

**HIGHLINE WATER DISTRICT  
King County, Washington**

**RESOLUTION 14-6-4A**

**RESOLUTION AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN  
HIGHLINE WATER DISTRICT ("DISTRICT") AND KING COUNTY WATER  
DISTRICT NO. 54 ("WD 54") FOR ASSISTANCE FROM THE DISTRICT TO  
OPERATE AND MAINTAIN WD 54'S WATER SYSTEM**

**WHEREAS**, The District owns and operates a water utility system and provides water service to the Highline area in King County, Washington. WD 54 also owns and operates a water system and provides water service to an area located primarily within the City of Des Moines in King County, Washington. A portion of WD 54's service area is adjacent to the District's service area; and

**WHEREAS**, WD 54 desires to receive assistance from the District to operate and maintain its water system. The District is willing to provide such assistance on certain terms and conditions as set forth on the attached Agreement for Services (referenced as Attachment 1) provided the District has sufficient resources available; and

**WHEREAS**, this Agreement is entered into pursuant to the Interlocal Cooperation Act, (Chapter 39.34 RCW).

**NOW, THEREFORE, BE IT RESOLVED:**

The General Manager or designee is authorized to enter into an Interlocal Agreement (Attachment 1 – Agreement for Services) incorporated herein by this reference, with King County Water District No. 54.


**ADOPTED BY THE BOARD OF COMMISSIONERS** of Highline Water District, King County, Washington, at an open public meeting held this **4th** day of **June 2014**.

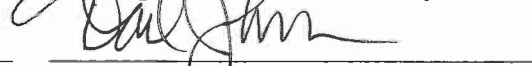
**BOARD OF COMMISSIONERS**

  
\_\_\_\_\_  
**Kathleen Quong-Vermeire**, President

  
\_\_\_\_\_  
**Gerald R. Guite**, Commissioner

  
\_\_\_\_\_  
**Vince Koester**, Commissioner

  
\_\_\_\_\_  
**George Landon**, Secretary

  
\_\_\_\_\_  
**Daniel Johnson**, Commissioner

## AGREEMENT FOR SERVICES

The Agreement (“Agreement”) is made and entered into by and between Highline Water District, a Washington municipal corporation ("District"), and King County Water District No. 54, a Washington municipal corporation ("WD 54"), (individually a “Party” and collectively the “Parties”) for the purposes set forth below.

### 1 RECITALS

1.01 The District owns and operates a water utility system and provides water service to the Highline area in King County, Washington. WD 54 also owns and operates a water system and provides water service to an area located primarily within the City of Des Moines in King County, Washington. A portion of WD 54’s service area is adjacent to the District’s service area.

1.02 WD 54 desires to receive assistance from the District to operate and maintain its water system. The District is willing to provide such assistance on certain terms and conditions as set forth herein provided the District has sufficient resources available.

1.03 Therefore, the Parties, in consideration of the following terms and conditions, now agree as follows:

### 2 DISTRICT SERVICES

2.01 Scope of Services. The District agrees to provide certain utility services to WD 54 as described and set forth on **Exhibit A** attached hereto and incorporated herein in full by this reference (“Scope of Services - Operational and Maintenance Services”).

2.02 Compensation and Payment. WD 54 shall pay the District for the time, materials and equipment third party costs and fees for the District to provide the Operational and Maintenance services referenced on **Exhibit A** in accordance with the schedule of rates and charges set forth in **Exhibit B** attached hereto and incorporated herein by this reference. Such compensation shall be payable in the following manner:

a. The District shall submit a detailed monthly billing to WD 54 for all services provided describing the services rendered, fees charged and expenses incurred by District during the previous month in accordance with the Scope of Services and schedule of rates and charges set forth in **Exhibit B**.

b. WD 54 shall pay the District’s monthly invoice within thirty (30) days of receipt. In the event WD 54 fails to pay any invoice within thirty (30) days of receipt, such unpaid invoice shall bear interest at the rate of one (1) percent per month until the amount of such unpaid invoice, plus interest thereon shall be paid in full.

2.03 Schedule of Work. District shall commence the performance of its services under this Agreement on the Effective Date and shall provide the utility services to WD 54 as described on **Exhibit A.**

2.04 Change in Scope of Services. WD 54 may request changes or modifications in the Scope of Services to be performed under this Agreement. Any such change or modification shall be in writing and agreed to by the Parties. The compensation for the changes or modifications shall be on the same terms and conditions as set forth in paragraph 2.02 above or in a manner otherwise mutually agreed to by the Parties.

2.05 Control and Status of Personnel. District personnel and equipment used to provide the services under this Agreement shall remain under the exclusive direction and control of the District. All privileges, immunities, rights, duties and benefits of the District's officers and employees shall apply while those officers and employees are performing the services under this Agreement, unless otherwise provided by law.

2.06 Agreement Term. The term of this Agreement shall from the Effective Date to and through December 31, 2015 ("Term"), unless thereafter renewed or extended by the Parties on terms and conditions as agreed to by the Parties; provided, either Party may terminate this Agreement for any reason upon twenty (20) days prior written notice to the other Party as provided herein.

2.07 Insurance. During the Term of this Agreement, WD 54 shall procure and have in effect, at its sole expense, Commercial General Liability insurance policy(s) that will fully protect the District from any and all losses, costs, and damages, from insurance companies that have an A.M. Best's rating of A:VII or better and who are approved by the Insurance Commissioner of the State of Washington pursuant to Title 48 RCW. The minimum requirements are stated below. A copy of a Certificate of Liability Insurance shall be provided to the District before the District will approve and execute the Agreement. The minimum types and limits of insurance required are as follows:

1. Commercial General Liability
  - \$3,000,000 each occurrence Bodily Injury and Property Damage
  - \$3,000,000 General Aggregate
  - \$3,000,000 Employers liability (Stop Gap) per accident/disease
2. Automobile Liability
  - \$2,000,000 per accident Bodily Injury and Property Liability covering:
    - Any owned automobile
    - Hired automobiles
    - Non-owned automobile

WD 54's insurance policies shall not contain deductible or self-insured retentions in excess of \$10,000, unless approved by the District. The Commercial General Liability policy(s) must be endorsed for ongoing and completed operations to:

- a. Specifically name the District, its elected and appointed officers, officials, and employees and agents as additionally insureds.
- b. The coverages provided by WD 54's insurance policies shall be primary to any insurance maintained by the District, except as respects to losses attributable to the sole negligence of

the District. Any insurance that might cover this Agreement that is maintained by the District shall be in excess of the WD54's insurance and shall not contribute with it.

- c. Such insurance shall be with insurance companies that have an A.M. Best's rating of "A VII" or better, and who are approved by the Insurance Commissioner of the State of Washington pursuant to Title 48 RCW.
- d. The contractual coverage of WD 54's insurance policies shall be sufficiently broad enough to insure the provisions of the indemnity set forth in Section 2.08 herein.
- e. Nothing contained in these insurance requirements shall be construed as limiting the extent of WD 54's responsibility for payment of damages resulting from WD 54's operations or negligence related to this Agreement.

2.08 Indemnity. WD 54 agrees to indemnify, defend and hold the District and its elected and appointed officers, officials, employees and agents (collectively "the District") harmless from any and all losses, claims, demands, payments, suits, liabilities or judgments of every nature and description brought or recovered against the District for damages to persons or property relating to or arising out of this Agreement (collectively referred to as "Damages"), except to the extent any Damages resulted from the sole negligence of the District.

2.09 No Third-Party Rights. This Agreement is for the benefit of WD 54 and the District and no person or entity shall have any rights under this Agreement as a third-party beneficiary or otherwise.

2.10 Notices. Any notice to be given, document to be delivered or payment to be made by either Party to the other shall be delivered in person or mailed by certified mail and addressed to the District or WD54 at the following addresses:

District: Highline Water District  
Attn: General Manager  
23828 – 30<sup>th</sup> Ave. S.  
Kent, WA 98032

WD 54: King County Water District No. 54  
Attn: General Manager  
922 S. 219<sup>th</sup> Street  
Des Moines, WA 98198

Any Party may by written notice to the other designate a different address for such notice.

2.11 Effective Date. This Agreement shall take effect upon the approval of this Agreement by the Board of Commissioners of both Parties ("Effective Date"). Each Party shall approve this Agreement by appropriate resolution and shall provide the other Party with a copy of same. Each Party represents to the other that it has the full power and authority to enter into this Agreement and that the individual executing this Agreement on behalf of the respective Party is authorized to do so.

2.12 Attorney's Fees. Should either Party commence any legal action relating to the provisions of this Agreement, the prevailing party shall be awarded judgment for all costs of

litigation, including, but not limited to, costs, expert witness fees and reasonable attorney's fees, including all such costs and fees incurred on appeal.

2.13 Right of Entry. WD 54 shall provide right of entry for District to all WD 54 owned water system facilities as necessary for the District to perform the services provided for herein.

2.14 Entire Agreement. This Agreement contains the entire understanding between the Parties and shall supersede any prior understanding, agreements or course of dealing between the Parties relative to the District providing certain utility services to WD54. There are no other representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement. No amendment to this Agreement shall be valid unless made in writing and executed by the Parties.

2.15 WD 54 Responsibilities. WD 54 agrees to operate and maintain its water system in accordance with applicable King County and State of Washington Department of Health statutes, rules and regulations. All permits and/or jurisdictional approvals for the services shall be the responsibility of WD54 at their sole expense.

HIGHLINE WATER DISTRICT  
("District")

KING COUNTY WATER DISTRICT NO. 54  
("WD 54")

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**EXHIBIT A**  
**SCOPE OF SERVICES**  
**OPERATIONAL AND MAINTENANCE SERVICES**

The District shall provide water system operational and maintenance support to WD54 as requested provided the District has sufficient resources available to perform the Work. Services may include routine, non-routine and emergency type work.

For the purposes of this Agreement, Work shall be defined as follows:

- Routine – operational or maintenance work conducted on a predictable or repetitive schedule that typically does not involve excavation or use of heavy equipment. Work may include but not limited to: main flushing, leak detection, water quality testing, hydrant repair, meter reading, locating, inspection, responding to customer’s requests or inquiries, etc.
- Non-Routine – operational or maintenance work conducted on a case-by-case basis and typically involves excavation and/or the use of heavy equipment. Work may include but not limited to new water appurtenance installations, service or hydrant replacements, main connections, etc.
- Emergency – operational, maintenance, or repair work that is necessary to prevent a threat to public health, safety or property and/or failure to repair would result in the loss of continuity of water system operation. Examples may include main breaks, water quality events, loss of water source, etc.

## **EXHIBIT B COMPENSATION AND PAYMENT**

**All work, labor, materials, equipment, and third party costs shall be billed on a time-and-materials basis at their direct expense PLUS a Ten Percent (10%) Administrative Fee.**

### **Labor and Equipment**

Labor and Equipment rates shall be as identified in Highline Water District Codebook Section 6.04 Table 5 in effect at the time of the Work. All labor and equipment rates are subject to change established by the District's Board of Commissioners. The District will provide a minimum 30-day notice to WD 54 of changes to the District's Labor and Equipment Rates.

District labor provided outside of normal District working hours (7:00 a.m. to 3:30 p.m. Summer; 7:30 a.m. to 4:00 p. m. Winter) shall be billed at the District's Overtime Rate (1.5 times Labor Rate).

District overtime labor after normal working hours shall be compensated as follows:

- Staff who are called, but do not actually go out, shall record time actually spent on the call. Each call will be rounded to the next minute; at the end of the day, all such minutes will be added and rounded to the next quarter hour and billed at the Overtime Rate.
- For callouts, a minimum of Two (2) hours shall be billed at the Overtime Rate.
- For callouts where heavy equipment is used, a minimum of Four (4) hours will be billed. Heavy equipment is defined as operating the backhoe and dump truck.

### **Materials**

Materials shall be billed at their direct cost, including any shipping and handling fees.

### **Third Party Costs**

Any third party costs associated with this Agreement shall be billed at their direct expense.

### **Written Estimates and Authorization for Work**

For Non-Routine work, the District will prepare an estimate of anticipated project costs for review and approval by WD54. WD54 shall approve the estimate in writing prior to authorization to proceed. The estimate is for budgetary purposes only and WD54 shall be responsible for all final charges to perform the Work.

For Routine and Emergency work, WD54 may give verbal authorization.

**Agenda Item No.:** 5.1  
**Agenda Date:** 6/4/2014  
**Reviewed By:** SD/m.e.

**SUBJECT:** Authorize Interlocal Agreement with King County Water District No. 54  
(Assistance from HWD to operate and maintain KCWD 54's water system)

CATEGORY	
<i>Executive</i>	<input type="checkbox"/>
<i>Administrative</i>	<input type="checkbox"/>
<i>Engineering/Operations</i>	<input checked="" type="checkbox"/>

FINANCIAL					
<i>Expenditures?</i>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
<i>Budgeted?</i>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
<i>Amount:</i> \$ _____					
Estimated					

**ATTACHMENTS:**

1. Resolution 14-6-4A
2. Attachment 1 (Interlocal Agreement)

**COMMENTS:**

KCWD 54 desires to receive assistance from the District to operate and maintain its water system. The District is willing to provide such assistance on certain terms and conditions as set forth on the attached Agreement for Services (Attachment 1) provided the District has sufficient resources available.

All work, labor, materials, equipment, and third party costs incurred by Highline Water District shall be billed to King County Water District No. 54 on a time-and-materials basis at their direct expense plus a Ten Percent (10%) Administrative Fee.