City Clerk's Office
Records Management

CONTRACTS & AGREEMENTS
ECM INDEX DATA

INTRLOC_00 — File Location

CITY OF ISSAQUAH — Vendor Name

CITY OF ISSAQUAH
12/31/2099

Document Type:	Interlocal New
Vendor Name:	CITY OF ISSAQUAH
PO# Location:	INTRLOC-000
Effect Date:	2/3/2014
Term Date:	12/31/2099
CR#:	51400
Related CR#:	
Ordinance:	
Resolution:	8693
Leg Date:	2/3/2014
Vendor #:	34657
Description:	WATER AND SEWER UTILITY PRE-ASSUMPTION AGREEMENT PO 1410243-000

INTRLOC_00
INTERLOCAL AGREEMENTS
12/31/2099
$00176854

Notes:

Jun 12, 2014 FSU: M JDE: M SI: M ECM: M

1410243.000

CR# 57400 DATE 6-12-14 LOC INTRLOC-00
RES 8693

WATER AND SEWER UTILITY PRE-ASSUMPTION AGREEMENT BETWEEN CITY OF BELLEVUE AND CITY OF ISSAQUAH

THIS AGREEMENT is made by and between the City of Bellevue, a municipal corporation, in King County, Washington ("Bellevue"), and the City of Issaquah, a municipal corporation, in King County, Washington ("Issaquah") for the purposes set forth herein.

RECITALS

WHEREAS, the Cities of Issaquah, Bellevue, and Renton entered into a "Sphere of Influence" Agreement in 1979; and

WHEREAS, the Sphere of Influence Agreement identified areas for each agency for purposes of land use, utility, and transportation planning; and

WHEREAS, the Sphere of Influence Agreement showed the areas of South Cove and Greenwood Point as within the City of Issaquah's influence and responsibility; and

WHEREAS, the City of Bellevue assumed the Eastgate Sewer District on December 31, 1995, which provided sewer services for South Cove and Greenwood Point and which currently provides these services within the City of Issaquah Corporate Limits; and

WHEREAS, the City of Issaquah annexed the South Cove/Greenwood Point areas on March 2, 2006; and

WHEREAS, City of Issaquah staff have been studying the possibility of assuming the water and sewer services from the City of Bellevue for the South Cove/Greenwood Point areas; and

WHEREAS, City of Bellevue staff have been working with Issaquah and its consultants to evaluate the existing infrastructure to develop a cooperative strategy to ensure an excellent service transition; and

WHEREAS, the City of Issaquah has a policy to work cooperatively toward assumption of utility services from agencies providing these services within the corporate limits of Issaquah; and

WHEREAS, the Cities of Issaquah and Bellevue wish to enter into this agreement to set forth a cooperative relationship for Issaquah's assumption of the water and sewer services, which serves as mutual consideration for each party;

NOW, THEREFORE, the Cities of Issaquah and Bellevue agree as follows:

Section 1: The City of Bellevue agrees to:

A. work cooperatively with Issaquah in its assumption efforts of the water and sewer services currently provided by Bellevue within the City of Issaquah corporate limits for the South Cove/Greenwood Point areas to the maximum extent allowed by law; and negotiate in good faith terms regarding (1) existing capital facilities and (2) joint use facilities where appropriate and shared costs for those joint use facilities.

Section 2: The City of Issaquah agrees to:

A. work cooperatively with Bellevue in the assumption efforts of the water and sewer services currently provided by Bellevue within the City of Issaquah corporate limits for the South Cove/Greenwood Point areas to the maximum extent allowed by law; and negotiate in good faith terms regarding (1) existing capital facilities and (2) joint use facilities where appropriate and shared costs for those joint use facilities.

Approved as to Form
Bellevue Legal Counsel

By Lenny Hutcher
Its Asst City Atty
Dated 5/16/14

CITY OF BELLEVUE ("Bellevue")

By
Its Sp. Asst City Mgr
Dated 6/16/2014

Issaquah Legal Counsel

By
Its
Dated 5/5/14

CITY OF ISSAQUAH ("Issaquah")

By
Its Mayor
Dated 5/6/14

2962-RES
1/29/2014

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8693

A RESOLUTION authorizing and directing the execution of the Water and Sewer Utility Pre-Assumption Agreement between the City of Bellevue and the City of Issaquah.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to Execute the Water and Sewer Utility Pre-Assumption Agreement between the City of Bellevue and the City of Issaquah, a copy of which Agreement, has been given Clerk's Receiving No. 51400.

Passed by the City Council this 3rd day of February, 2014, and signed in authentication of its passage this 3rd day of February, 2014.

(SEAL)

Claudia Balducci, Mayor

Attest:

Myrna L Basich

Myrna L. Basich, City Clerk

Item No. 8(i)
February 3, 2014

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8693 authorizing execution of the Water and Sewer Utility Pre-Assumption Agreement between the cities of Bellevue and Issaquah.

FISCAL IMPACT

The Pre-Assumption Agreement has no fiscal impact. Specific terms and conditions of the assumption and its fiscal impacts to Bellevue will be identified and analyzed and brought to Council later this year as part of a final Assumption Agreement.

STAFF CONTACT

Nav Otal, Director, 452-2041
Paul Bucich, Engineering Assistant Director, 452-4596
Utilities Department

POLICY CONSIDERATION

The City of Issaquah is proposing that Bellevue and Issaquah enter into a Pre-Assumption Agreement regarding Issaquah's assumption of water and sewer service in South Cove and Greenwood Point. The Council received a briefing on the agreement on January 27, 2014.

BACKGROUND

On December 31, 1995, the City of Bellevue assumed the Eastgate Sewer District, which provides sewer service for South Cove and Greenwood Point (see **Attachment A** for a map of the assumption area). On March 2, 2006, Issaquah annexed the South Cove/Greenwood Point areas from King County. Issaquah is now prepared to take over water and sewer services for the area and has approached Bellevue about working cooperatively to develop a smooth service and operational transition. Issaquah is proposing that the cities enter into a Pre-Assumption Agreement to formalize the working relationship. **(Attachment B)**

The assumption area represents about 380 acres or 1.8% of Bellevue's current water and sewer service area, with about 1,000 customer accounts. It is located along the shores of Lake Sammamish and consists of primarily single family residential development.

An assumption study conducted by Issaquah with data from Bellevue indicates that physical separation of the two systems and assumption of the service area by Issaquah can be handled with minimal service impacts. For the sanitary sewer, there is a potential for shared use of a small portion of Bellevue's system prior to discharge to the King County main trunk line. For the water system, there may or may not be a need to retain the connection between Bellevue's distribution system and the reservoir. Preliminary evaluation by Bellevue staff concurs with these findings; however, this will require further evaluation prior to finalizing an assumption agreement. The Utilities Department does not have any water or sewer capital projects identified for the assumption area through the current planning horizon, 2011-2017.

The assumption area represents approximately $1.4 million in annual water and sewer service revenues to Bellevue. The anticipated reduction in service revenues would be offset by corresponding reductions in direct expenses such as water purchase and wastewater treatment costs, as well as some operation and maintenance costs. Based on preliminary information, no significant impacts to Bellevue utility rates are anticipated. Additionally, the assumption study conducted by the City of Issaquah's consultant estimates the Bellevue staffing level change from the assumption to be a reduction of 0.6 FTE. Staff will be conducting a detailed analysis later this year to determine the cost, rate, and staffing implications to Bellevue once the proposed terms and conditions of the assumption are determined.

Process and Timeline

Issaquah has proposed to file a "Notice of Intent to Assume" with the Boundary Review Board (BRB) in June 2014, with the intent to finalize the agreement to assume the area from Bellevue by the end of the third quarter in 2014. The final agreement to assume the area would contain all the terms and conditions that would govern the transition, including details on timing, facilities, operations and customer billing and communications.

Filing a Notice of Intent to Assume provides a 45-day statutory period wherein the BRB's jurisdiction may be invoked. If the 45-day review period elapses without the BRB's jurisdiction being invoked, the proposed action is deemed approved. The initiator may then proceed to finalize the proposal under its pertinent laws. Jurisdiction of the BRB may be invoked only under limited circumstances, which included initiation by the governmental unit(s) affected, by petition of impacted voters, by owners of property consisting of five percent of the assessed valuation within such an area, or by the BRB.

Next Steps

Following approval of the Pre-Assumption Agreement by Bellevue and Issaquah City Councils, staff from both cities will begin to negotiate the terms and conditions of the assumption. Staff will return to Council later this year with a draft agreement containing the proposed terms and conditions of the assumption.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt Resolution No. 8693 authorizing execution of the Water and Sewer Utility Pre-Assumption Agreement between the cities of Bellevue and Issaquah.
2. Do not adopt Resolution No. 8693.

RECOMMENDATION

Option 1: Adopt Resolution No. 8693 authorizing execution of the Water and Sewer Utility Pre-Assumption Agreement between the cities of Bellevue and Issaquah.

MOTION

Move to adopt Resolution No. 8693 authorizing execution of the Water and Sewer Utility Pre-Assumption Agreement between the cities of Bellevue and Issaquah.

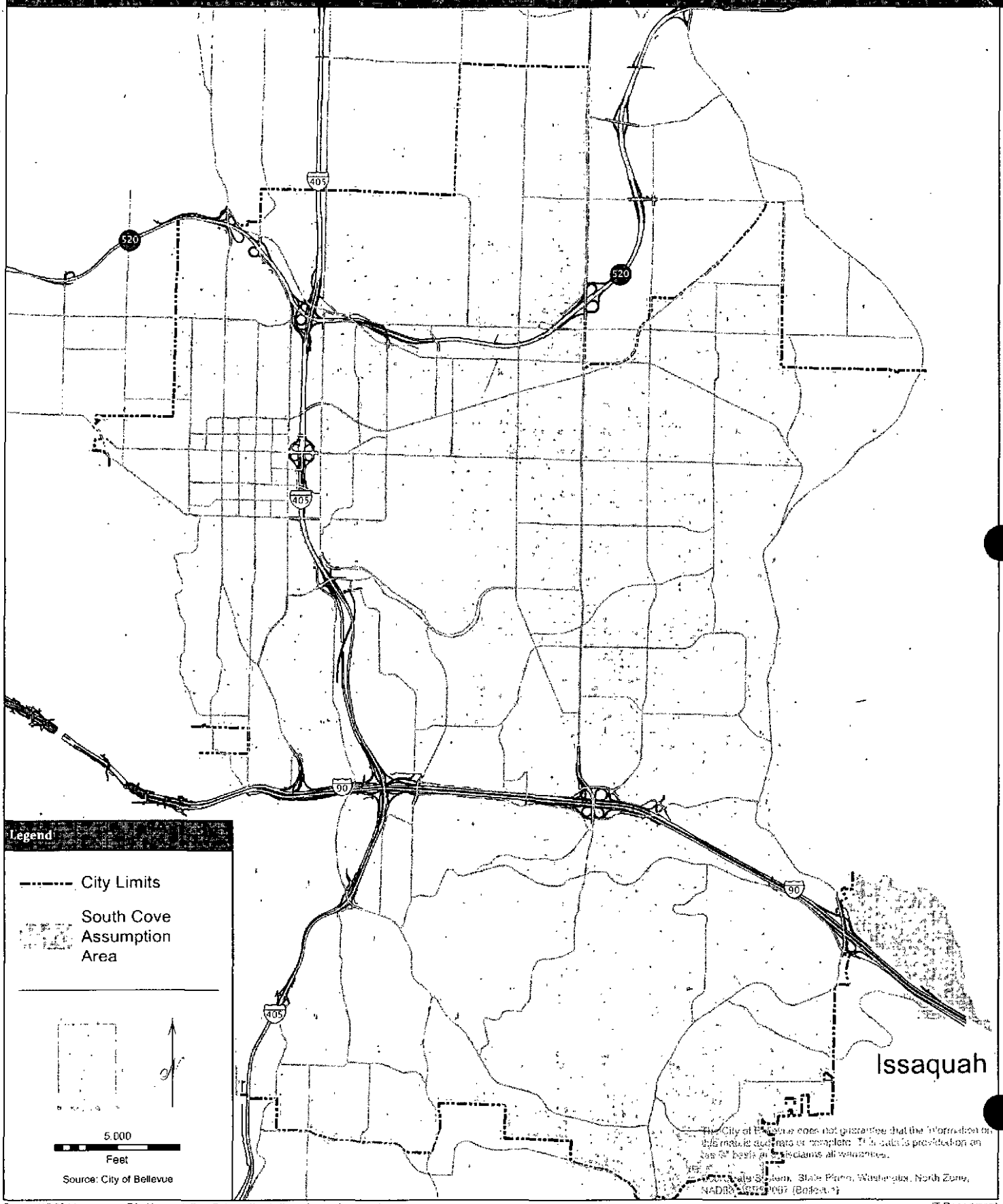
ATTACHMENTS

A. Map of South Cove Assumption Area
B. Water and Sewer Utility Pre-Assumption Agreement between City of Bellevue and City of Issaquah
C. Proposed Resolution No. 8693

South Cove Assumption Area

Utility Service Transfer Area

City of Bellevue GIS Services



Legend

- City Limits
- South Cove Assumption Area

5,000 Feet

Source: City of Bellevue

The City of Bellevue does not guarantee that the information on this map is accurate or complete. This data is provided on an "as is" basis and disclaims all warranties.

Date: 1/10/2014 File Name: J:\Ben Roberg\South Cove Annex Area.mxd IT Department

CR# 51400 Date: 6-12-14 PO # & Loc: 14102413.000

City of Bellevue
Finance Department - Procurement Services
450 110th Ave. NE. Bellevue, WA 98004

Contract Routing Form

Current Contract Information:

Contract Title: Water and Sewer Utility Pre-Assumption Agreement between the cities of Bellevue and Issaquah

Contract Description: Water and Sewer Utility Pre-Assumption Agreement between the cities of Bellevue and Issaquah

Total Contract Value: ~~0~~ ILA

This Amendment Value: N/A

Department: Utilities City Hall- 567

Contract Manager: Alison Bennet

Contract Type: Other

Contract Form: Custom contract document

Budget Expenditure:

Maximo User: No

SENICO Code

Vendor Information:

New Vendor? City of Issaquah

Vendor Name: 34057

JDE Vendor Number:

Independent Contractor?

Tax ID#:

COB License #:

UBI #:

Contractor's Lic. #:

Contract Term:

Original Effective Date:

End Date: NA

Subject To: NA

Council Approval:

Does this contract require council approval? Yes

Council Award Date: 2/3/2014 **Council Action:** Resolution **Legislative #:** Res #... 8693

Route:		In	Out
Procurement Services:	A Carlson	5/21/14	5/21/14
Information Technology:			
Legal:		5/22/14	6-5-14
Insurance Reviewed By:		6-5-14	6-5-14
Department Director:	Paul A. Bucich	5/21/14	5/21/14
Procurement Services:	A Carlson	6/12/14	6/12/14
Return To:	Lori McCuistion		
City Clerk's Office:	M-Toorpoo	61214	6-12-14
CMO Kate Berens			6/11/14

CONTRACT REVIEW CRITERIA

Dept.	PS	
☐	☐	Does the Contract Routing/Approval Form and Contract have consistent information?
☐	☐	Is the Contract Type and template appropriate for the services performed?
☐	☐	Are the contract values (i.e aggregate values, yearly budget totals, taxable amounts, acct. numbers, etc.) accurate?
☐	☐	Is the JDE vendor name and number accurate?
☐	☐	Does the Company have a Bellevue Business License? If not, date Tax Office was notified? _____.
☐	☐	If the Company's Tax ID# appears to be a SS#, or if we are paying an individual, make a copy of the Routing Form and interoffice to Gail Davila in HR.
☐	☐	Do the Contract Start/End Dates comply with current policies (maximum 4 years unless exception noted)?
☐	☐	Is this an amendment or renewal? If so, are the original contract #'s and values indicated?
☐	☐	Has the Selection Method been explained in Additional Comments? Are results attached?
☐	☐	If there is an ordinance/resolution/motion for this contract, are the date and # noted and a copy attached?
☐	☐	Does the contractor meet requirements of the Independent Contractor Threshold question?
☐	☐	Is Attachment "A" (Scope of Work and/or Services) attached?
☐	☐	Is Attachment "B" (Insurance Requirements) attached?
☐	☐	Are any additional riders required? If so, which one's? _____
☐	☐	Does Insurer have a Best rating of A- or better?
☐	☐	Is the Contractor identified as the insured?
☐	☐	Does the Contractor have Commercial General Liability, Commercial Auto Liability, Worker's Compensation, and Employer's Liability/Stop Gap and special coverages as required?
☐	☐	Are the policy expiration date(s) on the Certificate of Insurance current?
☐	☐	Does the Contractor have a self-insured retention? Is it above $50,000?
☐	☐	Is the City listed as the Certificate Holder?
☐	☐	Is the Certificate signed?
☐	☐	Is the City of Bellevue (& contracting partners) listed as an additional insured on the Certificate of Insurance? Is the additional insured status primary and non-contributory?
☐	☐	If this contract requires the payment of Prevailing Wages, are current Wage Rates referenced in Attachment "C"?
☐	☐	Does the Contractor have an open account with the Washington State Department of Revenue?
☐	☐	Are the Contractor's worker's compensation premiums current?
☐	☐	Does the Vendor have an active Professional/Contractor License with the Washington State Department of Licensing?
☐	☐	**Is the Vendor on the Federal Debarred Suspended List?**

RISK MANAGEMENT:

- ☐ Are the Insurance Requirements (Attachment B) appropriate for Scope of Work?
- ☐ Does the Contractor's Certificate of Insurance comply with the requirements?
- ☐ Are there any Limitations of Liability clauses or other risk transfer language problems that shift risk back to the City?
- ☐ Does the Hold Harmless clause include language referencing Title 51 releases?