

**COPY**

After Recording Return to:

Skagit County  
Public Works Department  
Attn: Equipment Division Manager  
201 East Avon Avenue  
Burlington, WA 98233

**INTERLOCAL COOPERATIVE AGREEMENT**

**BETWEEN**

**Public Utility District No. 1 of Skagit County**

**AND**

**Skagit County**

**THIS AGREEMENT ("Agreement") is made and entered into by and between the Public Utility District No. 1 of Skagit County, a Washington municipal corporation ("District") and Skagit County, a Political Subdivision of the State of Washington ("County") pursuant to the authority granted by Chapter 39.34 RCW, INTERLOCAL COOPERATION ACT. The District and the County may be individually referred to herein as a "party", and may be collectively referred to herein as the "parties." In consideration of the following, the parties mutually agree as follows:**

**1. PURPOSE: The County will perform specified maintenance work on and provide supplies, for vehicles owned by the District to be reimbursed to the County at the actual cost incurred by the County for said maintenance work and supplies, pursuant to the terms of this Agreement.**

**2. RESPONSIBILITIES: The County, via the Skagit County Public Works Department, Equipment Division, will provide specific vehicle maintenance and/or repair services to approximately sixty (60) District vehicles (primarily including dump trucks, backhoes, and a number of passenger vehicles), pursuant to the terms of this Agreement. The specific maintenance and/or repair work to be performed by the County on certain District vehicles is more particularly described at Exhibit "A", which is attached hereto and incorporated by reference. The County makes no representations or warranties whatsoever about the services provided to the District vehicles pursuant to the terms of this Agreement, and the District specifically recognizes and agrees that the County shall not be responsible or liable for any actual or alleged invalidation of any District vehicle warranties. Upon completion of any work or services performed by the County to District vehicles,**

the District shall have a duty to inspect and accept such work and services prior to using said District vehicles.

2.1 The County is not obligated to perform or provide any other services, duties, or responsibilities pursuant to the terms of this Agreement. In any particular instance (or in all instances), the County may choose not to perform any services or not to perform certain services in the event that the County determines (at the County's sole option, discretion, and judgment) that it would be unsafe, impracticable, or otherwise not feasible for the County to perform such services for any reason. The parties recognize and agree that maintenance, repair, and servicing of County vehicles (and/or other County work obligations) shall take priority over any services performed on or for District vehicles, and that any services performed by the County pursuant to this Agreement shall be otherwise be dependent upon the availability of County staff and resources. The District recognizes and agrees that in the event that the County determines (at the County's sole option and discretion) that the County cannot provide services for the District vehicles, that the District will be responsible for finding other alternative vehicle maintenance services at the District's sole cost, expense, and liability, without recourse from the County.

3. **TERM OF AGREEMENT:** The term of this Agreement shall be from the date of mutual execution through April 30, 2017, unless sooner terminated pursuant to the terms herein.

4. **MANNER OF FINANCING:** The District shall fully reimburse the County for all of the County's costs and expenses incurred by the County in providing services pursuant to this Agreement. Such costs and expenses shall include, but not be limited to, County staff time wages and benefits of County staff, costs of supplies and materials, fuel, electricity, fees and expenses incurred by the County, and any applicable taxes. In addition to the District's reimbursement to the County for the County's actual costs and expenses for such services, the District shall also pay an additional administrative fee of nine percent (9%) of the County's total actual costs and expenses for the County's services. The nine percent (9%) administrative fee is imposed as a means of reimbursement to the County for the County's administrative staff time (and other staff time) for providing the County's services pursuant to this Agreement. The County may invoice the District monthly. The District shall promptly pay any such invoices from the County within thirty (30) days.

5. **ADMINISTRATION:** The following individuals are designated as representatives of the respective parties. The representatives shall be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the party making the change shall notify the other party.

5.1 The County's representative shall be the Skagit County Public Works Department Equipment Division Manager.

5.2 The District's representative shall be the Operations Manager of the District, or his/her designee.

6. **TREATMENT OF ASSETS AND PROPERTY:** No fixed assets or personal or real property will be jointly or cooperatively, acquired, held, used, or disposed of pursuant to this Agreement.

7. **NO PARTNERSHIP OR JOINT VENTURE:** No partnership and/or joint venture exists between the parties, and no partnership and/or joint venture is created by and between the parties by virtue of this Agreement. No agent, employee, contractor, subcontractor, consultant, volunteer, and/or other representative of the parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the other party.

8. **INDEMNIFICATION:** Each party agrees to be responsible and assume liability for its own wrongful and/or negligent acts or omissions or those of their officials, officers, agents, or employees to the fullest extent required by law, and further agree to save, indemnify, defend, and hold the other party harmless from any such liability. It is further provided that no liability shall attach to the County by reason of entering into this contract except as expressly provided herein; provided, that to the maximum extent allowed by law, the District hereby releases and holds harmless the County its elected officials, employees, volunteers and agents for any liability and/or damages arising from and/or related to the County's services provided pursuant to this Agreement.

9. **INSURANCE:** The District shall provide the County with a copy of an insurance certificate with the following coverage terms: The coverage provided shall include Automobile Liability no less than one million dollars (\$1,000,000) with coverage for owned non-owned hired and leased vehicles. Coverage must be provided by an insurance company authorized to write insurance in the State of Washington and has an A + or better rating in the AM Best Rating Guide Insurance, and in terms of amount and form must be approved by Skagit County Risk Manger at his/her sole discretion. The District's insurance shall be primary. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the District's insurance and shall not contribute to it. The Skagit County Risk Manager may from time to time modify or impose additional insurance requirements as the Skagit County Risk Manager deems appropriate, and District shall submit proof of the required insurance yearly (accompanying its budget) to the County Board of Commissioners. Unless the required insurance is obtained through membership of a risk pool which prohibits the naming of others as additional insured, Skagit County, its elected officials, officers, and employees shall be named as additional insured on all policies.

10. **LIMITATION OF LIABILITY.** Any party having a claim against the District, however arising, shall have recourse only to the extent of assets and property of

the District and shall have no recourse against Skagit County, its appointed or elected officers, employees, volunteers or its/their assets or credits.

11. **TERMINATION:** Any party hereto may terminate this Agreement upon thirty (30) days notice in writing either personally delivered or mailed postage-prepaid by certified mail, return receipt requested, to the party's last known address for the purposes of giving notice under this paragraph. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

12. **CHANGES, MODIFICATIONS, AMENDMENTS AND WAIVERS:** The Agreement may be changed, modified, amended or waived only by subsequent written agreement duly executed by the parties hereto. Waiver or breach of any term or condition of this Agreement shall not be considered a waiver of any prior or subsequent breach.

13. **SEVERABILITY:** In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end the terms and conditions of this Agreement are declared severable.

14. **USE OF DOCUMENTS AND MATERIALS PRODUCED:** The County shall have the right to use and distribute any and all documents, writings, programs, data, public records or other materials prepared by any party (and/or any party's contractors, consultants, and/or subcontractors), in connection with performance of this Agreement. Unless privileged, or otherwise exempt from public disclosure, the parties recognize and agree that any documents and/or materials arising from and/or related to this Agreement may be subject to public disclosure pursuant to applicable law (including RCW 42.56).

15. **NO THIRD PARTY BENEFICIARIES:** This Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to, members of the general public, persons using or receiving ambulance service from the District, and/or any agent, contractor, subcontractor, consultant, employee, volunteer, or other representative of either party.

16. **COMPLIANCE WITH LAWS:** The parties to this Agreement shall comply with all applicable federal, state, and local laws, rules, and regulations in carrying out the terms and conditions of this Agreement.

17. **VENUE AND CHOICE OF LAW:** In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the Superior Court of the State of

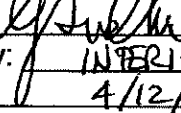
Washington in and for the County of Skagit. This Agreement shall be governed by the laws of the State of Washington.

18. **CAPTIONS & COUNTERPARTS:** The captions in this Agreement are for convenience and reference only and do not define, limit, or describe the scope or intent of this Agreement. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

19. **NEUTRAL AUTHORSHIP:** Each of the terms and provisions of this Agreement have been reviewed and negotiated, and represents the combined work product of the parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement and have either done so, or have voluntarily chosen not to do so. The parties represent and warrant that they have fully read this Agreement, that they understand its meaning and effect, that they are duly authorized to enter into this Agreement, and that they enter into this Agreement with full knowledge of its terms. The parties have entered into this Agreement without duress or undue influence.

20. **ENTIRE AGREEMENT:** This Agreement contains all the terms and conditions agreed upon by the parties. All items incorporated herein by reference are attached. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

**PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY:**

By:   
Title of Signatory: INTERIM GENERAL MANAGER  
(Date 4/12/16)

GEORGE SIDHU  
Print Name of Signatory

**Mailing Address:**

Public Utility District No. 1 of Skagit County  
PO Box 1436  
Mount Vernon, WA 98273

DATED this 16 day of May, 2016.

**BOARD OF COUNTY COMMISSIONERS  
SKAGIT COUNTY, WASHINGTON**

Lisa Janicki  
Lisa Janicki, Chair

Ron Wesen  
Ron Wesen, Commissioner

Kenneth A. Dahlstedt  
Kenneth A. Dahlstedt, Commissioner

Attest:

Amber EPS  
Clerk of the Board

For contracts under \$5,000:  
Authorization per Resolution R20030146

Recommended: [Signature]  
Department Head

\_\_\_\_\_  
County Administrator

Approved as to form:  
[Signature] 4/29/16  
Civil Deputy Prosecuting Attorney

Approved as to indemnification:  
Jessie Null Hays  
Risk Manager

Approved as to budget:  
Linda Payne  
Budget & Finance Director

## **Exhibit "A"**

### **Specific maintenance and/or repair work to be completed on Public Utility District No. 1 of Skagit County Vehicles and/or equipment**

Subject to the terms of the interlocal agreement by and between Skagit County and the District, the following specific maintenance and/or repair tasks may be performed by the Skagit County Public Works Department, Equipment Division:

1. Preventative maintenance
  - Change oil, oil filter, grease all fittings, check tire pressure, check all fluids, check all lights, inspect brakes as requested
  - Change transmission oil or differential oil as requested
2. Brakes
  - Repair and replace as requested
3. Drive line
  - Replace U-joints as requested
4. Electric
  - Diagnose and make repairs as requested
5. Fuel system
  - Change fuel filters and fuel pumps as requested
6. General repairs
  - Window replacement
  - Door panel repairs
  - Seat (upholstery) repairs
  - Seat belt replacement
  - Air Conditioning repairs / add Freon
  - Replace / tighten loose nuts, bolts and screws
7. Engine
  - Replace air pumps, belts, hoses and alternators as requested
  - The County will not perform major engine work.



8. Suspension
  - Shock replacement
  - Front end work – idler arm, tie rod end and drag link replacement
9. Hydraulics
  - Diagnose problems and make repairs as requested
10. Tires
  - Replace, rotate, balance and maintain proper air pressure
11. Fabrication
  - Build support brackets for strobe lights, tool boxes, shovels and other tools that need to be mounted to vehicles and equipment

**The County will not perform body work on District vehicles, or work covered by District vehicle warranties. The District has the sole duty to determine if the needed work is covered by warranties and if work is authorized by the District, then the County may assume that such work is not covered by warranties. The County (at the County's sole option and discretion), may choose to not perform some or any of the above-described maintenance and repair services. Skagit County makes no representations or warranties whatsoever (express or implied) regarding any work performed by the County on any District vehicle(s).**

**EVIDENCE OF COVERAGE****INSURED/PARTICIPANT:**

Public Utility District #1 of Skagit Co  
 PO Box 1436  
 Mount Vernon, WA 98273

Memorandum # 2016-00- 617

**CERTIFICATE HOLDER:**

Skagit County  
 Public Works Department  
 201 East Avon Avenue  
 Burlington, WA 98233

This is to certify that the Memorandum of Coverage has been issued to the the Member named above for the period indicated.

**EFFECTIVE:** September 1, 2015 to September 1, 2016

**COVERAGE:****LIMIT****Comprehensive General Liability**

General Liability	\$ 1,000,000
Professional Liability	\$ 1,000,000
Personal Liability	\$ 1,000,000

**Auto Liability**

Combined Single Limit	\$ 1,000,000
Hired and Non-Owned Auto Coverage	\$ 1,000,000
Temporary Substitute Auto Coverage	\$ 1,000,000

Skagit County, its elected officials, officers, and employees are additional covered parties in respects to the Interlocal Agreement to provide specific vehicle maintenance and repairs. Coverage is primary and non-contributory to the liability insurance maintained by the certificate holder. Coverage shall not be canceled without 30 days written notice to the certificate holder.

The Evidence of Coverage does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

  
 Authorized Representative  
 4/13/2016