

INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT, effective upon full execution, is by and between City of Grand Coulee, Washington (“City”), and Public Utility District No. 2 of Grant County, Washington (“District”) sometimes referred to as “Party” or collectively the “Parties”.

Recitals:

Public Utility Districts are authorized, pursuant to RCW Chapters 39.34 and Title 54, to enter into cooperative agreements for the efficient use of resources; and

The District desires to establish a payment station and have the City collect payments on behalf of the District; and

District is defined as any employee, contractor, or agent of Public Utility District No. 2 of Grant County, Washington; and

City is defined as any employee, contractor, or agent of City of Grand Coulee, Washington.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Scope of Services Provided by City

City shall provide a location for the receipt of District payments from District customers (“Customer”) wishing to make payments in person in the Grand Coulee area. The Parties acknowledge that this service is beneficial to District and City customers. District payments constitute remittances by Customers for electric bills and includes credit cards, cash, checks, money orders or cashier checks. City shall provide the following services under this Agreement:

- A. City shall conduct verification of identity of new customers.
- B. City agrees to provide adequate space, personnel, and an appropriate sized separate change fund at the City for the receipt of District payments during all City business hours.
- C. City shall follow all District policies and procedures when dealing with Customers and District receipts and resources. Prior to any City employee providing services under this Agreement, the employee shall attend District-provided training on these policies and procedures. In the event the District policies are revised, the District will notify the City and provide any necessary training related to the changes within fourteen (14) business days of the date of the revisions.
- D. City shall notify the District within five (5) business days of adding or removing stubs and reports to the District on a weekly basis.
- E. City shall communicate with the District on all Customer issues.
- F. City shall direct Customers to call the District using the District-provided telephone for any District business which is not a payment. City shall provide visual verification of Customer’s identified when requested.

- G. All payments received shall be balanced on a daily basis.
- H. The City shall ensure that all District payments are deposited to the District's bank or given to the designated armored car services daily.
- I. City shall send stubs and reports to the District via postal services or other means.
- J. City shall communicate with the District on all Customer issues.
- K. City shall direct Customers to call the District using the District-provided telephone for any District business which is not a payment. City shall provide visual verification of Customer's identified when requested.
- L. City shall handle District payments with at least the same care and diligence used in handling the City's own funds. City shall use its best efforts to protect against loss while in the care and custody of City.
- M. Any cash shortages or overages shall be the responsibility of the City, but shall be reported to the District within one (1) business day.
- N. City shall be responsible for shortages caused by counterfeit currency if:
  - 1. The employee who accepted the counterfeit currency was not trained (See Section 1.C) because City failed to notify the District of the employee; or
  - 2. The employee did not follow District procedures which would have reasonably identified that the currency was counterfeit.

2. Scope of Services Provided by District

- A. District will provide training on applicable District policies and procedures related to cash receipting and use of District equipment to all City employees who will provide services under this Agreement.
- B. District will provide basic training prior to any employee providing services and on-going training to refresh and update skills on a regular basis.
- C. District will provide and maintain:
  - Telephone for Customers to contact the District
  - Computer workstation
  - Scanner
  - Receipt printer
  - Printer
  - Locking drawer
  - Necessary forms

3. Confidentiality

City shall not disclose Customer addresses or account information to third parties without the District's written consent. Any requests by the public for inspection of District records shall be

referred to the District for a response. The City shall use reasonable measures to prevent any unauthorized disclosure.

4. Term

This Agreement shall be effective upon execution by all Parties and remain in full force and effect for two (2) years and may be terminated earlier by written notice issued to the other Party at least thirty (30) days in advance of the date of termination. The Agreement may be extended on a year-to-year basis by issuance of a mutually agreed upon Amendment in accordance with Section 11. The extension of this Agreement must be approved by the City and District.

5. Ownership of Property and Payments

All material and equipment furnished by District and all District payments shall remain the property of District and shall be immediately returned to District upon termination of this Agreement. This material and equipment shall only be used for District purposes.

6. Payment

District will make reimbursement payments to City as follows:

District agrees to pay the City a flat rate of \$1,500.00 per month for services provided the previous month, which rate shall not be subject to change until two (2) years after the effective date of this Agreement. Any changes to the rate shall be mutually agreed upon and shall only be on a prospective basis and shall occur no more frequently than once every twelve (12) months thereafter. The City shall notify the District in writing at least thirty (30) days prior to any such rate increase going into effect.

District agrees to reimburse the City at the current IRS mileage rate for any District provided training for City employees pursuant to this Agreement outside of Grand Coulee, Washington.

In no event however, shall the total amount paid to the City for services exceed the maximum Contract Price of \$50,000.00, unless modified pursuant to Section 11 of the Agreement.

Invoices shall include the Agreement No. 130-07485 and shall be submitted monthly to the attention of:

Public Utility District No. 2  
of Grant County, Washington  
Attn: Accounts Payable  
PO Box 878  
Ephrata, WA 98823  
Or AccountsPayable@gcpud.org

7. Hold Harmless and Indemnification

The City shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, agents, and employees from all actual or potential claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, including the District, to the extent caused by any negligent act of or omission of the City or its subcontractors, excluding damages caused by the negligence of

the District, in the administration or performance of this Agreement or any subcontracts, and for which either of the parties, their officers, agents, or employees may or shall be liable. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the City or its subcontractors. The City waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement. The City's indemnification obligation shall not apply to liability for damages arising out of bodily injury to a person or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the City. In the event of damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the City or its agents or employees, the City's indemnity obligation shall apply only to the extent of the City's (including that of its agents and employees) negligence.

The City acknowledges that by entering into this Agreement with the District, it has mutually negotiated the above indemnity provision with the District. The City's indemnity and defense obligations shall survive the termination or completion of the Agreement and shall remain in full force and effect until satisfied in full.

8. Administrators

This Agreement shall be jointly administered by a representative of the District and a representative of the City. Absent written notice by one Party to the other, the administrators shall be: For District – Customer Solutions Program Coordinator; for City - Clerk/Treasurer.

9. Notices

Any notice or other communication under this Agreement given by either Party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below and shall be deemed served when received and not mailed. Either Party may from time to time change such address by giving the other Party notice of such change.

District

Brook Fankhauser  
Public Utility District No. 2  
of Grant County, Washington  
PO Box 878  
154 A Street SE  
Ephrata, WA 98823  
(509) 633-1150  
Bfankha@gcpud.org

City

Carol Boyce  
City of Grand Coulee, Washington  
PO Box 180  
306 Midway Avenue  
Grand Coulee, WA 99133  
(509) 793-1524  
clerkgc@gccitywa.org

10. Applicable Law

This Agreement is made, executed under and is to be governed by, construed and enforced in accordance with the laws of the State of Washington. In the event of a suit, the undersigned agree that a visiting judge shall be assigned to the case so that a resident judge, who is also a customer of either City or District, will not hear the case. The substantially prevailing Party in any legal action herein shall be entitled to reasonable attorney fees and all reasonable costs, including, but not limited to, expert witness fees and travel and lodging expenses.

11. Amendments

Any modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement shall be binding only if evidenced in writing signed by each Party or any authorized representative of each Party and shall be made on the Change Order Form attached as Appendix "A". This Agreement constitutes the entire agreement between the Parties, and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either Party except to the extent incorporated in this Agreement.

12. Insurance and Bonding

Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, City shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Any significant deductible, self-insured retention or coverage via captive must be disclosed and is subject to approval by the District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the City and not recoverable under any part of this Agreement.

All City employees having access to District funds shall be covered under the City's insurance policy. The City shall name the District as an additional insured and Loss Payee on a Crime/Public Employee Dishonesty policy covering the theft and loss of public funds. City shall also name the District as an additional insured on a Commercial General Liability policy satisfactory to the District. The City shall provide the District a copy of the certificate(s) of insurance annually prior to expiration.

Contractor Required Insurance

A. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

- a. Premises and Operations;
- b. Products and Completed Operations;
- c. Contractual Liability;
- d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);

with the following **minimum limits:**

- e. \$1,000,000 Each Occurrence
- f. \$1,000,000 Personal Injury Liability
- g. \$2,000,000 General Aggregate (per project)
- h. \$2,000,000 Products and Completed Operations Aggregate

Commercial general liability insurance will include the District as additional insured on a primary and non-contributory basis for ongoing operations. A waiver of subrogation will apply in favor of the District.

- B. **Automobile Liability Insurance:** Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate No-Fault insurance provision, when applicable.

Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

- C. **Employee Dishonesty:** City shall maintain employee dishonesty coverage in **an amount not less than One Million Dollars (\$1,000,000) per loss** and shall name the District as a Loss Payee. Coverage shall contain a Clients' Property endorsement and respond to loss of District or any employee, participant or beneficiary of the Services provided by Contractor pursuant to this contract. Coverage shall contain a social engineering extension endorsement.

- D. **Commercial Crime** insurance coverage. Such policy must provide, **at a minimum, \$1,000,000 per loss** and shall name the District as a Joint Loss Payee, and shall not be reduced or canceled within the duration of this contract.

- E. Evidence of Insurance - Prior to performing any services, and within ten (10) days after receipt of the Contract Award, the City shall file with the District a Certificate of Insurance showing the Insuring Companies, policy numbers, effective dates, limits of liability and deductibles with a copy of the endorsement naming the District as an Additional Insured for each policy where indicated in Section A.

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the City's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the City or from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the City fails to maintain insurance as set forth above, the District may purchase such insurance at the City's expense. The City's failure to maintain the required insurance may result in termination of this Agreement at the District's option.

- F. Cancellation of Insurance - The City shall not cause any insurance policy to be canceled or permit any policy to lapse. Insurance companies or City shall provide thirty (30) days advance written notice to the District for cancellation or any material change in coverage or condition, and ten (10) days advance written notice for cancellation due to non-payment. Should the City receive any notice of cancellation or notice of nonrenewal

from its insurer(s), City shall provide immediate notice to the District no later than two (2) days following receipt of such notice from the insurer. Notice to the District shall be delivered by facsimile or email.

13. Relationship of the Parties

No agent, employee or representative of District will be deemed to be an agent, employee, or representative of City for any purpose, and the employees of District are not entitled to any of the benefits City provides to City's employees. No agent, employee or representative for City shall be deemed to be an agent, employee or representative of District for any purpose, and the employees of City are not entitled to any of the benefits District provides to District employees.

14. Public Records Act

District is subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. City expressly acknowledges and agrees that any information City submits is subject to public disclosure pursuant to the Public Records Act or other applicable law and that District may disclose City's proposal and/or information at its sole discretion in accordance with its obligations under applicable law.

15. Assignment

Either Party may not assign this Agreement, in whole or in part, voluntarily or by operation of law, unless approved in writing by District.

16. Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if all parties to this Agreement had all signed the same document. All executed current parts shall be construed together, and shall, together with the test of this Agreement, constitute one and the same instrument.

17. Filing

The administrators shall, in compliance with RCW 39.34, upon execution of this Agreement, file copies of the Agreement with their respective county auditors or, alternatively, post an electronic copy of the Agreement on the Parties' websites at [www.grantpud.org](http://www.grantpud.org).

18. Authority

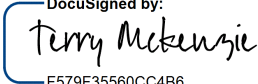
Each person signing this Agreement has the full authority of the Parties on behalf of which they are signing to execute this Agreement and to bind those parties to the terms of this Agreement.

IN WITNESS WHEREOF, each Party to this Agreement has caused it to be executed on the date indicated below.

Public Utility District No. 2  
of Grant County, Washington

City of Grand Coulee, Washington

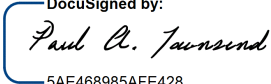
Interlocal Agreement No. 130-07485

By:  \_\_\_\_\_  
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Name: Terry McKenzie

Title: Senior Manager, Customer Solutions

Date: 8/1/2017

By:  \_\_\_\_\_  
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Name: Paul A. Townsend

Title: Mayor

Date: 8/9/2017



**APPENDIX "A"**  
**CHANGE ORDER**  
NO. \_\_

Pursuant to Section 11, the following changes are hereby incorporated into this Contract:

A. Description of Change:

B. Time of Completion: The time of completion shall be increased (decreased) by \_\_\_\_ days. The revised completion date shall be \_\_\_\_\_.

*OR*

The completion date shall remain \_\_\_\_\_.

B. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall

C. Remain unchanged (be increased/decreased by the sum of \$\_\_\_\_\_ plus applicable sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$\_\_\_\_\_, including changes incorporated by this Change Order.

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

City of Grand Coulee, Washington

Accepted By: \_\_\_\_\_

Accepted By: \_\_\_\_\_

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_