

## **INTERLOCAL AGREEMENT BETWEEN THE LOCAL GOVERNMENTS OF SHELTON AND CHELAN ESTABLISHING A SEWER FUNDING COALITION**

WHEREAS, Chapter 39.34 RCW permits public agencies to “make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage;” and

WHEREAS, increasing mandates on the sewer utilities owned and operated by Shelton and Chelan, without sufficient accompanying funding to achieve those mandates, has created a substantial financial hardship; and

WHEREAS, Shelton and Chelan are not alone in this hardship—the majority of Washington local governments, especially those in rural areas with smaller populations, are in the same position; and

WHEREAS, Shelton and Chelan desire to join efforts to educate the State Legislature, Governor’s office, and agencies including the Department of Ecology about the financial realities of operating a municipal sewer utility; and

WHEREAS, Shelton and Chelan desire to join efforts to lobby the State Legislature, Governor’s office, and agencies including the Department of Ecology for sewer grant funding; and

WHEREAS, Shelton and Chelan desire to build a coalition of local governments to contribute to these efforts.

NOW, THEREFORE, the local governments of Shelton and Chelan (hereinafter “the Parties”) agree to the following terms of this Interlocal Agreement:

I. Coalition established - Purpose

- A. The Parties hereby establish a Sewer Funding Coalition. The Coalition shall be a cooperative enterprise, and not a separate legal or administrative entity. The City of Shelton shall serve as the administrator of the Agreement.
- B. The purposes of the Coalition shall be to lobby for and pursue grant funding from the State, including but not limited to the Legislature and Governor’s office and agencies including the Department of Ecology; conduct outreach to Washington local governments regarding their levels of hardship relative to their sewer utilities and their interest and ability to contribute to the Coalition; and to educate State legislators, executives, and administrators regarding the financial realities of operating a municipal sewer utility.
- C. Specific goals of the Coalition regarding the State Centennial Program are to increase the fund to at least \$200 million per biennium; persuade the State legislature to make funds available for existing debt; raise the existing project cap to \$10 million; and persuade the State to revise “hardship” standards so that additional communities and projects can qualify for funding.

II. Participation of other public agencies in the Coalition

- A. The Parties invite other municipal sewer providers to participate in the Coalition (hereinafter “Coalition Participants”).

- B. Coalition Participants may elect to become Parties to this Interlocal agreement, but shall not be required to do so as a condition of participation.
- C. Coalition Participants shall make a initial flat contribution of \$500 or \$.20/person of the sewer service population (e.g., a \$1,000 contribution for a local government with a sewer service population of 5,000) (hereinafter "Support Fee"), whichever is more, as a condition of participation. The maximum donation from a local government shall be \$2,000.
- D. Support Fees shall be paid to the City of Shelton. Shelton shall account for the fees, and shall maintain the fees in a dedicated Sewer Coalition Operating Fund until expended. Upon request, Shelton shall disclose the balance of the Operating Fund, along with supporting documentation of fees paid and expended, to the other Parties and Coalition Participants.
- E. The Support Fees shall be used for the purposes set forth in Part I.B of this Agreement.
- F. The Parties may request that Coalition Participants contribute additional Support Fees as needed to fund Coalition purposes.

III. Legislative advocate

- A. To assist in achieving the Coalition's purposes, the Parties desire to obtain the services of a legislative advocate for the 2015 legislative session.
- B. The retention of an advocate shall be dependent upon raising enough Support Fees from Coalition Participants to pay the advocate's compensation.
- C. Upon receipt of a sufficient level of Support Fees, Shelton shall recruit and contract with the legislative advocate, subject to input from the other Parties into the advocate's qualifications. Shelton shall have sole discretion to terminate or modify the advocate's contract as necessary to maintain progress on achieving the purposes of this Agreement.

IV. Updates to Parties and participants

- A. The Parties shall keep each other, and coalition participants, updated on the actions of the Coalition and its progress on achieving goals.
- B. Methods of providing updates may include, but are not limited to, updates via e-mail to the designated representatives of Coalition Participants, and posting on the Sewer Funding Coalition blog or agency website.

V. Miscellaneous provisions

- A. Ratification by legislative authorities. Parties to this Agreement shall obtain appropriate authorization from their Council or Commission.
- B. Duration. This Agreement shall remain in effect for a period of one calendar year from its effective date, and shall automatically renew in additional one-year increments unless modified or terminated by any Party.
- C. Termination. Any Party may terminate its participation in this Agreement by giving the other Parties thirty (30) days advance notice. Coalition Participants may withdraw from participation at

any time. Upon withdrawal or termination, no Party or Coalition participant shall be entitled to a refund of Support Fees. Provided, however, that if the Parties mutually agree to disband this Agreement with funds remaining in the Operating Fund, Parties and Coalition Participants shall receive a pro rata refund of their Support Fees.

- D. Filing. Each Party to this Agreement shall post a copy of the executed Agreement electronically on its website.
- E. Counterparts. This Agreement may be executed in counterparts.
- F. Amendment. This Agreement may be amended at any time upon mutual agreement of the Parties.

Dated this 29 of December 2014

Shelton City Commission:

Gary H. Cronce  
Mayor Gary Cronce

Mike Olsen  
Commissioner Mike Olsen

Tracy Moore  
Commissioner Tracy Moore

City of Chelan:

Bob Goedde  
Mayor Bob Goedde

Attest:

Peri Gallucci  
Peri Gallucci, City Clerk

Attest:

Vicki Look

Vicki Look, City Clerk