

**INTERLOCAL AGREEMENT  
ALDERWOOD WATER & WASTEWATER DISTRICT  
AND  
MUKILTEO WATER AND WASTEWATER DISTRICT  
REGARDING THE 2025 SEWER RELINING PROJECT**

THIS INTERLOCAL AGREEMENT (“Agreement”) is made and entered into by and between the ALDERWOOD WATER & WASTEWATER DISTRICT, a public utility district (“AWWD”) located at 3626 156<sup>th</sup> Street SW, Lynnwood, WA, 98087 and the MUKILTWO WATER AND WASTEWATER DISTRICT, a municipal corporation (the “MWWD”), for the purposes set forth below.

**Recitals**

WHEREAS, AWWD operates and maintains existing sanitary sewer facilities in AWWD’s service area; and

WHEREAS, AWWD has concluded that the 2025 Sewer Relining Project (the “Project”), is necessary in order to preserve and rehabilitate certain sanitary sewer mains within AWWD’s service area; and

WHEREAS, MWWD operates and maintains existing sanitary sewer facilities in MWWD’s service area; and

WHEREAS, MWWD has concluded that the Project is necessary in order to preserve and rehabilitate certain sanitary sewer mains within MWWD’s service area; and

WHEREAS, AWWD and MWWD have determined it is advantageous to the rate payers of both agencies to prepare a joint contract because the Project as a larger joint project is expected to result in lower per foot costs for both agencies; and

WHEREAS, AWWD is the lead agency for the construction of the Project; and

WHEREAS, it is deemed to be in the best interest of the public, MWWD and AWWD to include necessary items of work, as requested by the MWWD, into AWWD’s construction contract proposed for this Project; and

WHEREAS, the parties are authorized to enter into an interlocal agreement pursuant to Chapter 39.34 RCW in order to jointly accomplish the Project.

NOW, THEREFORE, MWWD and AWWD wish to enter into this Agreement outlining the work and associated cost for the implementation of the 2025 Sewer Relining Project.

## I. OBJECTIVE OF AGREEMENT

The objective of this Agreement is to set forth the mutual obligations and rights of MWWD and AWWD for the accomplishment of the Utility Work, also known as AWWD Project Number S2402 and described in Exhibits “A” and “B” which are attached hereto and incorporated herein by this reference.

## II. RESPONSIBILITIES OF THE PARTIES

A. AWWD shall act as the lead agency on the Project and will be responsible for preparing AWWD’s plans and specifications during the design and construction phases of the Project and which shall include MWWD’s plans within AWWD’s plan set. AWWD’s Project Manager shall act as the administrator of this cooperative undertaking.

B. MWWD shall provide construction plans conforming to the general format and level of detail agreed to by the Parties, based on samples provided by AWWD, showing MWWD sewer facilities to be included in the Project (“MWWD’s Utility Work”). MWWD shall review the final contract and specifications and concur with the acceptability of the final bid document package prior to AWWD advertising for construction bids.

C. AWWD shall (i) include MWWD’s Utility Work into AWWD’s plans and specifications; (ii) print and distribute the Contract Specifications and Plans; (iii) administer the advertisement for construction; and (iv) award and administer the contract, including accountings, making payments to the Contractor, and keeping the Project records, all in accordance with applicable law.

D. AWWD, acting for and on behalf of MWWD, shall provide limited construction management for MWWD. MWWD shall provide field inspection for MWWD’s utility Work occurring on MWWD facilities. MWWD shall provide copies of all daily inspection reports for work involving MWWD’s utility work on a weekly or other agreed upon interval, establishing quantities and acceptance of work on MWWD’s facilities.

E. MWWD shall be solely responsible for all costs associated with MWWD’s Utility Work and shall reimburse AWWD in accordance with the terms of Section V below.

F. MWWD shall make all reasonable efforts to cooperate with AWWD’s Contractor in facilitating MWWD’s Utility Work and make necessary personnel available so as to not delay the AWWD’s Contractor’s construction schedule.

G. MWWD shall, within ten (10) calendar days after notification of completion of MWWD’s Utility Work, issue notification of any deficiencies or issue written notification of acceptance. AWWD’s Contractor shall correct all deficiencies as determined by MWWD. If, after the ten (10) day period, notification has not been received by AWWD, MWWD’s Utility Work shall be considered complete and accepted by MWWD.

H. MWWD shall furnish an inspector for MWWD's Utility Work. Any costs for such inspection will be borne solely by MWWD. All communications between said inspector and the AWWD's contractor shall:

- a. Only address MWWD's sewer facilities and MWWD's Utility Work;
- b. Be documented in MWWD's daily inspection report; and
- c. Include AWWD's project representatives as a cc: on all e-mails.

I. MWWD shall own all utility facilities constructed or modified under this Agreement within MWWD's service area. This Agreement makes no changes, permanent or temporary, in the ownership or responsibility for maintenance to any MWWD or AWWD facility. Each agency shall have independent and full recourse to any warranty terms included in the construction document that apply to that party's facilities.

J. The performance of the duties of the parties under this Agreement shall be done in accordance with standard operating procedures and customary practices of the parties.

K. No provision of this Agreement shall relieve either party of its public agency obligations and or responsibilities imposed by law.

L. The captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions of this Agreement.

M. AWWD shall (i) require the Contractor to name MWWD as additional insured on insurance furnished by the Contract Specifications and (ii) shall provide copies of insurance documentation to MWWD.

### III. DURATION OF AGREEMENT

This Agreement shall become effective immediately upon the signing of all parties and filing or recording under Section XVI of this Agreement, and shall remain in effect until MWWD's Utility Work has been accepted by MWWD and MWWD has paid AWWD in full; provided, that the respective indemnification obligations of MWWD and AWWD in Section VIII shall survive the expiration or termination of this Agreement. The parties anticipate that the Project will be completed by April 30, 2027.

### IV. SEPARATE ENTITY NOT CREATED

No separate legal entity is created hereby, as each of the parties is contracting in its capacity as a municipal corporation of the State of Washington.

### V. FINANCING

A. MWWD agrees to set aside funds for payment to AWWD for MWWD's Utility Work in an amount not less than the estimate of cost for the bid items for MWWD's

Utility Work and for an amount necessary to reimburse AWWD for construction management, inspection, and administration services related to MWWD's Utility Work. MWWD's estimate of costs is shown in Exhibits "A" and "B" which are attached hereto and incorporated herein.

B. AWWD shall provide MWWD with properly executed invoices showing expenditures on MWWD's Utility Work identified in Section V.C below. Invoices shall be based on Contractor's unit price bid on MWWD's Utility Work. Undisputed invoices shall be paid by MWWD within thirty (30) days of receipt by MWWD. Payment by MWWD shall not constitute an agreement as to the appropriateness of any item or acceptance of the work so represented.

C. MWWD shall pay the AWWD for the following costs:

- (i) 100 percent of the final cost of all contract items related to MWWD's Utility Work, as shown in the bid proposal of the successful bidder; and
- (ii) The cost of any extra work associated with MWWD's Utility Work within the 15% contingency, and any costs for extra work that have been approved in accordance with Section VII.
- (iii) A sum equal to 5 percent of MWWD's Utility Work, as shown on Exhibit B, for reimbursement of AWWD's construction management, contract administration, and overhead expenses.

## VI. TERMINATION

A. This Agreement may be terminated by either Party in whole or in part, for convenience without cause, prior to the termination date specified in Paragraph III, upon thirty (30) days advance written notice.

B. This Agreement may be terminated by either Party, in whole or in part, for cause prior to the termination date specified in Paragraph III, upon thirty (30) days advance written notice to the other Party. Reasons for termination for cause may include, but are not limited to, non-performance; misuse of funds; and/or failure to provide related reports/invoices/statements as specified in Paragraph II.

C. If the Agreement is terminated as provided in this section: (1) each party will be liable only for payment in accordance with the terms of this Agreement for services rendered prior to the effective date of termination; and (2) each party shall be released from any obligation to provide further services pursuant to this Agreement.

D. Nothing herein shall limit, waive, or extinguish any right or remedy provided by this Agreement or law that either party may have in the event that the obligations, terms and conditions set forth in this Agreement are breached by the other party.

## VII. AMENDMENTS

This Agreement may be amended at any time by written agreement of both parties. Such requests will only be approved if the proposed change(s) is (are) consistent with and/or achieves the goals stated in the scope and falls within the activities described in the scope.

There may be unforeseen conditions requiring immediate resolution during the construction phase of this Agreement such as construction disputes and claims, changed conditions and changes in the construction work. Reimbursement for increased construction management and/or construction contract amount shall be limited to costs covered by a modification, change order, or extra work order approved by both parties, as follows:

A. Should it be determined that any change from the contract plans and specifications is required, AWWD, through the Capital Program Manager, shall have authority to make such changes up to the amount of the "Contingency" shown in Exhibit "B" as may be adjusted in accordance with the accepted bid price.

B. Any change in the work which would cause the "Grand Total" cost to exceed the amount shown in Exhibit "B", will require a Letter of Understanding, signed by both MWWD's General Manager or his/her designee and AWWD's General Manager or his/her designee, describing changed scope of work and estimated change in MWWD's Utility Work cost.

C. In the event of a claim by the construction contractor: (1) MWWD shall be responsible to pay any meritorious claim that relates to MWWD's Utility Work; and (2) AWWD shall be responsible to pay any meritorious claim that relates to AWWD's portion of the Scope of Work.

## VIII. HOLD HARMLESS AND INDEMNIFICATION

A. The MWWD agrees to defend, hold harmless and indemnify AWWD and its elected and appointed officials, agents and employees from and against any and all claims, costs, demands and obligations of whatsoever nature arising by reason of the MWWD's participation in this Project including any act or omissions of the MWWD, its employees, agents, contractors or elected or appointed officials, whether attributable to the negligence of the MWWD or otherwise. The MWWD further agrees to defend at its own expense all suits or actions of whatsoever nature brought against the MWWD or AWWD, arising from the MWWD's participation in this Project. All claims, demands and obligations resulting from the concurrent negligence of the MWWD and AWWD shall be shared, based upon the percentage of fault attributed to each Party as either mutually agreed or determined by the trier of fact.

B. AWWD agrees to defend, hold harmless and indemnify the MWWD and its elected and appointed officials, agents and employees from and against any and all claims,

costs, demands and obligations of whatsoever nature arising by reason of AWWD's participation in this Project including any act or omissions of the AWWD, its employees, agents, contractors or elected or appointed officials, whether attributable to the negligence of the AWWD or otherwise. AWWD further agrees to defend at its own expense all suits or actions of whatsoever nature brought against the MWWD or AWWD, arising from AWWD's participation in this Project. All claims, demands and obligations resulting from the concurrent negligence of the MWWD and AWWD shall be shared, based upon the percentage of fault attributed to each party as either mutually agreed or determined by the trier of fact.

C. The MWWD and AWWD hereby specifically and expressly waive any and all immunity under industrial insurance, Title 51 of the Revised Code of Washington, and agree that the foregoing waiver was mutually negotiated by the Parties. Further, the indemnification obligations of the Parties under this Agreement shall not be limited in any way by insurance or any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under workers' compensation acts, disability benefits acts or other employee benefits acts; provided, however, that the Parties' waiver of immunity by the provisions of this section extends only to claims against AWWD by the MWWD or claims against the MWWD by AWWD and does not include, or extend to, any claims by the Parties' employees directly against either Party or claims by any third-party contractor against either Party.

#### IX. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Agreement is, for any reason, found to be unconstitutional or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions.

#### X. NOTICE

Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent to the MWWD and AWWD at the addresses provided below

Andrea Swisstack  
Engineering Manager  
MWWD  
7824 Mukilteo Speedway  
Mukilteo, WA 98275

Devin Hancock  
Associate Engineer  
AWWD Capital Projects  
3626 156th Street SW  
Lynnwood, WA 98087

or to such other respective addresses as either Party hereto may hereafter from time to time designate in writing. All notices and payments mailed by regular post (including first class) shall be deemed to have been given on the second business day following the date of mailing, if properly mailed and addressed. Notices and payments sent by certified or registered mail shall be deemed to have been given on the day next following the date of mailing, if properly mailed and addressed. For all types of mail, the postmark affixed by the United States Postal Service shall be conclusive evidence of the date of mailing.

#### XI. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modifications or amendments of this Agreement shall be valid or effective unless evidenced by an agreement in writing signed by both Parties.

#### XII. COMPLIANCE WITH REGULATIONS AND LAWS

The Parties shall comply with all applicable rules and regulations pertaining to them in connection with the matters covered herein. This Agreement shall be deemed to be made and construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any action arising out of this Agreement shall be in Snohomish County, Washington.

#### XIII. ASSIGNMENT

The Parties shall not assign this Agreement or any interest, obligation or duty therein without the express written consent of the other Party.

#### XIV. ATTORNEYS' FEES

If either Party shall be required to bring any action to enforce any provision of this Agreement, or shall be required to defend any action brought by the other Party with respect to this Agreement, and in the further event that one Party shall substantially prevail in such action, the losing Party shall, in addition to all other payments required therein, pay all of the prevailing Party's reasonable costs in connection with such action, including such sums as the court or courts may adjudge reasonable as attorney's fees in the trial court and in any appellate courts.

#### XV. NONDISCRIMINATION

Each of the Parties, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or the presence of any sensory, mental or physical handicap be discriminated against or receive discriminatory treatment by reason thereof.

#### XVI. FILING

Copies of this Agreement shall be filed with the Auditor's Office of the county in Washington State in which the property or project is located, the Secretary of State of the State of Washington; and the respective Clerks of the parties hereto; Provided that as an alternative, the Agreement may be listed by subject on AWWD's or the MWWD's web site or other electronically retrievable public source.

IN WITNESS WHEREOF this Agreement has been executed by each Party on the date set forth below:

*Dave Barnes*  
Dave Barnes, MWWD General Manager

*10/21/2024*  
Date

*Larry Jones*  
Larry Jones, AWWD Board President

*12/4/2024*  
Date

**EXHIBIT A**  
**MUKILTEO WATER AND WASTEWATER DISTRICT**  
**UTILITY CONSTRUCTION ASSOCIATED WITH**  
**2025 CIPP SEWER PROJECT**  
**ALDERWOOD WATER & WASTEWATER DISTRICT PROJECT NO. S2402**

**Utility Work Description**

The Mukilteo Water and Wastewater District, in conjunction with the Alderwood Water & Wastewater District 2025 CIPP Sewer, will have AWWD's Contractor install CIPP liners in MWWD sanitary sewer lines. The following is the scope and associated costs of Utility Work based on the preliminary design:

	DESCRIPTION	PLAN QTY	UNIT	UNIT COST	TOTAL COST
01C	Mobilization, Cleanup, and Demobilization	1	LS	\$16,000.00	\$ 16,000.00
02C	Temporary Traffic Control	1	LS	\$32,000.00	\$ 32,000.00
03C	Environmental Controls	1	LS	\$2,000.00	\$ 2,000.00
04C	CIPP - Sewer Main 8-inch Diam.	2889	LF	\$77.00	\$ 222,453.00
05C	CIPP - Sewer Lateral, Up to 5 Feet	11	EA	\$7,000.00	\$ 77,000.00
06C	Grout Lateral Sewer Connection	30	EA	\$500.00	\$ 15,000.00
07C	Chemical Grout	60	GAL	\$15.00	\$ 900.00
08C	Force Account	1	FA	\$15,000.00	\$ 15,000.00
<b>Total Improvement Costs - Schedule C</b>					<b>\$ 380,353.00</b>

**EXHIBIT B**  
**MUKILTEO WATER AND WASTEWATER DISTRICT**  
**UTILITY CONSTRUCTION ASSOCIATED WITH**  
**2025 CIPP SEWER PROJECT**  
**ALDERWOOD WATER & WASTEWATER DISTRICT PROJECT NO. S2402**

**Preliminary Cost Summary**

Total Improvement Cost	\$380,353.00
Sales Tax on Bid Items (Included in Unit Prices at 10.6%)	\$40,317.42
Contingency (15%)	\$57,052.95
Subtotal	\$477,723.37
Engineering Design (Testing allowance)	\$ 2,500.00
Construction Management, Contract Administration, & Overhead (Estimated at 5% of Improvement Costs)	\$19,017.65
<b>Total Estimated Utility Work Costs</b>	<b>\$499,241.02</b>