SEWER COLLECTION FACILITIES INTERLOCAL AGREEMENT BETWEEN THE CITY OF BELLEVUE AND THE CITY OF REDMOND

This Interlocal Agreement is made and entered into by and between the City of Bellevue, hereinafter referred to as "Bellevue," a municipal corporation of the State of Washington, and the City of Redmond, hereinafter referred to as "Redmond," a municipal corporation of the State of Washington.

WHEREAS, there currently exists a Joint Use And Transfer Of Facilities Agreement dated February 23, 1968 (1968 Agreement) between the Lake Hills Sewer District and Redmond, providing for the transfer of ownership of certain facilities and operation of joint use sewer facilities within the service areas specified in said agreement; and

WHEREAS, there currently exists Addendum No. 1 to the 1968 Agreement dated May 13, 1971 (1971 Agreement) between Lake Hills Sewer District and Redmond that amended the 1968 Agreement, providing an additional joint use facility; and

WHEREAS, Bellevue assumed the Lake Hills Sewer District in 1975 and is the successor to the 1968 and the 1971 Agreements; and

WHEREAS, there currently exists a Sanitary Sewer Service Agreement-Plat of Wethersfield South dated November 15, 1981 (1981 Agreement) between Redmond and Bellevue, providing for an area of Bellevue to connect to the Redmond system for conveyance of sewage flows and for payments to Redmond pursuant to the 1968 Agreement; and

WHEREAS, there currently exists an Interlocal Sewer Service Agreement for the Plat of Sheffield Greens, Division 3 dated April 7, 1986 (1986 Agreement) between Redmond and Bellevue, providing for an area of Bellevue to connect to the Redmond system for conveyance of sewage flows and for payments to Redmond at a fixed rate; and

WHEREAS, there currently exists an Interlocal Sewer Service Agreement for the Plats of Sheffield Place and Interlake Court dated April 2, 1997 (1997 Agreement) between Redmond and Bellevue, providing for an area of Redmond to connect to the Bellevue system and an area of Bellevue to connect to the Redmond system for conveyance of sewage flows if capacity is available and for payments to each city at a fixed rate; and

WHEREAS, there currently exists an Interlocal Sewer Service Agreement for the Reilly Short Plat dated September 18, 2000 (2000 Agreement) between Redmond and Bellevue, providing for an area of Redmond to connect to the Bellevue system for conveyance of sewage flows and for payments to Bellevue at a fixed rate; and

WHEREAS, portions of the joint use facilities identified in the 1968 Agreement have been abandoned and sewage is routed through other facilities that need to be identified as joint use facilities; and

WHEREAS, Redmond completed construction of a new trunk sewer in Bellevue-Redmond Road from Redmond's existing trunk sewer in Bellevue-Redmond Road east of 148th Avenue NE to the existing King County Interceptor at NE 16th Place, and Redmond has disconnected its existing trunk sewer from Bellevue's existing Bellevue-Redmond Road Trunk, which is identified as the General Facility in the 1971 Agreement; and

WHEREAS, there are properties in Redmond that are currently being served and billed directly by Bellevue and it is in the interest of both cities to provide service to properties within the respective jurisdictions; and

WHEREAS, the 1968 Agreement provides in subsection 2.E(1) that maintenance and operation costs shall be \$0.12 cents per month for each customer or equivalent and that the rate is subject to adjustment every 5 years, however, the rate has never been adjusted; and

WHEREAS some of the subsequent agreements refer to the 1968 Agreement for operation costs, and some of the subsequent agreements have a \$0.12 cent charge like the 1968 Agreement, and the Parties agree that for consistency, predictability, and administrative ease, the rate should be adjusted and that the agreements require a single and consistent rate; and

WHEREAS, the adjusted cost needed to cover recent, actual gravity sewer maintenance costs in 2020 was \$0.99 cents per month for each customer or equivalent; and

WHEREAS, it is in the interests of the public served by both Bellevue and Redmond to amend various terms of said agreements;

NOW, THEREFORE, the Parties agree as follows:

1. PURPOSE.

The purpose of this Interlocal Agreement is to replace all of the existing Interlocal Agreements between Redmond and Bellevue regarding sewage transmission. This Agreement establishes service areas, joint use facilities used for sewage transmission, rates for operation and maintenance, liability provisions, and dispute resolution provisions.

2. GENERAL PROVISIONS.

A. Service Area.

Redmond and Bellevue hereby establish their common service area boundary to be their respective city limits. Each city shall be the direct provider of sewer service within its service area.

B. King County.

King County shall refer to King County Department of Natural Resources and Parks, Wastewater Treatment Division (formerly the Municipality of Metropolitan Seattle or "Metro"), hereinafter "KCWTD".

C. Transfer of Accounts.

Bellevue is currently providing sewer service to properties which are located within Redmond's service area. Bellevue and Redmond shall work together in a timely manner to transfer these accounts from Bellevue to Redmond.

D. <u>Customers Defined.</u>

A City of Bellevue Customer is defined as a customer receiving sanitary sewer service and whose real property is located within the boundaries of the City of Bellevue. A City of Redmond Customer is defined as a customer receiving sanitary sewer service and whose real property is located within the boundaries of the City of Redmond. "Customer" shall mean a single-family residence receiving sewer service and being invoiced by either of the Parties for sewer charges and said term shall likewise include the conversion of non-residential customers (i.e. commercial and other users, into residential customers or equivalents). "Non-residential customers" shall be converted to residential equivalents in the same manner as for KCWTD residential equivalents.

E. Customer Reporting.

Each December, Redmond will notify Bellevue in writing with the number of its customers or equivalents, and Bellevue will notify Redmond in writing with the number of its customers or equivalents, for the purposes of updating costs as prescribed in Section 4. Each city will identify a person to be notified of the customer counts.

3. <u>FACILITIES</u>

A. General.

Paragraphs 3B and 3C describe the facilities currently governed by this Agreement. Exhibit A shows a map of the facilities currently governed by this Agreement. New Joint Use Facilities may be added as provided in Section 10.

B. General Joint Use Facilities.

General Joint Use Facilities are defined as sewer pipes, manholes and pump stations that convey sewage from both cities, and the sewage volume contributed to these facilities by the city which does not have ownership responsibility for them is sufficient to require a larger facility than would have been required if that city's sewage volume were removed. The following are the General Joint Use Facilities:

Redmond Owned:

(1) GENRED-A - 172nd Avenue NE trunk sewer, between KCWTD manhole on West Lake Sammamish Parkway (Highway 901) and center line of NE 40th Street.

- (2) GENRED-B North Area (Ardmore) trunk facility from Manhole A-7 to Manhole T-16 (Redmond Manhole 4H3SMH864 to 4H1SMH897).
- (3) GENRED-C Sherwood Elementary (NE 24th Street) trunk line.

Bellevue Owned:

(1) None

C. Local Joint Use Facilities.

Local Joint Use Facilities are defined as sewer pipes and manholes that convey sewage from both cities, where the sewage volume contributed to these facilities by the city which does not have ownership responsibility for them is small enough that it does not require a larger facility than would be required if that city's sewage volume were removed. The following are the Local Joint Use Facilities currently governed by this Agreement.

Redmond Owned:

- (1) RED-A That portion of Redmond's sewer system downstream of Bellevue's Sheffield Place and Sheffield Greens Division 3 to its connection to the King County interceptor in Redmond Way.
- (2) RED-B That portion of Redmond's sewer system downstream of Bellevue's Wethersfield South to its connection to the King County trunk line in NE 24th Street.
- (3) RED-C1 That portion of Redmond's sewer system in 182nd Avenue NE (Tam-O-Shanter Boulevard) from NE 20th Street (city limits) to NE 24th Street and tributary to the sewer identified as RED-C2 in (6) below.
- (4) RED-C1a That portion of Redmond's sewer system in 183rd Avenue NE/NE 21st Street (Tam-O-Shanter Circle NE) from NE 20th Street (city limits) to 182nd Avenue NE and tributary to the sewer identified as RED-C1 in (3) above.
- (5) RED-C1b That portion of Redmond's sewer system downstream of Bellevue's Wethersfield South and tributary to the sewer identified as RED-C1 in (3) above.
- (6) RED-C2 That portion of Redmond's sewer system in Braeburn from NE 24th Street to the abandoned Braeburn Lift Station and tributary to the sewer identified as RED-C3 in (7) below.
- (7) RED-C3 That portion of Redmond's sewer system beginning at the abandoned Braeburn Lift Station, then northerly through easement to NE 28th Street, then north on 183rd Avenue NE, then northeasterly through easement and private road tract to West Lake Sammamish Parkway (WLSP), then southeasterly in WLSP and northeasterly through easement to the Lake Sammamish lake front sewer line identified as RED-C4 in (8) below.
- (8) RED-C4 The Lake Sammamish lake front sewer from the sewer identified in (7) above to Pump Station 3 and tributary to the sewer identified as RED-C5 in (9) below.
- (9) RED-C5 Redmond Pump Station 3 and the force main from Pump Station 3 to its connection to the King County interceptor in NE 34th Street.

Bellevue Owned:

- (1) BEL-A That portion of Bellevue's sewer system in 156th Avenue NE, NE 24th Street, and Bellevue-Redmond Road beginning at the intersection of Bellevue-Redmond Road and 156th Avenue NE, then south to NE 24th Street, then west to Bellevue-Redmond Road, then southerly and westerly in Bellevue-Redmond Road to its connection to the King County Interceptor at NE 16th Place. (A portion of this line was a General Joint Use Facility in the 1971 Agreement before Redmond built its own pipe in Bellevue-Redmond Road).
- (2) BEL-B That portion of Bellevue's sewer system in 172nd Avenue NE beginning at NE 30th Place, then north in 172nd Avenue to its connection to the 172nd Avenue NE General Joint Use Facility in 172nd Avenue NE.
- (3) BEL-C That portion of Bellevue's sewer system in 172nd Avenue NE beginning at NE 28th Street, then north in 172nd Avenue to NE 30th Street, then east to its connection to the Ardmore General Joint Use Facility in 172nd Court NE.
- (4) BEL-D That portion of Bellevue sewer system downstream of Redmond's connection of Interlake Court.

D. <u>Direct Connection to Local Joint Use Facilities.</u>

Redmond shall coordinate direct connections of Redmond customers to Bellevue Local Joint Use Facilities and Bellevue shall administratively review the proposed methods and materials of the connection and inspect the construction work. Redmond shall issue the side sewer permits for such connections and shall collect Redmond connection fees. Redmond's customer shall obtain Bellevue Street Use Permits as necessary.

4. Routine Maintenance and Operation Costs, Power Costs and Supplies.

Maintenance and Operation Costs shall mean the cost of operating and maintaining the sewer line and manholes. These costs include cleaning/flushing and video inspecting. Each city shall provide all repairs, maintenance, and operation reasonably necessary for the Joint Use Facilities that it owns as identified above.

Starting in January 2020, the rate for all Joint Use Facilities that each city will pay the other (owner of the facilities) is \$0.99 per month per customer or equivalent. On January 1st of each year, the number of customers or equivalent shall be revised as prescribed in Section 2.D, and the rate per customer shall be inflation-adjusted by the prior year's Seattle-Tacoma-Bellevue December annual CPI-U, as published by the Federal Bureau of Labor Statistics, as listed on the website https://www.bls.gov/regions/west/wa_seattle_md.htm.

It is the intent of the parties that this rate and future adjustments reflect the true and accurate cost to maintain gravity sewers. The parties agree to revisit costs every ten years, unless they agree to revisit the matter sooner, to ensure inflation keeps pace with actual costs.

5. Asset Management, Rehabilitation, and Replacement of the Joint Use Facilities.

This Agreement contemplates the need for the Parties to incur costs for capital improvements to the Joint Use Facilities. This section is intended to explain how costs will be allocated between the parties for said capital improvements and other costs not included in Section 4.

A. Local Joint Use Facilities:

All repair and replacement costs for Local Joint Use Facilities shall be paid solely by the city owning the Facilities.

B. General Joint Use Facilities:

1. Authorized Costs: Authorized repair and replacement costs for General Joint Use Facility projects include, but are not limited to: contract construction cost, including engineering, overhead, legal, sales tax, easement or franchise cost acquisition, interest cost during construction, attributable to the construction of the facility described and shall likewise include total cost of all labor, material and equipment in connection therewith. Capital improvement projects may include, but are not limited to, the following elements: specialized inspections, condition assessments, preliminary planning and engineering, performance analyses and audits, design, public outreach, permitting, seismic retrofits, construction, and construction administration.

The city owning the General Joint Use Facilities shall be responsible for the effective management of the Facilities and shall take proactive measures to maintain reliable customer service, optimize operational efficiency, adapt to changes in technology, and conform to current codes and standards by identifying, planning, designing, and constructing capital improvements.

All consultant and contractor agreements shall be processed in accordance with Washington State statutes and each city's purchasing and procurement procedures and policies.

- 2. Allocation of Costs: Authorized project costs shall be apportioned between the cities based on the ratio of customers and customer equivalents tributary to the General Joint Use Facility being repaired or replaced, except in case of land use or zoning changes. If replacement is necessary to add capacity due to an upstream land use or zoning change, then the cities shall execute a separate construction costsharing agreement to equitably apportion costs.
- 3. *Invoicing for Costs:* The city doing the replacement or repair shall invoice the other city for the work on the project in accordance with that city's normal invoicing procedures. Payment for projects shall include all applicable costs and shall occur within sixty (60) days. If either city fails to make full invoice payment within said sixty (60) days, then penalty interest shall accrue on the unpaid amount at one (1) percent per month. Bellevue and Redmond shall account for such penalty interest and include the interest amount on the following monthly invoice.

- 4. Scheduling non-emergency improvements: Non-emergency replacement and repair projects should be planned at least two (2) years before project initiation and coordinated between the cities so that the project can be properly budgeted in respective city budgets. Both Parties must agree to the improvement, and any approval from the other party shall not be unreasonably withheld.
 - a. The city owning the General Joint Use Facilities shall initiate a joint capital improvement project by submitting a project notice to the other city that includes a purpose or need statement, joint benefit description, proposed scope of work, schedule, budget, and an overview of any anticipated future phases of the project that may follow the initial work.
 - b. A project with an initial work budget such that each city's respective share is less than the approval limits delegated to each of the signatories of this Agreement may be authorized by written approval of said signatories or their designees.
 - c. Projects with an initial work budget such that either city's respective share exceeds said approval limits and projects that consist of a subsequent phase of work that causes either city's total project costs to exceed said approval limits, shall be authorized by a written Project Agreement and inclusion in each city's capital improvement program and budget. The Project Agreement shall include a purpose or need statement, joint benefit description, proposed scope, schedule, budget, and an overview of any anticipated future phases of the project that may follow the initial work. The Project Agreement shall include procedures for each city's review and approval of the scoped tasks, including, but not limited to, the development of construction plans, specifications, and estimates, performance of inspections, and the final acceptance of said capital improvement project. The Project Agreement will also provide for procedures to modify scope of work, budget, schedule, and any other provisions deemed necessary by either city.
- 5. Emergency improvements: In the case of emergencies, as defined in RCW 39.04.280 (as enacted or hereafter amended), the city owning the General Joint Use Facilities shall be responsible for providing and procuring the necessary measures to immediately stabilize the situation. As possible, both Bellevue and Redmond shall declare that an emergency exists and engineering and maintenance staff from both cities shall work together and take such measures as deemed necessary for repair, rehabilitation, and/or replacement to reestablish service to customers in accordance with the terms of the declaration of emergency. The city owning the General Joint Use Facilities shall make reasonable efforts to obtain timely approval from the other city for emergency costs, including, but not limited to, labor, materials, evaluations, repair, mitigation, taxes, and additional operations and maintenance. Each city agrees not to unreasonably withhold such approval. Once the emergency has been stabilized the regular procedures described above shall be followed.

6. Land Use and Customer Density Changes.

<u>Legislative Powers Preserved:</u> This Interlocal Agreement is based on land use plans and existing zoning in place as of 2021. Redmond and Bellevue agree that nothing in this Agreement shall limit either Party's right to change applicable land use plans or zoning in the areas served by General and/or Local Joint Use Facilities.

Notice: In the event Redmond or Bellevue proposes to change the allowable density or type of development in areas tributary to any General and/or Local Joint Use Facility, the Party proposing the change shall notify the other Party as early as possible, and the Parties will evaluate impacts to the Joint Use Facilities. The notification shall include a purpose or need statement, joint benefit description, proposed scope, schedule, budget, and an overview of any anticipated future phases of the project that may follow the initial work. The Parties shall agree on evaluation criteria and assumptions in accordance with the Washington State Department of Ecology Criteria for Sewage Works Design (as enacted or hereafter amended) and Redmond and Bellevue standards and specifications (as enacted or hereafter amended).

<u>Local Joint Use Facilities</u>: For each applicable Local Joint Use Facility, the evaluation shall include a determination of whether the facility would require additional downstream capacity resulting from the land use or zoning change. If the city initiating the land use change owns the impacted Local Joint Use Facility, then that city will be responsible for capacity improvements to its facility, if needed. If the city initiating the land use change does not own the facility, then:

- If no capacity impacts are anticipated, the facility remains a Local Joint Use Facility, and no further action is needed.
- If the additional density requires additional future capacity, the facility becomes a General Joint Use Facility (see next paragraph), and this agreement shall be amended to revise facilities listed in sections 3.B and 3.C.

<u>General Joint Use Facilities</u>: For each General Joint Use Facility, the evaluation shall determine the magnitude and timing of anticipated impacts, and whether additional capacity will be necessary. If additional capacity is not required, then no further action is needed. If additional capacity is required, then the Facility shall be replaced as described in Section 5.

7. Liability/Hold Harmless.

A. Bellevue shall protect, defend, indemnify, and hold harmless Redmond, its officers, agents, and employees, from and against any and all claims, demands, suits, actions, damages, recoveries, judgments, costs, or expenses (including without limitation, attorneys' and expert witness fees) arising from or in connection with or related to, directly or indirectly, the performance of this Agreement; except to the extent such

claims arise from the sole or partial negligence, errors or omissions, or intentional acts of Redmond, its officers, agents, and employees.

Bellevue agrees that its obligations under this subparagraph extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. With respect to the performance of this Agreement and as to claims against Redmond, its officers, agents, and employees, Bellevue expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to defend, indemnify, and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of Bellevue. This waiver has been mutually negotiated by the Parties.

To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of Redmond, its agents, or employees, this obligation to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of Bellevue, its officers, agents and employees.

B. Redmond shall protect, defend, indemnify, and hold harmless Bellevue, its officers, agents, and employees, from and against any and all claims, demands, suits, actions, damages, recoveries, judgments, costs, or expenses (including without limitation, attorneys' and expert witness fees) arising from or in connection with or related to, directly or indirectly, the performance of this Agreement; except to the extent such claims arise from the sole or partial negligence, errors or omissions, or intentional acts of Bellevue, its officers, agents, and employees.

Redmond agrees that its obligations under this subparagraph extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. With respect to the performance of this Agreement and as to claims against Bellevue, its officers, agents, and employees, Redmond expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to defend, indemnify, and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of Redmond. This waiver has been mutually negotiated by the Parties.

To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of Bellevue, its agents, or employees, this obligation to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of Redmond, its officers, agents and employees.

C. The provisions in this section shall survive the expiration or termination of this Agreement.

8. Dispute Resolution.

Each city representative designated under this Agreement shall use every reasonable effort to resolve any issue or dispute arising under this Agreement. In the event the city representatives are not able to resolve a dispute arising under this Agreement, the issue shall be referred to the Utilities Director or Public Works Director, or their designee, of each city for resolution. In the event that resolution is still not reached within sixty (60) days of such referral, both Directors or designees shall agree to the appointment of a mutually acceptable third party who shall meet with the Parties, hear argument and provide a written decision which shall be advisory and non-binding on the cities.

9. Status of Existing Agreements.

The agreements referenced in the recitals and identified below are superseded and rescinded by this Agreement:

- A. Joint Use and Transfer of Facilities Agreement (date 2/23/1968);
- B. Joint Use and Transfer of Facilities Agreement Addendum No. 1 (date 5/13/1971);
- C. Sanitary Sewer Service Agreement Plat of Wethersfield South (date 11/15/1981)
- D. Interlocal Sewer Service Agreement for the Plat of Sheffield Greens, Division 3 (date 4/7/1986)
- E. Interlocal Sewer Service Agreement for the Plats of Sheffield Place and Interlake Court (date 4/2/1997)
- F. Interlocal Sewer Service Agreement for the Reilly Short Plat (date 9/18/2000).

10. Modification of Agreement.

This Agreement may only be modified in writing and signed by authorized representatives of both cities. Additional Joint Use Facilities may be incorporated into this Agreement by a written agreement between Redmond's Mayor and Bellevue's City Manager. Each written agreement will become an Addendum to this Agreement.

11. Franchises and Easements.

Each of the Parties hereto agree to cooperate, reciprocally, in the granting and obtaining of easements and franchises as may be necessary for the construction of sewer lines and appurtenances within the boundaries of the other Party, the construction of said sewer lines being subject to the terms and conditions of this Agreement.

12. Payments Unconditional.

The payments required to be made pursuant to this Agreement shall be made regardless of any contingency or happening whatsoever, including the temporary interruption of services by any of the joint use facilities.

13. Books and Account.

Both Parties shall keep full and complete books of account, including but not limited to records of the number and nature of sewer customers and the user equivalent, and location of said customers within the respective city, expenses of maintenance and operation of the respective sewer collection systems, and in general, fully disclose the financial condition and operating results of each district. Such books of account will be open at all times to inspection by either of the Parties hereto or the duly authorized agents thereof.

14. Fees.

In the event a lawsuit is instituted to enforce this Agreement, the prevailing Party shall be entitled to all reasonable attorney's fees, engineering fees, and costs and expenses related to said action, and in addition to any other damages or other relief sought, obtained or granted by the court.

15. Severability.

If any provision of this Agreement shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which could be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

16. Notices.

All notices required under this Agreement shall be deemed sufficient if sent in writing by U.S. Mail or electronic mail. All notices shall be delivered to the following address or to any other additional addresses as may be specified from time to time by notice to either Party. Notices shall be deemed received on the next business day if sent electronically, or the next three (3) business days after the notice is placed in the U.S. Mail.

Bellevue: Utilities Director

City Hall UT 5W PO Box 90012

Bellevue, WA 98009-9012

Redmond Director of Public Works

PO Box 97010, 2NPW Redmond WA 98073

17. <u>Termination</u>.

This Agreement shall remain in effect until terminated by either Party with one hundred and eighty (180) days prior written notice to the other Party. Upon termination, all property and equipment provided or acquired in performance of this Agreement, shall remain with the Party who owns the facility that was served by said property and/or equipment.

18. Entire Agreement.

This Agreement constitutes the entire agreement of the Parties with respect to the subject matter contained herein and supersedes any and all prior negotiations, understandings, and agreements with respect hereto.

19.	Counterparts. This Agreement may be executed in several counte an original, and all counterparts together shall const	•
20.	Successors. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Bellevue and Redmond.	
21.	Administration. This Agreement shall be administered jointly by the Bellevue Utility Director and the Redmond Director of Public Works.	
22.	<u>Duration.</u> The term of this Agreement is perpetual unless terminated by the Parties in accordance with Section 17.	
23.	Effective Date. This Agreement shall take effect on	
HERE	EBY AGREED TO AND ACCEPTED on this the	_ day of, 2021.
	CITY OF BELLEVUE	CITY OF REDMOND

Approved as to form:

By:_______Angela Birney, Mayor

Approved as to form:

