2. Auto liability insurance with limits of no less than One Million Dollars (\$1,000,000.00) for each person and/or One Million Dollars (\$1,000,000.00) for each occurrence for owned, hired and non-owned automobiles used for any activities and services covered by this Agreement.
 3. Statutory workers' compensation insurance and employer's liability insurance to cover employees and volunteers as required by state and federal law.
- B. Each Party shall provide evidence of insurance in the form of a Certificate of Insurance satisfactory to each Party, executed by a duly authorized representative of each insurer showing compliance with the insurance requirements set forth above. Each Party may request a duplicate (photocopy) of each insurance policy and endorsements noted above and the name, address and telephone number of the broker who issued each one as evidence of coverage. Approval of insurance is a condition precedent to full execution, including continued compensation, of this Agreement. The maintenance of said insurance will not in any manner affect any Party's obligation to hold harmless and indemnify the other Parties as provided in this Agreement.

7. MAINTENANCE AND INSPECTION OF RECORDS.

- A. Each Party shall maintain books, records and documents, which sufficiently and properly reflect all work related to the performance of the Agreement. In addition, each Party shall maintain all accounting records in a form necessary to assure proper accounting of all funds paid pursuant to this Agreement. All of the above shall be subject at all reasonable times to inspection, review, or audit by either Party, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.
- B. Each Party shall retain all books, records, documents and other material relevant to this Agreement for six (6) years after its expiration. Each Party agrees that its designee(s) shall have full access and right to examine any of said materials at all reasonable times during said period.

8. CHANGES TO THE WORK.

- A. The Requesting Party may at any time, by written order, make changes within the general scope of an approved Request for Services.
- B. If any such change causes an increase or decrease in the estimated cost of, or the time required for performance of any part of the work specified under a Request for Services, whether or not changed by the order, or otherwise affects any other terms or conditions of the Agreement, Orcas Fire shall issue a notice of the need for an adjustment in the (1) estimated cost; (2) estimated date of completion, or both; and (3) other affected terms of the Request for Services.

- C. Orcas Fire must issue its notice to the Requesting Party under this section within thirty (30) days from the date of receipt of the written order.
- D. The Requesting Party and Orcas Fire shall thereafter cooperatively determine whether to proceed with any changes to the Request for Services and shall memorialize any agreed changes by written supplement to the Request for Services.

9. OWNERSHIP OF WORK PRODUCTS. Each Party shall have the right to use and distribute any and all documents, writings, programs, data, public records or other materials prepared by any Party (and/or any Party's contractors, consultants, and/or subcontractors), in connection with performance of the Agreement. The Parties recognize and agree that any documents and/or materials arising from and/or related to this Agreement may be subject to public disclosure pursuant to applicable law.

10. INDEPENDENT CONTRACTOR RELATIONSHIP. The Parties intend that an independent contractor relationship between the Requesting Party and Orcas Fire will be created by this Agreement. The Requesting Party is interested primarily in the results to be achieved. Subject to the provisions herein, the implementation of services and direction of the details of work will lie solely with the discretion of Orcas Fire. No agent, employee, servant or representative of Orcas Fire shall be deemed to be an agent, employee, servant or representative of the Requesting Party for any purpose, and the employees of Orcas Fire are not entitled to any of the benefits the Requesting Party provides for its employees. Orcas Fire shall be solely responsible for supervision of its employees.

11. INDEPENDENT MUNICIPAL GOVERNMENTS. The Parties hereto are independent municipal corporations. Except for the specific terms herein, nothing herein shall be construed to limit the discretion of the governing bodies of each Party. Nothing in this Agreement shall be construed to create a joint entity between the Parties.

12. NEUTRAL AUTHORSHIP. Each Party represents and warrants that it has retained legal counsel to assist them in the preparation of this Agreement, and the exhibit attached hereto. Each of the provisions of this Agreement, and the exhibit attached hereto, have been reviewed and negotiated, and represents the combined work product of the Parties. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the Party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

13. TERMINATION. This Agreement may be terminated by any Party upon not less than thirty (30) days' written notice to each other Party. In the event of termination by OIHCD or the Library, this Agreement shall remain in full force and effect as between the remaining non-terminating Parties. If Orcas Fire terminates, this Agreement shall terminate in its entirety. Written notice of termination must be provided by personal delivery or mailed postage-prepaid by certified mail, return receipt requested.

14. MEDIATION. The Parties shall attempt to resolve any controversies or disputes arising out of or relating to this Agreement through a good faith attempt at mediation. Each Party will pay its own attorneys' fees and costs.

15. ARBITRATION.

- A. Any controversy or claim arising out of or relating to this Agreement that is not resolved through mediation, shall be resolved by final and binding arbitration pursuant to RCW 7.04A. Demand for arbitration shall be made in writing to the other Party subject to the dispute. The arbitration shall be held in San Juan County before a single arbitrator selected by the Agreement of the Parties. If the Parties cannot agree upon an arbitrator within fifteen (15) days after the demand for arbitration is made, the arbitrator shall be selected by a judge in the Superior Court of San Juan County in accordance with the procedures set out in RCW 7.04A.110.
- B. Unless the Parties agree otherwise in writing, the arbitration hearing shall occur no later than sixty (60) days after the date the arbitrator is appointed.
- C. The Parties agree that, with the exception of the circumstances set out in RCW 7.04A.230, the arbitrator's decision shall be binding, final and not appealable to any court of law.
- D. Each Party shall pay its own costs of arbitration including attorneys' fees. The arbitrator's fee and any administrative expenses imposed by the arbitrator shall be shared equally by the Parties.
- E. This Agreement shall be governed by laws of the state of Washington, both as to interpretation and performance.
- F. The terms "Party" and "Parties" as used in this section shall mean only the parties to this Agreement that are involved in a dispute.

16. WAIVER. The waiver by, or the failure to take action with respect to, breach of any term, covenant or condition of the Agreement shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach. All remedies afforded in this Agreement shall be taken as cumulative; that is, in addition to every other remedy provided herein or by law.

17. SEVERABILITY. It is understood and agreed by the Parties that if any term or provision of this Agreement is held by any court to be illegal or in conflict with any law of the state of Washington, the validity of the remaining portions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term, part or provision held to be invalid.

18. SURVIVABILITY. All covenants, promises, provisions, and performances of this Agreement which are not fully performed as of the date of termination shall survive termination of this Agreement as binding obligations.

19. ENTIRE AGREEMENT. This instrument contains the entire Agreement between the Parties and statements, promises, or inducements made by any Party or agent of that Party that are not contained in this Agreement shall not be valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by all Parties.

20. NOTICE. Notice provided for in this Agreement shall be sent by certified mail to the following addresses designated for the Parties.

San Juan County Fire
Protection District No. 2
Attn: Fire Chief Chad Kimple
45 Lavender Lane
Eastsound, WA 98245

Orcas Island Health Care District
Attn: District Superintendent
Chris Chord
PO Box 226
Eastsound, WA 98245

Orcas Island Library District
Attn: Library Director Ingrid
Mattson
500 Rose Street
Eastsound, WA 98245

21. COUNTERPARTS. This Agreement may be executed in any number of counterparts and each such executed counterpart shall be deemed to be an original instrument, but all such executed counterparts together shall constitute one and the same instrument. Any signature page delivered by facsimile or electronic image transmission shall be binding to the same extent as an original signature page. Any Party that delivers a signature page by facsimile or electronic image transmission shall deliver an original counterpart to any other Party that requests such original counterpart.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of this _____ day of _____ 20__.

**SAN JUAN COUNTY FIRE PROTECTION
DISTRICT NO. 2**

**SAN JUAN COUNTY PUBLIC
HOSPITAL DISTRICT NO. 3
D/B/A ORCAS ISLAND HEALTH
CARE DISTRICT**

By: Chad Kimple
Its: Fire Chief
Date: _____

By: Chris Chord
Its: District Superintendent
Date: _____

ORCAS ISLAND LIBRARY DISTRICT

By: Ingrid Mattson
Its: Library Director
Date: _____

EXHIBIT A

Request for Interlocal Services or Material Purchases

- Service Materials

Requesting Party:

- Orcas Island Library District
 Orcas Island Health Care District

Description of request:

Estimated Date of Completion:

Estimated Cost:

Approved by:

**SAN JUAN COUNTY FIRE
PROTECTION DISTRICT NO. 2**

By: _____
Its: _____
Date: _____

**SAN JUAN COUNTY PUBLIC
HOSPITAL DISTRICT NO. 3 D/B/A
ORCAS ISLAND HEALTH CARE
DISTRICT**

By: _____
Its: _____
Date: _____

OR

**ORCAS ISLAND LIBRARY
DISTRICT**

By: _____
Its: _____
Date: _____

Signatures required for requests over \$10,000 on the following page

If request is for over \$10,000:

**SAN JUAN COUNTY FIRE PROTECTION
DISTRICT NO. 2**

By: Chad Kimple
Its: Fire Chief
Date: _____

**SAN JUAN COUNTY PUBLIC
HOSPITAL DISTRICT NO. 3
D/B/A ORCAS ISLAND HEALTH
CARE DISTRICT**

By: Chris Chord
Its: District Superintendent
Date: _____

OR

**ORCAS ISLAND LIBRARY
DISTRICT**

By: Ingrid Mattson
Its: Library Director
Date: _____