

**Return Address:**

Lake Stevens Sewer District  
1106 Vernon Road, Suite A  
Lake Stevens, WA 98258

**Document Title:**

**INTERLOCAL AGREEMENT REGARDING  
SEWER LINE INSTALLATION FOR  
91<sup>ST</sup> AVENUE SE & 24<sup>TH</sup> STREET SE**

**Reference Numbers:**

**Grantor:** City of Lake Stevens

**Grantee:** Lake Stevens Sewer District

**Legal Description:** A portion of NE quarter of Section 25 and SW quarter of Section 19, Township 29 N, Range 5E, W.M., in Snohomish County, Washington.

**Property Tax Account Numbers:**

**INTERLOCAL AGREEMENT REGARDING SEWER LINE  
INSTALLATION FOR 91<sup>ST</sup> AVENUE SE & 24<sup>TH</sup> STREET SE**

THIS INTERLOCAL AGREEMENT (this "Agreement") is effective as of the 2<sup>d</sup> day of June, 2020, between LAKE STEVENS SEWER DISTRICT, a municipal special purpose district of the State of Washington (the "District"); and the CITY OF LAKE STEVENS (the "City"); the District and the City may collectively be referred to herein as the "Parties".

**RECITALS**

**A.** The Board of Sewer Commissioners of the District operates a system of sewerage for collection and treatment of sanitary sewage within the boundaries of the City and the District.

**B.** The City is the lead agency for the construction of road and drainage improvements to 24<sup>th</sup> Street SE and 91<sup>st</sup> Ave SE and at the intersection of South Lake Stevens Road and SR 9 (the "Project"). The Project will require installation of new sanitary sewer system, portions of which will be completed by both the City and District under the terms of this Agreement. The Parties agree that concurrent installation is in the best interest of the public and will benefit the public health, safety and welfare.

**C.** The Parties are authorized to enter into an Interlocal Agreement pursuant to Chapter 39.34 RCW in order to jointly accomplish this Project.

**D.** The Project will include no new equivalent residential units (ERUs) into the District's existing sewer system.

**E.** The City is willing to construct improvements to the sanitary sewer system between intersections of 24<sup>th</sup> Street SE and South Lake Stevens Road and 20<sup>th</sup> Street SE and 91<sup>st</sup> Avenue SE at the City's expense, pursuant to the terms of this Agreement. These improvements consist generally of furnishing and constructing eight-inch sanitary sewer lines, a sanitary sewer lift station and all appurtenances necessary to comprise a complete system ready for operation (the "City Sewer Work").

**F.** In order to implement the District's Comprehensive Plan, the District is willing to have the City's contractor construct an 18-inch diameter sewer casing and manhole on South Lake Stevens Road east of SR 9 at District expense as part of the Project (the "District Sewer Work") under the terms of this Agreement.

**TERMS AND CONDITIONS**

**IN CONSIDERATION** of the mutual promises and performances provided herein, the Parties hereto for themselves, their assigns and successors in interest, agree as follows:

**1. PERMISSION TO CONSTRUCT PROJECT:** The purpose of this Agreement is to provide for joint bidding and contracting of the City Sewer Work and District Sewer Work with the Project under a single contract awarded by the City. Subject to the terms and conditions of this Agreement, the District shall permit the City to construct and install the District Sewer Work, at District's expense. The City shall act as the lead agency for the Project and shall accomplish the City Sewer Work and District Sewer Work in conjunction with the Project pursuant to the terms and conditions of this Agreement. Each Party to this Agreement, however, shall be responsible for compliance with the laws and regulations associated with the actions taken by the Party in carrying out their responsibilities and obligations hereunder.

**2. STANDARDS OF CONSTRUCTION:** Construction and installation of the City Sewer Work and District Sewer Work shall be strictly in accordance with standards, rules and regulations of the District as now in effect and as the same hereafter may be amended, and the standards of the State Department of Ecology.

**3. PREPARATION AND REVIEW OF PLANS, SPECIFICATIONS, GENERAL AND SPECIAL CONDITIONS:** The City shall prepare and include plans and specifications for the City Sewer Work in the Project's plans, specifications, general and special conditions, print and distribute the Contract Specifications, Plans, General and Special Conditions, administer the advertisement of construction bidding, and award and administer the contract, including accounting and payment of the contractor selected by the City. The General and Special Conditions, which are applicable to the District Sewer Work shall be approved by the District including, but not limited to, the Insurance Provisions and the Indemnity Provision.

The District shall prepare plans, and specifications for the District Sewer Work and provide them to the City to be included with the Project's plans, specifications, general and special conditions.

To insure that the City Sewer Work is designed to the satisfaction of the District, Gray & Osborne, Inc., the consulting engineers of the District (the "Engineers"), shall review and approve in writing before work on the Project is commenced, the plans, specifications and drawings of the City Sewer Work, which shall be prepared by a licensed professional engineer of the City's choosing. The City shall permit the District and the Engineers to timely inspect the construction and installation of the Project, both visually before any pipe is covered and by pressure or water test upon final completion, before connection is made to the District's sewer system. The District and the Engineers shall have authority to reject any construction and installation not conforming to the approved design of the Project and the requirements of this Agreement. Subject to terms and conditions of the awarded contract, the determination of the District and the Engineers shall be final. Provided, the District shall be responsible for any additional costs or expenses to which the contractor may become entitled or awarded, as a result of such final determination.

**4. ENGINEERING, LEGAL AND ADMINISTRATIVE COSTS:** Each Party shall be responsible for the payment of the engineering, legal and administrative costs respectively incurred by the Party with respect to its rights, responsibilities, and obligations under the provisions of this Agreement.

Each Party shall have the right to commence, appear in or defend any action or proceeding affecting the rights of the parties hereunder, and in connection therewith.

The District agrees to reserve funds for payment to the City for the District Sewer Work in an amount not less than the estimate of cost related to the plans and specifications and bid items for the District Sewer Work and for construction engineering, inspection and administration services related to the District Sewer Work. The District's estimate of costs is shown in Exhibit "A", Preliminary Cost Summary, which is attached hereto and incorporated herein. The District acknowledges that the costs will need to be adjusted according to the bid proposal of the successful bidder.

The City shall provide the District with properly executed invoices showing expenditures on the District Sewer Work. Invoices shall be based on Contractor's payments, equipment, materials and labor expended on the District Sewer Work plus City expenditures in support of the District Sewer Work. Invoices shall be paid by the District within thirty (30) days of receipt by the District without offset or deduction for any reason. Payment by the District shall not constitute an agreement as to the appropriateness of any item or acceptance of the work represented.

**5. HOLD HARMLESS AND INDEMNIFICATION:** The District shall hold harmless, indemnify and defend the City, its officers, appointed and elected officials, employees and agents, from and against any and all claims, actions, suits, liability, loss, expenses, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business, caused by or arising out of the District's negligent or intentional acts, errors or omissions in the performance of this Agreement and arising by reason of the District's participation in this Project; PROVIDED, HOWEVER, that the District's obligation hereunder shall not extend to injury, sickness, death or damage caused by or arising out of the sole negligence of the City, its officers, elected and appointed officials, employees or agents; PROVIDED FURTHER, that in the event of the concurrent negligence of the parties, the District's obligations hereunder shall apply only to the percentage of fault attributable to the District, its officers, officials, employees or agents; PROVIDED FURTHER, by mutual negotiation, the District expressly waives, as respects the City only, all immunity and limitation on liability under any industrial insurance act, including Title 51 RCW, other worker's compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.

The City shall hold harmless, indemnify and defend the District, its officers, appointed and elected officials, employees and agents, from and against any and all claims, actions, suits, liability, loss, expenses, damages and judgments of any nature whatsoever, including costs and attorney's fees in defense thereof, for injury, sickness, disability or death to persons or damage to property or business, caused by or arising out of the City's negligent or intentional acts, errors or omissions in the performance of this Agreement and arising by reason of the City's participation in this Project; PROVIDED HOWEVER, that the City's obligation hereunder shall not extend to

injury, sickness, death or damage caused by or arising out of the sole negligence of the District, its officers, elected and appointed officials, employees or agents; PROVIDED FURTHER, that in the event of the concurrent negligence of the parties, the City's obligations hereunder shall apply only to the percentage of fault attributable to the City, its officers, elected and appointed officials, employees or agents; PROVIDED FURTHER, by mutual negotiation, the City expressly waives, as respects the District only, all immunity and limitation on liability under any industrial insurance act, including Title 51 RCW, other worker's compensation act, disability benefit act, or other employee benefit act of any jurisdiction which would otherwise be applicable in the case of such claim.

The parties hereby agree that, except as expressly set forth in this Agreement, the performance of services pursuant to this Agreement shall not constitute an assumption by the City of any District obligations or responsibilities.

**6. COMPLETION OF THE PROJECT:** Subject to any applicable federal, state or local requirements, the City shall satisfy the following requirements before the City Sewer Work is connected to the District's sewer system:

(a) Obtain approval and acceptance of the construction and installation of the City Sewer Work by the District.

(b) Pay for construction and installation of the City Sewer Work, engineering and legal services, and administrative, out-of-pocket and all other applicable fees and charges, including, but not limited to, connection charges.

(c) Satisfy and release all liens and encumbrances for labor, materials and taxes relating to the Project.

(d) Convey to the District without cost to the District an exclusive easement per District standards with the right of ingress and egress for maintenance, operation, repair and replacement of the sanitary sewer lift station to be constructed as part of the City Sewer Work.

(e) Obtain for the District such other easements as are timely and reasonably requested by the District and District Engineers to be necessary to gain access to the Project. All such easements shall be identified prior to bid award for the project work.

(f) Convey the City Sewer Work to the District free of liens and encumbrances by conveyance of donated facilities substantially in the form of the Title Transfer of Donated Facilities provided in the District standards.

(g) Obtain the District's acceptance of title to the City Sewer Work and required easements, which consent shall not be unreasonably denied. Upon request of the District, the City shall provide to the District a title report concerning the City Sewer Work and any easement or right-of-way that will be conveyed to the District.

(i) Deliver to the District in forms acceptable to the District an original Sewer System Survey Checklist of the District after it has been completed and certified by a professional land surveyor.

7. **EXTRA WORK:** There may be unforeseen conditions requiring immediate resolution during the construction phase of the Project such as construction disputes and claims, changed conditions and changes in the construction work. Reimbursement for increased construction engineering and/or construction contract amounts for the District Sewer Work shall be limited to costs covered by a modification, change order or extra work order approved as described below.

Should it be determined that any change from the contract plans and specifications for the District Sewer Work is required, the City, shall have authority to make such changes up to the amount of the "Contingency" shown in Exhibit A.

Any change in the District Sewer Work that would result in an increased cost to the District that is greater than the "Contingency" amount in Exhibit A will require a binding Letter of Agreement, timely signed by both the City Public Works Director or his/her designee and the District's General Manager or his/her designee, describing the changed scope of work and the estimated change in the District Sewer Work cost.

In the event of a claim by the Contractor, each party shall be responsible for its proportionate share based on its proportionate responsibility for the claim taking into consideration the acts or nonactions of the respective parties and whether the claim arises out of the City Sewer Work, the District Sewer Work, or both .

8. **DISTRICT AUTHORITY:** The City shall be subject to all standards, rules and regulations of the District, as now in effect and as the same hereafter may be amended, with respect to construction and inspection of sewer lines, connection and inspection of side sewers, obtaining of applicable permits, use of the sewers of the District and rates for use or availability thereof, and all such other matters covered by such standards, rules and regulations.

9. **CONTRACTUAL RELATIONSHIPS:** Except as specifically provided for herein, this Agreement does not constitute the City as the agent or legal representative of the District for any purpose whatsoever. The City is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the District or to bind the District in any manner or thing whatsoever. Likewise, except as specifically provided for herein, the District is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the City or to bind the City in any manner or thing whatsoever. No joint property ownership will result from this Agreement. Any property acquired by a Party as a result of this Agreement shall belong solely to that Party and the other Party shall not have any claim thereto.

10. **ULID FORMATION:** If any utility local improvement district ("ULID") is proposed to pay all or a part of the cost of constructing and acquiring sewers that serve or benefit all or a part of the Property that is owned in fee by the City, the City and its assigns and

successors in interest agree that they will sign any petition to form such ULID and will not protest or object to the formation of such ULID. If the District constructs and acquires additional sewer lines and facilities within or serving the Property, nothing in this Agreement shall prevent the District from levying special assessments against any of the Property for the cost of those sewer lines and facilities and to the extent of the benefit from them. After conveyance to the District of the Project sewer lines, additional property may be permitted to connect to them under such terms and conditions as the District in its sole discretion may determine.

**11. REIMBURSABLE:** In accordance with RCW 35.91.020 and/or RCW 57.22.020, the City Sewer Work will benefit property owners. Therefore, the District, in connection will impose a reimbursement charge as described in Exhibit "B", to be collected by the District from property owners for a period of 20 years from the date of conveyance of the City Sewer Work to the District and shall pay such reimbursable charge to the City within 60 days of collection. Every two years from the date of this Agreement the City shall provide the District with information regarding the current contract name, address, and telephone number of the person, company, or partnership that originally entered into this Agreement. If City fails to comply with the notification requirements of this subsection within sixty days of the specified time, then the District may collect any reimbursement funds owed to City under this Agreement. Such funds shall be deposited in the capital fund of the District.

**12. DURATION.** This Agreement shall have a duration of twenty (20) years unless terminated sooner or extended by written documentation of the Parties.

**13. NOTICES:** All notices and payments relating to this Agreement shall be made at the following addresses, unless otherwise provided for in writing:

Lake Stevens Sewer District  
1106 Vernon Road, Suite A  
Lake Stevens, WA 98258  
Attn: Ass't. General Manager

City of Lake Stevens  
P.O. Box 257  
Lake Stevens, WA 98258  
Attn: Public Works Director

**14. APPLICABLE LAW; VENUE:** This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue of any action brought hereunder shall be in the Superior Court for Snohomish County.

**15. RECORDATION:** This Agreement shall be recorded in the office of the Auditor of the County of Snohomish, Washington, and shall constitute a covenant running with the land, and servitude upon the Property, which the City warrants it now owns, and shall be binding upon the parties hereto and their assigns and successors in interest.. The cost of such recordation shall be paid by the City.

IN WITNESS WHEREOF, the parties execute this Agreement as of the day and year first written above.

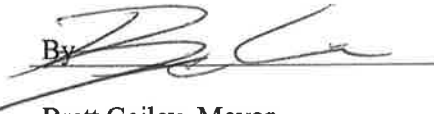
**LAKE STEVENS SEWER DISTRICT**  
A Washington Special Purpose District

By   
\_\_\_\_\_  
Mariah Low, President & Commissioner

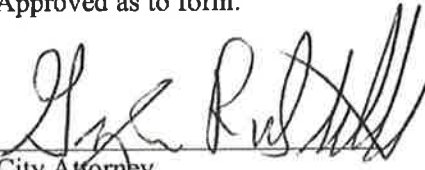
By   
\_\_\_\_\_  
Kevin Kosche, Secretary & Commissioner

By   
\_\_\_\_\_  
Dan Lorentzen, Commissioner

**CITY OF LAKE STEVENS**

By   
\_\_\_\_\_  
Brett Gailey, Mayor

Approved as to form:

  
\_\_\_\_\_  
City Attorney



## Exhibit A

### ILA for 91<sup>ST</sup> AVENUE SE & 24<sup>TH</sup> STREET SE

#### District Sewer Work Preliminary Cost Summary

<u>Item</u>	<u>Quantity</u>		<u>Unit Cost</u>	<u>Total Cost</u>
Mobilization	1	LS	\$ 6,000	\$ 6,000
Survey	1	LS	\$ 1,500	\$ 1,500
Erosion/Water Pollution Controls	1	LS	\$ 5,000	\$ 5,000
Trench Dewatering	1	LS	\$ 5,000	\$ 5,000
Project Temporary Traffic Control	1	LS	\$ 10,000	\$ 10,000
Locate Existing Utilities	1	LS	\$ 1,500	\$ 1,500
Unsuitable Foundation Excavation, Incl. Haul	12	CY	\$ 30	\$ 360
Structure Excavation, Cl. B Incl. Haul	120	CY	\$ 50	\$ 6,000
Shoring or Extra Excavation Class B	110	SY	\$ 15	\$ 1,650
Ductile Iron Sanitary Sewer Pipe 18 In. Diam.	55	LF	\$ 200	\$ 11,000
Testing Sewer Pipe	55	LF	\$ 3	\$ 165
Manhole 48 In. Diam. Type 3 48" Manhole Additional Ht (Over 8')	1	EA	\$ 4,500	\$ 4,500
Adjust Manhole	10	VF	\$ 500	\$ 5,000
Crushed Surfacing Top Course	1	EA	\$ 300	\$ 300
Hot Mix Asphalt	25	CY	\$ 50	\$ 1,250
HMA Sawcut and Seal	13	TN	\$ 120	\$ 1,560
	150	LF	\$ 30	\$ 4,500
Subtotal				\$ 65,285
Sales Tax (9%)				\$ 5,876
Subtotal				\$ 71,161
Contingency (20%)				\$ 14,232
Total Construction Cost				\$ 85,393
Estimated Construction Engineering & Administration(20%)				\$ 17,079
<b>Total District Sewer Work Cost (Rounded)</b>				<b>\$ 103,000</b>

**ILA for 91<sup>ST</sup> AVENUE SE & 24<sup>TH</sup> STREET SE**

**Exhibit B: Reimbursable Calculation**

***Lift Station and Force Main Reimbursable***

A lift station with associated force main will be provided to convey sewage flows to the existing District conveyance system. The capacity of the new lift station will be 130gpm to provide service for 290 new ERUs, as identified in the *Southwest Service Area Feasibility Study* prepared by Lake Stevens Sewer District, dated March 2017.

The reimbursement charge assessed to each future connection to the lift station shall be based on the total project costs for the lift station and associated force main divided by the total number of properties that will be furnished with a point of connection to said sewerage facilities. Total project cost shall be determined at project completion and shall be based on the sum of the allowed sewer construction cost including applicable state sales tax, plus an additional allowance of 40% of the allowed sewer construction cost as compensation for related project costs including engineering, plan review, project administration, business taxes, bonding and insurance. The total number of benefited properties/units shall be determined as two-hundred-ninety (290) connections expected within the tributary basin.

The reimbursable cost for the lift station and associated force main will be calculated as follows:

$$\begin{array}{l} \text{Reimbursable Cost to Developer For} \\ \text{Lift Station and FM (Per ERU)} \end{array} = \frac{100\% \times \text{Lift Station and Force Main Cost}}{290 \text{ benefited properties/units}}$$

The Lift Station and Force Main Cost listed above will be determined based on engineering review of construction costs following construction and will be evaluated following substantial completion of each project.