

JAN 16 2017

INTERLOCAL AGREEMENT  
REIMBURSEMENT OF UTILITY CONSTRUCTION COSTS  
NORTH GRAND UTILITY EXTENSION

PORT OF WHITMAN COUNTY

THIS AGREEMENT is between the CITY OF PULLMAN, a municipal corporation of the State of Washington, having offices for the transaction of business at 325 SE Paradise Street, Pullman, WA 99163; hereinafter referred to as "Pullman" and the PORT OF WHITMAN COUNTY, a municipal corporation of the State of Washington, having offices for the transaction of business at N. 302 Mill Street, Colfax, WA 99111; hereinafter referred to as "Port"; and jointly hereinafter referred to as the "Parties."

WHEREAS, chapter 39.34 RCW (Interlocal Cooperation Act), authorizes local governments to contract with each other on a basis of mutual advantage and thereby to provide services and facilities in a manner that provides services to meet the needs and development of local communities; and

WHEREAS, Port has constructed (1) a sanitary sewer collection system (Sewer System), and (2) a water distribution system (Water System), as shown on the drawings entitled "Utilities Extension Along N. Grand Ave/SR#27" approved by the Pullman Public Works Director on January 21, 2014, and together referred to hereinafter as "Utilities"; and

WHEREAS, upon completion of the Utilities and acceptance of the project by Pullman, ownership of the Utilities and related appurtenances, automatically transferred to Pullman as part of its municipal water and sewer systems, which transfer constitutes a significant value and benefit to Pullman and property owners to be served by the availability of such Utilities as reflected by Pullman's future collection of General Facility Charges (GFCs) from property owners connecting to one or both of the Utilities; and

WHEREAS, the combined total cost of the engineering and construction of the Utilities is the sum of \$1,355,108.68 and Pullman has previously contributed \$289,851.62 to Port for a portion of the combined total cost; and

WHEREAS, the Parties desire to establish an agreement for the reimbursement of a fair pro rata share of the costs incurred by Port in the construction and transfer to Pullman of the Utilities and payable from the proceeds of GFCs collected by Pullman from owners of property connecting to one or both of the Utilities for a period of twenty (20) years.

Now, Therefore:

The Parties agree as follows:

1. PURPOSE. The purpose of this Agreement is to set forth the Parties' understanding of the terms and conditions under which Pullman will provide

reimbursement to Port of a pro rata share of the costs of constructing the Utilities, from the proceeds of GFCs collected by Pullman from owners of property connecting to the Utilities.

2. DURATION / TERMINATION. This Agreement shall run for a term of twenty (20) years from February 1, 2018 to January 31, 2038. Neither Party may terminate this Agreement during its Term.

3. RESPONSIBILITIES.

A. PORT.

1. Provide Pullman with as-built drawings of the Utilities.

B. PULLMAN.

1. Impose and collect GFCs, as set forth in Exhibit 3 and incorporated herein, on real property located within the area served by the Utilities, upon the actual connection of any water and/or sewer service line to the Utilities.
2. Prohibit any person or legal entity, as owner or having an ownership interest, from connection to, or use of, the Utilities without first paying the GFCs applicable to such connection or use.
3. Provide prompt payment to Port of any compensation due upon the receipt of any GFCs from a property owner or representative connecting to the Utilities.

4. COMPENSATION. Pullman shall pay Port as follows:

A. Sewer System Reimbursement

For areas shown in Exhibit 1 as being within the Sewer GFC area and in accordance with Exhibit 3.

B. Water System Reimbursement

For areas shown in Exhibit 2 as being within the Water GFC area and in accordance with Exhibit 3.

5. PAYMENT. Payment by Pullman to Port will be due sixty (60) days after receipt of GFC payments from any property owner connecting to one or more of the Utilities. Pullman shall deduct a one-half percent (0.5%) handling charge prior to making payment to Port.

6. AUDIT / RECORDS. The Parties shall maintain for a minimum of three (3) years following final payment all records related to their performance of the Agreement. Each Party shall provide access to authorized representatives of the other Party at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under state law applicable to the Agreement, the state law shall prevail.

7. NOTICES. All notices or other communications shall be deemed given on: (i) the day the notices or other communications are received when sent by personal delivery; or (ii) the third day following the day on which the same have been mailed by regular U.S. mail delivery, receipt requested and postage prepaid addressed to the Parties at the address set forth below, or at such other address as the Parties shall from time-to-time designate by notice in writing to each other:

PULLMAN:                      Public Works Director  
   City of Pullman  
   325 SE Paradise St.  
   Pullman, WA 99163

WITH A COPY TO:

Finance Director  
City of Pullman  
325 SE Paradise St.  
Pullman, WA 99163

PORT:                              Executive Director  
   Port of Whitman  
   N. 302 Mill Street  
   Colfax, WA 99111

8. ASSIGNMENT. This Agreement shall be binding upon the Parties, their successors and assigns. No Party may assign, in whole or in part, its interest in this Agreement without the approval of the other Party.

9. RELATIONSHIP OF THE PARTIES: This Agreement does not create a joint venture or separate legal entity. No agent, employee, servant or representative of Pullman shall be deemed to be an employee, agent, servant or representative of Port for any purpose. Likewise, no agent, employee, servant or representative of Port shall be deemed to be an employee, agent, servant or representative of Pullman for any purpose.

10. ANTI-KICKBACK. No officer or employee of Pullman or Port, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future

gift, favor, service or other thing of value from or to any person involved in the Agreement.

11. VENUE STIPULATION. This Agreement has been and shall be construed as having been made and delivered within the State of Washington. This Agreement shall be governed by the laws of the State of Washington both as to interpretation and performance. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement, or any provision hereto, shall be instituted only in courts of competent jurisdiction within Whitman County, Washington.

12. COMPLIANCE WITH LAWS. The Parties shall observe all federal, state and local laws, ordinances and regulations, to the extent that they may be applicable to the terms of this Agreement.

13. NON-DISCRIMINATION. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.

14. MISCELLANEOUS.

- A. NON-WAIVER: No waiver by any party of any of the terms of this Agreement shall be construed as a waiver of the same or other rights of that party in the future.
- B. ENTIRE AGREEMENT: This Agreement contains terms and conditions agreed upon by the Parties. The Parties agree that there are no other understandings, oral or otherwise, regarding the subject matter of this Agreement. No changes or additions to this Agreement shall be valid or binding upon the Parties unless the change or addition is in writing, executed by the Parties.
- C. MODIFICATION: No modification or amendment to this Agreement shall be valid until put in writing and signed with the same formalities as this Agreement.
- D. HEADINGS: The section headings appearing in this Agreement have been inserted solely for the purpose of convenience and ready reference. In no way do they purport to, and shall not be deemed to define, limit or extend the scope or intent of the sections to which they pertain.
- E. COUNTERPARTS: This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

- F. SEVERABILITY: In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and other application thereof shall not in any way be affected or impaired thereby.
15. RCW 39.34 REQUIRED CLAUSES.
- A. PURPOSE: See section 1 above.
- B. DURATION: See section 2 above.
- C. ORGANIZATION OF SEPARATE ENTITY AND ITS POWERS: No new or separate legal or administrative entity is created to administer the provisions of this Agreement.
- D. RESPONSIBILITIES OF THE PARTIES: See provisions above.
- E. AGREEMENT TO BE FILED: Pullman shall file this Agreement with its Finance Director and place it on its web site or other electronically retrievable public source. Port shall file this Agreement with its Executive Director and place it on its web site or other electronically retrievable public source.
- F. FINANCING: Not applicable.
- G. TERMINATION: See section 2 above.
- H. PROPERTY UPON TERMINATION: Title to the Utilities and related appurtenances has been previously transferred to Pullman and shall remain with Pullman upon termination of the Agreement.

Date: 12-21-17

PORT OF WHITMAN COUNTY,  
WASHINGTON

By: [Signature]  
[name], Executive Director

Attest:

Approved as to form:

[Signature]

[Signature]  
PORT POTIV.

Date: 1/10/18

CITY OF PULLMAN, WASHINGTON

By: [Signature]  
Mayor Glenn A. Johnson

Attest:

Approved as to form:

[Signature]  
Finance Director Leann L. Hubbard

[Signature]  
City Attorney Laura McAloon

WATER / SEWER COST DISTRIBUTION  
TO THE PORT OF WHITMAN COUNTY  
WITHIN THE CITY OF PULLMAN

(Approximate Areas for W=Water & S=Sewer)

# SEWER SYSTEM

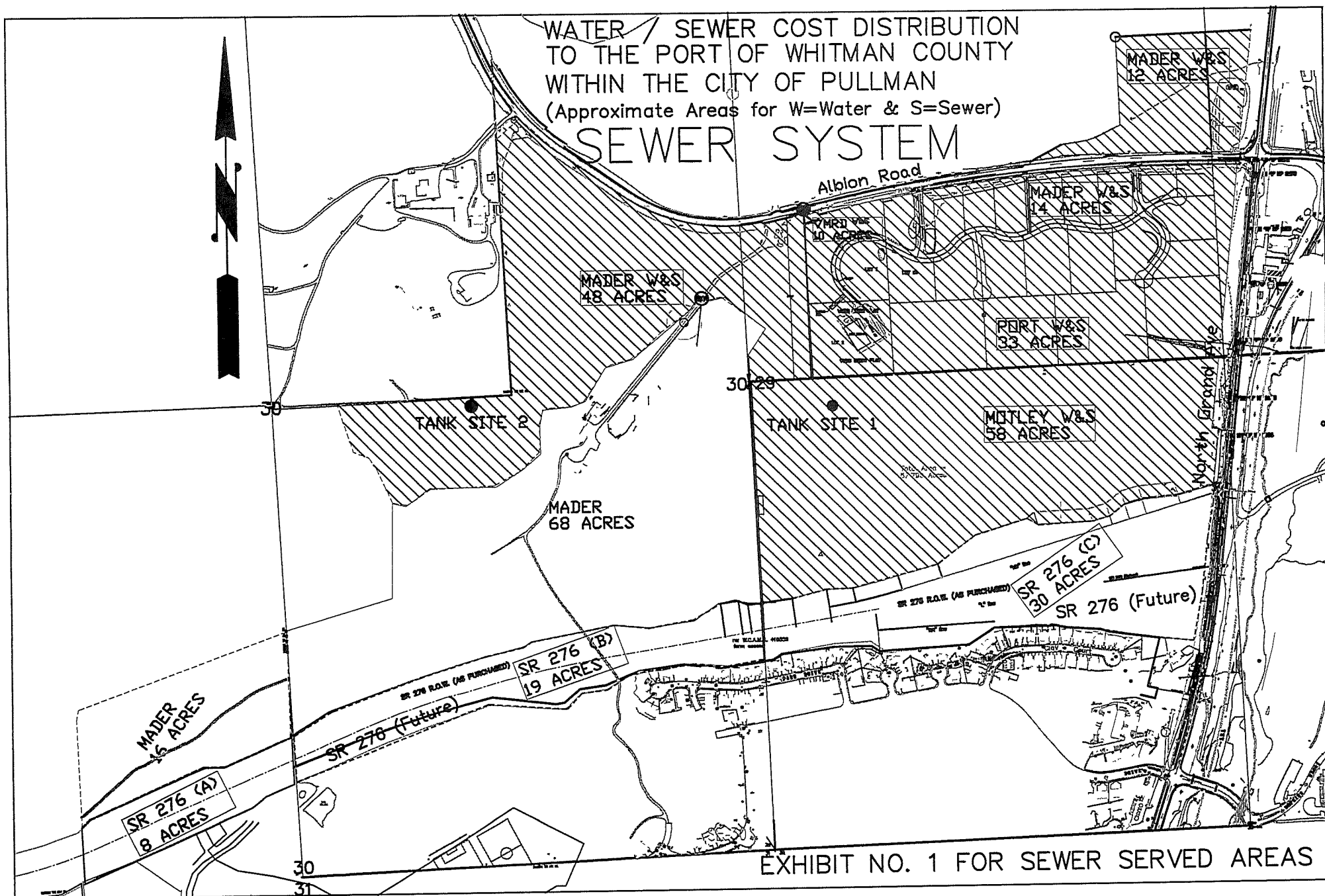


EXHIBIT NO. 1 FOR SEWER SERVED AREAS



WATER / SEWER COST DISTRIBUTION  
TO THE PORT OF WHITMAN COUNTY  
WITHIN THE CITY OF PULLMAN

(Approximate Areas for W=Water & S=Sewer)

WATER SYSTEM

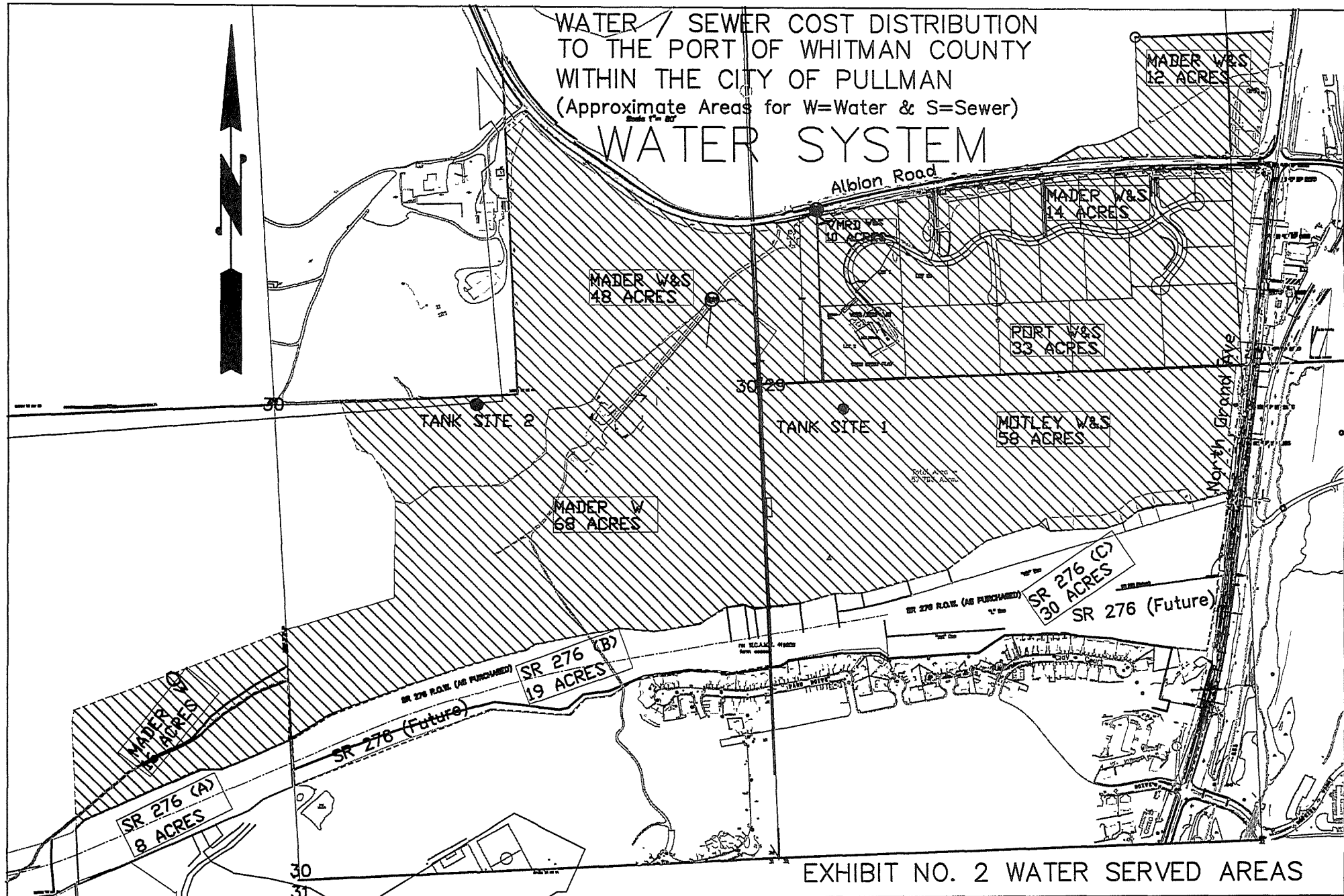


EXHIBIT NO. 2 WATER SERVED AREAS



EXHIBIT 3  
GENERAL FACILITY CHARGES FOR  
WATER SYSTEM AND SEWER SYSTEM CONNECTIONS

NORTH GRAND AVENUE UTILITY EXTENSION

SEWER SURCHARGE

In order to recover the cost of constructing sewer main from State Route 27 (SR27) manhole JDD-12, going north along the west side of SR 27, to the intersection of SR 27 and Albion Drive, then west along the south side of Albion Drive to manhole JDD-44, every owner, lessee, or applicant shall, before connecting to said sewer main or connecting to any sewer that directly or indirectly connects to said sewer main and is located within Grand Avenue Utility Extension Sewer GFC area shown in Exhibit 1, for the period of February 1, 2018 to January 31, 2038, pay to the City Finance Director, in addition to any other General Facility Charge or fee, a North Grand Utility Extension Sewer Surcharge based on water meter size, as follows:

<u>Meter Size</u>	<u>Surcharge Fee</u>	<u>Meter Size</u>	<u>Surcharge Fee</u>
¾"	\$ 228.56	3"	1,525.34
1"	360.58	4"	2,357.20
1½"	581.94	6"	4,575.67
2"	866.33		

WATER SURCHARGE

In order to recover the cost of constructing water main from SR 27, STA 92+30.21, going north along the west side of SR 27, to the intersection of SR 27 and Albion Drive, then west along the south side of Albion Drive to STA 55+72, every owner, lessee, or applicant located within Grand Avenue Utility Extension Water GFC area shown in Exhibit 2, shall, before connecting directly or indirectly to the City of Pullman water system, for the period of February 1, 2018 to January 31, 2038, pay to the City Finance Director, in addition to any other General Facility Charge or fee, a North Grand Utility Extension Water Surcharge based on water meter size, as follows:

<u>Meter Size</u>	<u>Surcharge Fee</u>
¾"	\$ 279.83
1"	441.85
1½"	712.84
2"	1,060.85
<u>Meter Size</u>	<u>Surcharge Fee</u>
3"	1,867.87
4"	2,886.21
6"	5,602.75

The water and sewer surcharge fees will increase annually by 3% beginning November 1, 2018, and on November 1 of each year thereafter.