

**5INTERLOCAL AGREEMENT  
ALDERWOOD WATER & WASTEWATER DISTRICT  
AND  
SILVER LAKE WATER & SEWER DISTRICT  
REGARDING THE 2022 SEWER RELINING PROJECT**

THIS INTERLOCAL AGREEMENT (“Agreement”) is made and entered into by and between the ALDERWOOD WATER & WASTEWATER DISTRICT, a public utility district (“AWWD”) located at 3626 156<sup>th</sup> Street SW, Lynnwood, WA, 98087 and the SILVERLAKE WATER & SEWER DISTRICT, a public utility district (the “SLWSD”), for the purposes set forth below.

**Recitals**

WHEREAS, AWWD operates and maintains existing sanitary sewer facilities in AWWD’s service area; and

WHEREAS, the AWWD has concluded that the 2022 Sewer Relining Project (the “Project”), is necessary in order to preserve and rehabilitate certain sanitary sewer mains within AWWD’s service area; and,

WHEREAS, the SLWSD operates and maintains existing sanitary sewer facilities in the SLWSD’s service area; and,

WHEREAS, the SLWSD has concluded that it is necessary in order to preserve and rehabilitate certain sanitary sewer mains within the SLWSD’s service area; and

WHEREAS, AWWD and the SLWSD have determined it is advantageous to the rate payers of both agencies prepare a joint contract the Project as a larger joint project is expected to result in lower per foot costs for both agencies; and,

WHEREAS, AWWD is the lead agency for the construction of the Project; and,

WHEREAS, it is deemed to be in the best interest of the public, the SLWSD and AWWD to include necessary items of work, as requested by the SLWSD, into AWWD’s construction contract proposed for this Project; and,

WHEREAS, the parties are authorized to enter into an interlocal agreement pursuant to chapter 39.34 RCW in order to jointly accomplish the Project.

NOW, THEREFORE, the SLWSD and AWWD wish to enter into this Agreement outlining the work and associated cost for the implementation of the Project.

## I. OBJECTIVE OF AGREEMENT

The objective of this agreement is to set forth the mutual obligations and rights of the SLWSD and AWWD for the accomplishment of the Utility Work, also known as AWWD Project No S2201 and described in Exhibits “A” and “B” which are attached hereto and incorporated herein by this reference.

## II. RESPONSIBILITIES OF THE PARTIES

A. AWWD shall act as the lead agency on the Project and will be responsible for preparing AWWD’s plans and specifications during the design and construction phases of the Project, and including the SLWSD’s plans within its plan set. AWWD’s Project Manager shall act as the administrator of this cooperative undertaking.

B. The SLWSD shall provide construction plans conforming to the general format and level of detail agreed to, based on samples provided by AWWD, showing the SLWSD sewer facilities to be included in the Project. The SLWSD shall review the final contract and specifications and concur with the acceptability of the final bid document package prior to AWWD advertising for construction bids.

C. AWWD shall (i) include the SLWSD’s Utility Work into AWWD’s plans and specifications; (ii) print and distribute the Contract Specifications and Plans; (iii) administer the advertisement for construction; and (iv) award and administer the contract, including accountings, making payments to the Contractor, and keeping the Project records.

D. AWWD, acting for and on behalf of the SLWSD, shall provide limited construction management for the SLWSD. SLWSD shall provide field inspection for the SLWSD’s utility work occurring on the SLWSD facilities. The SLWSD will provide copies of all daily inspection reports for work involving the SLWSD’s utility work on a weekly or other agreed upon interval, establishing quantities and acceptance of work on the SLWSD’s facilities.

E. The SLWSD shall be solely responsible for all costs associated with the SLWSD’s Utility Work, and reimburse AWWD in accordance with the terms of Section V below.

F. The SLWSD shall make all reasonable efforts to cooperate with the AWWD’s Contractor in facilitating the Utility Work and make necessary personnel available so as to not delay the Contractor’s construction schedule.

G. The SLWSD shall, within ten (10) calendar days after notification of completion of the Utility Work, issue notification of any deficiencies or issue writing notification of acceptance. AWWD’s Contractor will correct the deficiencies. If, after the ten (10) day period, notification has not been received by AWWD, the Utility Work shall be considered complete and accepted by the SLWSD.

H. The SLWSD shall furnish an inspector for its work on the Project. Any costs for such inspection will be borne solely by the SLWSD. All communications between said inspector and the AWWD's contractor shall:

- a. Only address the SLWSD's sewer facilities and the SLWSD's Utility Work
- b. Be documented in the SLWSD's daily inspection report
- c. Include AWWD's project representative as a cc: on all e-mails.

I. The SLWSD shall own all utility facilities constructed or modified under this Agreement within the SLWSD's service area. This agreement makes no changes, permanent or temporary, in the ownership or responsibility for maintenance to any SLWSD or AWWD facility. Each agency shall have independent and full recourse to any warranty terms included in the construction document that apply to their facilities.

J. The performances of the duties of the parties provided hereby shall be done in accordance with standard operating procedures and customary practices of the parties.

K. No provision of this Agreement shall relieve either party of its public agency obligations and or responsibilities imposed by law.

L. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

M. AWWD shall (i) require the Contractor to name the SLWSD as additional insured on insurance furnished by the Contract Specifications and (ii) shall provide copies of insurance documentation to the SLWSD.

### III. DURATION OF AGREEMENT

This Agreement shall become effective immediately upon the signing of all parties and filing or recording under Section XVII of this Agreement, and shall remain in effect until the Utility Work has been accepted by the SLWSD and the SLWSD has paid AWWD in full; provided, that the respective indemnification obligations of the City and AWWD in Section VIII shall survive the expiration or termination of this Agreement. The parties anticipate that the Project will be completed by December 31, 2023.

### IV. SEPARATE ENTITY NOT CREATED

No separate legal entity is created hereby, as each of the parties is contracting in its capacity as a municipal corporation of the State of Washington. The identity of the parties hereto is as set forth hereinabove.

## V. FINANCING

A. The SLWSD agrees to set aside funds for payment to AWWD for the Utility Work in an amount not less than the estimate of cost for the Utility Work Design; cost for the bid items for the Utility Work and for an amount necessary to reimburse AWWD for construction management, inspection and administration services related to the Utility Work. The SLWSD's estimate of costs is shown in Exhibits "A" and "B", which are attached hereto and incorporated herein.

B. AWWD shall provide the SLWSD with properly executed invoices showing expenditures on the SLWSD's portion of the Project. Invoices shall be based on Contractor's unit price bid on the Utility Work. Invoices shall be paid by the SLWSD within thirty (30) days of receipt by the SLWSD. Payment by the SLWSD shall not constitute an agreement as to the appropriateness of any item or acceptance of the work so represented.

C. The SLWSD shall pay the AWWD for the following costs:

(i) 100 percent of the final cost of all contract items related to the SLWSD's Utility Work, as shown in the bid proposal of the successful bidder; and

(ii) The cost of any extra work associated with the SLWSD's Utility Work within the 10% contingency, and any costs for extra work that have been approved in accordance with Section VII.

(iii) A sum equal to 2.5 percent of the SLWSD's Utility Work, as shown on Exhibit B, for reimbursement of AWWD's construction management, contract administration, and overhead expenses.

(iv) 100 percent of the final cost of all material testing related to the SLWSD's Utility Work.

## VI. TERMINATION

A. This Agreement may be terminated in whole or in part, for convenience without cause, prior to the termination date specified in Paragraph III, upon thirty (30) days advance written notice.

B. This Agreement may be terminated by either party, in whole or in part, for cause prior to the termination date specified in Paragraph III, upon thirty (30) days advance written notice. Reasons for termination may include, but are not limited to, non-performance; misuse of funds; and/or failure to provide related reports/invoices/statements as specified in Paragraph II.

C. If the Agreement is terminated as provided in this section: (1) each Party will be liable only for payment in accordance with the terms of this Agreement for services rendered prior to the effective date of termination; and (2) each Party shall be released from

any obligation to provide further services pursuant to this Agreement. [If either of these two are applicable to this agreement.]

D. Nothing herein shall limit, waive, or extinguish any right or remedy provided by this Agreement or law that either Party may have in the event that the obligations, terms and conditions set forth in this Agreement are breached by the other Party.

## VII. AMENDMENTS

This Agreement may be amended at any time by written agreement of both Parties. Such requests will only be approved if the proposed change(s) is (are) consistent with and/or achieves the goals stated in the scope and falls within the activities described in the scope.

There may be unforeseen conditions requiring immediate resolution during the construction phase of this agreement such as construction disputes and claims, changed conditions and changes in the construction work. Reimbursement for increased construction management and/or construction contract amount shall be limited to costs covered by a modification, change order or extra work order approved as follows:

A. Should it be determined that any change from the contract plans and specifications is required, AWWD, through the Capital Projects Manager, shall have authority to make such changes up to the amount of the "Contingency" shown in Exhibit "B" as may be adjusted in accordance with the accepted bid price.

B. Any change in the work which would cause the "Grand Total" cost to exceed the amount shown in Exhibit "B", will require a Letter of Understanding, signed by both the SLWSD's General Manager or his/her designee and AWWD's General Manager or his/her designee, describing changed scope of work and estimated change in the Utility Work cost.

C. Each party, in the event of a claim by the construction contractor, shall be responsible for its share of a claim filed by the contractor arising out of that party's portion of the Scope of Work.

## VIII. HOLD HARMLESS AND INDEMNIFICATION

A. The SLWSD agrees to defend, hold harmless and indemnify AWWD and its elected and appointed officials, agents and employees from and against any and all claims, costs, demands and obligations of whatsoever nature arising by reason of the SLWSD's participation in this Project including any act or omissions of the SLWSD, its employees, agents, contractors or elected or appointed officials, whether attributable to the negligence of the SLWSD or otherwise. The SLWSD further agrees to defend at its own expense all suits or actions of whatsoever nature brought against the SLWSD or AWWD, arising from the SLWSD's participation in this Project. All claims, demands and obligations resulting from

the concurrent negligence of the SLWSD and AWWD shall be shared, based upon the percentage of fault attributed to each party as either mutually agreed or determined by the trier of fact.

B. AWWD agrees to defend, hold harmless and indemnify the SLWSD and its elected and appointed officials, agents and employees from and against any and all claims, costs, demands and obligations of whatsoever nature arising by reason of AWWD's participation in this Project including any act or omissions of the AWWD, its employees, agents, contractors or elected or appointed officials, whether attributable to the negligence of the AWWD or otherwise. AWWD further agrees to defend at its own expense all suits or actions of whatsoever nature brought against the SLWSD or AWWD, arising from AWWD's participation in this Project. All claims, demands and obligations resulting from the concurrent negligence of the SLWSD and AWWD shall be shared, based upon the percentage of fault attributed to each party as either mutually agreed or determined by the trier of fact.

C. The SLWSD and AWWD hereby specifically and expressly waive any and all immunity under industrial insurance, Title 51 of the Revised Code of Washington, and agree that the foregoing waiver was mutually negotiated by the parties. Further, the indemnification obligations of the parties under this Agreement shall not be limited in any way by insurance or any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts or other employee benefits acts; provided, however, that the parties' waiver of immunity by the provisions of this section extends only to claims against AWWD by the SLWSD or claims against the SLWSD by AWWD and does not include, or extend to, any claims by the parties' employees directly against either party or claims by any third-party contractor against either party.

#### IX. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Agreement is, for any reason, found to be unconstitutional or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions.

#### X. NOTICE

Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent to the SLWSD and AWWD at the addresses provided below

Scott Smith, P.E.  
District Engineer  
Silver Lake Water & Sewer District  
15205 41<sup>st</sup> Ave SE  
Bothell, WA 98012

Don Ranger, P.E.  
Project Engineer  
AWWD Capital Projects Department  
3626 156th Street SW  
Lynnwood, WA 98087

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. All notices and payments mailed by regular post (including first class)

shall be deemed to have been given on the second business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the day next following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

#### XI. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modifications or amendments of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both parties.

#### XII. WAIVER OF SUBROGATION

AWWD and the SLWSD hereby mutually release each other from liability and waive all right of recovery against each other for any loss caused by fire or other perils which can be insured against under fire insurance contracts including any extended coverage endorsements thereto which are customarily available from time to time in the State of Washington, provided, that this paragraph shall be inapplicable to the extent that it would have the effect of invalidating any insurance coverage of AWWD or the SLWSD.

#### XIII. COMPLIANCE WITH REGULATIONS AND LAWS

The parties shall comply with all applicable rules and regulations pertaining to them in connection with the matters covered herein. This Agreement shall be deemed to be made and construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any action arising out of this Agreement shall be in Snohomish County, Washington.

#### XIV. ASSIGNMENT

The parties shall not assign this Agreement or any interest, obligation or duty therein without the express written consent of the other party.

#### XV. ATTORNEYS' FEES

If either party shall be required to bring any action to enforce any provision of this Agreement, or shall be required to defend any action brought by the other party with respect to this Agreement, and in the further event that one party shall substantially prevail in such action, the losing party shall, in addition to all other payments required therein, pay all of the prevailing party's reasonable costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts.

#### XVI. NONDISCRIMINATION

Each of the parties, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or the presence of any sensory, mental or physical handicap be discriminated against or receive discriminatory treatment by reason thereof.

XVII. FILING

Copies of this Agreement shall be filed with the Auditor's Office of the county in Washington State in which the property or project is located, the Secretary of State of the State of Washington; and the respective Clerks of the parties hereto; Provided that as an alternative, the Agreement may be listed by subject on AWWD's web site or other electronically retrievable public source.

IN WITNESS WHEREOF this Agreement has been executed by each party on the date set forth below:

  
\_\_\_\_\_  
Curt Brees, General Manager  
*10/13/22*  
\_\_\_\_\_  
Date

*Jack Broyles Jr*  
\_\_\_\_\_  
Paul McIntyre, Board President  
9/27/2022  
\_\_\_\_\_  
Date



**EXHIBIT A**  
**SILVER LAKE WATER & SEWER DISTRICT**  
**UTILITY CONSTRUCTION ASSOCIATED WITH**  
**2022 SEWER RELINING PROJECT**  
**ALDERWOOD WATER & WASTEWATER DISTRICT PROJECT NO. S2201**

Utility Work Description

The Silver Lake Water & Sewer District, in conjunction with the Alderwood Water & Wastewater District 2022 Sewer Relining Project, will have AWWD's Contractor install CIPP liners in SLWSD sanitary sewer lines. An estimate of the scope of Utility Work and the costs associated with it, based on the preliminary design, is as follows:

DESCRIPTION	PLAN QTY	UNIT	UNIT COST	TOTAL COST
Mobilization/Demobilization	1	LS	\$90,000	\$90,000
Temporary Traffic Control	1	LS	\$140,000	\$140,000
Environmental Controls	1	LS	\$10,000	\$10,000
CIPP – Sewer Main 8-inch Diam.	17,234	LF	\$70	\$1,206,380
CIPP – Sewer Main 10-inch Diam.	2,726	LF	\$80	\$218,080
CIPP – Sewer Main 12-inch Diam.	396	LF	\$90	\$35,640
CIPP – Sewer Main 18-inch Diam.	955	LF	\$100	\$95,500
CIPP – Sewer Lateral, Up to 5 Feet	20	EA	\$5,000	\$100,000
Force Account	1	EST	\$30,000	\$30,000
<b>Total Improvement Costs</b>				<b>\$1,925,600</b>

**EXHIBIT B**  
**SILVER LAKE WATER & SEWER DISTRICT**  
**UTILITY CONSTRUCTION ASSOCIATED WITH**  
**2022 SEWER RELINING PROJECT**  
**ALDERWOOD WATER & WASTEWATER DISTRICT PROJECT NO. S2201**

**Preliminary Cost Summary**

Total Improvement Cost	\$ 1,925,600.00
Sales Tax on Bid Items (Included in Unit Prices at 10.5%)	\$ 202,188.00
Contingency (10% of Improvement Costs)	<u>\$ 192,560.00</u>
<b>Subtotal</b>	<b>\$</b>
Engineering Design	\$ 0.00
Construction Testing Allowance	\$ 15,000.00
Construction Management, Contract Administration, & Overhead (Estimated at 2.5% of Improvement Costs)	<u>\$ 48,140.00</u>
<b>Total Estimated Utility Work Costs</b>	<b>\$ 2,383,488.00</b>