

**Economic Development Investment Program  
Interlocal Grant Agreement  
City of Blaine – Wellfield Pump Station Project**

**I PARTIES**

This Agreement is made by and between **Whatcom County** (hereinafter referred to as **the County**), and City of Blaine (hereinafter referred to as **the City**).

**II TERM**

This Agreement takes effect upon execution hereof by the authorized representatives of both parties and continues in effect until all payments and reports required under Section V, MUTUAL CONSIDERATION have been received by the County or until terminated as provided for in Section VIII, TERMINATION.

**III PURPOSE**

The purpose of this Agreement is to provide funding support for the Wellfield Pump Station Project (hereinafter referred to as **the Project**) using certain County funds designated for such infrastructure development. These funds will be used to complete the Project as outlined in the Economic Development Investment (EDI) Program Application as attached (Attachment B). Attachment B refers to the North Harvey Road Booster Pump Facility. Subsequent to the approved program application the City moved the plan for the facility and it is now referred to as the Wellfield Pump Station Project. The pump facility remains the same, just in a different location.

**IV RECITALS**

The Parties make this Agreement based on and in recognition of certain relevant facts and circumstances including:

A. Sales and use taxes are collected in and for the County under authority of RCW 82.14.370 and Whatcom County Code 2.130 for the purpose of financing public facilities in the County, and the proceeds are deposited in the Whatcom County Public Utilities Improvement Fund.

B. The **City of Blaine** will construct the Project. The Project will be partially funded by a **\$125,000 loan from the Whatcom County Public Utilities Improvement Fund, a \$375,000 grant from the Whatcom County Public Utilities Improvement Fund**, and the balance of the Project will be funded by the City of

Blaine, as outlined in Exhibit B. The Project improvements, when complete, will be owned and maintained by **City of Blaine**.

C. RCW 82.14.370 was adopted to serve the goals of promoting the ongoing operation of business in rural distressed areas, promoting the expansion of existing businesses in rural distressed areas, attracting and developing new businesses, and providing family wage jobs and the development of communities of excellence in such areas. The parties expect the Project to further these goals.

D. RCW 82.14.370 defines public facilities to include bridges, roads, domestic and industrial water facilities, sanitary sewer facilities, earth stabilization, storm sewer facilities, railroad, electricity, natural gas, buildings, structures, telecommunications infrastructure, transportation infrastructure, or commercial infrastructure, and facilities in the state of Washington.

E. The County has created the EDI Board to review applications for loans and grants from the Public Utilities Improvement Fund and to make recommendations for Public Utilities Improvement Fund investments based on commitment of other funds, potential for resulting job creation, and other factors.

F. The EDI Board has reviewed the application for Public Utilities Improvement Funds and has recommended approval to the Whatcom County Council.

G. The County EDI Board has reviewed and recommended this project application be approved with a recommendation of a loan in the amount of \$125,000 and a grant in the amount of \$375,000, for a total of \$500,000. A copy of the EDI application for this project is attached by reference to this Agreement (Attachment B).

H. The Whatcom County Council reviewed the recommendation and approved loan to the **City of Blaine** from the Public Utilities Improvement Fund in the amount of \$125,000, and a grant to the **City of Blaine** from the Public Utilities Improvement Fund in the amount of \$375,000.

I. The Public Utilities Improvement Fund balance is sufficient to make the requested grant to the Project.

J. RCW 39.34 authorizes interlocal agreements whereby municipal governments may jointly exercise the powers granted to each.

## **V MUTUAL CONSIDERATION**

The parties do not intend to create any new or separate legal or administrative entity by this Agreement but intend for this mutual Agreement to govern the County's financial support for the Project. The terms and conditions contained herein reflect the voluntary participation of the parties.

A. **City of Blaine RESPONSIBILITIES:** The **City of Blaine** hereby agrees as follows:

- (i) If after the award of the construction contract, the scope of the Project or the Project budget has changed, the **City of Blaine** shall provide the County the following updated documents: 1) a detailed description of the project; 2) a project budget itemizing major improvements together with the estimated cost of the improvements; and 3) a schedule showing sources and uses of funding for the project, if any of the aforementioned documents varies from those that were submitted with the **City of Blaine's** application for EDI funding.
- (ii) The **City of Blaine** shall be responsible for all aspects of the design and construction of the project.
- (iii) The **City of Blaine** shall be responsible for all aspects of the public works construction contract administration, which shall include, but not be limited to, advertising, bidding, and awarding the contract. The **City of Blaine** will comply with all applicable laws, rules and regulations relating to bidding the project. The County shall have no responsibility for the Project other than the funding set forth herein.
- (iv) The **City of Blaine** shall provide the County with a final report showing the actual cost of the project and the actual sources and uses of funding for the project.
- (v) The **City of Blaine** shall repay the loan in full in accordance with the terms of Section C below and the amortization schedule set forth in Attachment A, attached hereto.

B. **WHATCOM COUNTY'S RESPONSIBILITIES:** The County hereby agrees as follows:

- (i) **COUNTY LOAN**—The County shall *loan* One Hundred Twenty Five Thousand Dollars and Zero Cents (\$125,000) for the Project described herein (the "Loan"). The Loan shall be paid in accordance with Exhibit B.
- (ii) **COUNTY GRANT**—The County shall issue a *grant* to the **City of Blaine** for up to Three Hundred Seventy-five Thousand Dollars and Zero Cents (\$375,000) for the Project described herein. Disbursements of grant funding shall be made contingent upon and subject to the continued commitment of the other project funding sources. This amount shall be paid in accordance with Exhibit A.
- (iii) Unless the parties to this agreement mutually agree in writing to modify the consideration, the funding identified herein is all the County is obligated to pay towards this project. The **City of Blaine** agrees to protect the County from, hold it harmless from, and indemnify it for, any charges that may be levied in excess of the agreed amount.

C. **REPAYMENT OF COUNTY LOAN**—The **City of Blaine** shall repay the Loan as follows:

- (i) The term of the Loan shall be **20** years, commencing from the date that the County disburses the Loan proceeds to the **City of Blaine**. Interest shall accrue on the unpaid principal at a rate of 1% per annum. Interest shall begin accruing from the date of disbursement of loan funds.
- (ii) The **City of Blaine** will make loan payments to the County annually on or before the anniversary date of receiving loan proceeds in accordance with the attached amortization schedule (Attachment A). Loan payments must be delivered to the Whatcom County Executive Department, Suite 108, 311 Grand Avenue, Bellingham, WA 98225.
- (iii) Failure to make the payment in the required amount by the date it is due according to the amortization schedule hereto attached shall constitute an event of default by the **City of Blaine**. In the event that the **City of Blaine** fails timely to make a Loan payment hereunder, the County shall notify the **City of Blaine** of the failure and the **City of Blaine** shall have fourteen (14) days to cure its failure. At the option of the County, such an event of default and the **City of Blaine's** failure to cure within the stated time period is a sufficient basis upon which the County may take action to collect the amount that is delinquent, and if the County takes action to collect pursuant to this provision, the **City of Blaine** shall pay to the County not only the amount owing, but also any collection of reasonable costs incurred by the County. Furthermore, if the **City of Blaine** fails to make a payment on the Loan within thirty (30) days of the date it is due, and if the County has provided the **City of Blaine** with the notice provided for in this section, then the County may choose to declare the remaining balance of the loan due and owing.
- (iv) There is no prepayment penalty should the **City of Blaine** desire to retire this debt early, either in whole or in part.

## **VI RECORDS, REPORTS AND AUDITS**

The **City of Blaine** agrees to maintain such records, make such reports and follow such procedures pertaining to this Agreement as may be reasonably required by the County and as are typically maintained and made by the **City of Blaine** in the undertaking of a project of this nature. All **City of Blaine** records pertaining to this Agreement and the Project work shall be retained by the **City of Blaine** for a period of three (3) years after final audit unless a longer period is required to resolve audit findings or litigation. The County and other authorized representatives of the State government shall have access to any books, documents, papers, and records of the **City of Blaine** which pertain to this Agreement or the Project work for the purpose of making audit, examination, excerpts, and transcriptions.

## **VII RELATIONSHIP OF PARTIES AND AGENTS**

Neither the **City of Blaine** nor the County shall have authority to execute contracts or to make commitments on behalf of the other, and nothing contained herein shall

be deemed to create the relationship of employer and employee or principal and agent between the County and the **City of Blaine**. This agreement does not create, either implicitly or explicitly, any right, duty or obligation that is not expressly provided for herein.

The **City of Blaine** represents that it has or will secure at its own expense all personnel, contractors, and/or subcontractors required in order to perform the Project work. Such personnel shall not be employees of, or contractors with the County for purposes of the project described herein. All such personnel, contractors, and/or subcontractors shall be fully qualified (as determined by the **City of Blaine** in its sole discretion) and authorized/permitted under State and/or local law to perform such services.

## **VIII TERMINATION**

If the **City of Blaine** fails to comply with the terms and conditions of this Agreement, the County may pursue such remedies as are legally available, including, but not limited to, the termination or closeout of this Agreement in the manner specified herein:

- A. **TERMINATION FOR CAUSE**— If the **City of Blaine** fails to comply with the terms and conditions of this Agreement, the County will give notice to the **City of Blaine** in writing of its failure to comply. The **City of Blaine** will be given thirty (30) days from date of notice to comply with the terms of the Agreement or submit a plan acceptable to the County to bring the **City of Blaine** into compliance with the Agreement within a time period reasonably acceptable to the County. Failure to comply with the terms and conditions of this Agreement by either party shall constitute an event of default. In the event of default by the **City of Blaine** and a failure by the **City of Blaine** to cure as provided for herein, the County may take such remedial actions under the law as are available to cure the default, including the imposition of the reasonable costs of collection. In the event of default by the County, the **City of Blaine** may take such remedial actions under the law as are available to cure the default, including specific performance.
- B. **TERMINATION FOR OTHER GROUNDS**—This Agreement may be terminated in whole or in part by mutual consent and written agreement between the parties, duly authorized and executed, setting forth the conditions of termination, including effective date and, in case of termination in part, that Portion to be terminated.

## **IX COMPLIANCE WITH LAWS**

The County and the **City of Blaine** shall comply with all applicable laws, ordinances, and codes of the Federal, State and local governments with regard to the performance of this Agreement.

## **X INTEREST OF MEMBERS OF THE COUNTY AND THE CITY OF BLAINE**

No member of the governing body of either party and no other officer, employee, or agent of either party who exercises any functions or responsibilities in connection

with the planning or carrying out of the Project shall have any personal financial interest, direct or indirect, in this Agreement.

**XI HOLD HARMLESS AND INDEMNITY**

To the extent permitted by law, the **City of Blaine** shall indemnify and hold harmless the County, its officers, agents, and employees, from all liability, loss or damage, including costs of defense they may suffer as a result of claims, demands, actions, costs, or judgments which result from the activities to be performed by the **City of Blaine**, its agents, employees, or subcontractors pursuant to this Agreement.

**XII ASSIGNABILITY**

The **City of Blaine** shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment or novation) without prior written consent of the County thereto, provided, however, that claims for money by the **City of Blaine** from the County under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the County by the **City of Blaine**.

**XIII NON-WAIVER**

The failure of either party to insist upon strict performance of any provision of this Agreement or to exercise any right based upon a breach thereof or the acceptance of any performance during such breach shall not constitute a waiver of any right under this Agreement.

**XIV CONTRACT MODIFICATIONS**

No modification or waiver of any clause or condition of this Agreement shall be binding upon either party unless such modification or waiver is in writing and duly authorized and executed by the County and the **City of Blaine**.

**XV SEVERABILITY**

If any Portion of this Agreement is changed per mutual agreement or any Portion is held invalid, the remainder of this Agreement shall remain in full force and effect.

**XVI NOTICES**

Unless stated otherwise herein, all notices and demands shall be in writing and sent or hand-delivered to the parties to their addresses as follows:

**To City of Blaine:** Manroop Kaur, Project Manager  
City of Blaine  
1200 Yew Avenue  
Blaine, WA 98230

**TO COUNTY:** Brad Bennett, Finance Manager  
c/o Whatcom County Executive's Office  
311 Grand Avenue, Suite 108  
Bellingham, WA 98225

or to such other addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid, or hand-delivered. Such notices shall be deemed effective when mailed or hand-delivered at the addresses specified above.

**XVII INTEGRATION**

This Agreement contains all terms and conditions to which the County and the **City of Blaine** agreed, and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this loan and grant transaction. There are no other oral or written agreements between the **City of Blaine** and County as to the loan and grant terms contained herein. No changes or additions to this Agreement shall be valid or binding upon either party unless such change or addition be in writing, duly authorized and executed by both parties.

**XVIII GOVERNING LAW AND VENUE**

All questions of the validity, construction, and application of this Agreement shall be governed by the laws of the State of Washington. Venue for any suit between the parties arising out of this Agreement shall be the Superior Court of the State of Washington in and for Skagit County, Washington.

**XIX RECORDING**

Upon execution of this agreement by the parties hereto, the County shall cause it to be posted on the county web site, or otherwise published pursuant to the requirement contained within RCW 39.34.040.

\*\*\*\*\*

IN WITNESS WHEREOF, the County and the **City of Blaine** have executed this Agreement as of the date and year last written below.

EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2023, for the **City of Blaine**:

\_\_\_\_\_  
**Michael Harmon, City Manager**

STATE OF WASHINGTON     )  
                                      ) ss.  
COUNTY OF Whatcom     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me personally appeared **Michael Harmon**, to me known to be the **City Manager** of the **CITY OF BLAINE** and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_.  
My commission expires \_\_\_\_\_.



EXECUTED, this \_\_\_\_\_ day of \_\_\_\_\_, 2023, for **WHATCOM COUNTY**:

**Approved:** Accepted for Whatcom County:

\_\_\_\_\_  
Satpal Sidhu, Whatcom County Executive

STATE OF WASHINGTON    )  
  ) ss  
COUNTY OF WHATCOM    )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me personally appeared **SATPAL SIDHU**, to me known to be the **COUNTY EXECUTIVE** of Whatcom County, who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

\_\_\_\_\_  
NOTARY PUBLIC in and for the State of Washington,  
residing at \_\_\_\_\_.  
My commission expires \_\_\_\_\_.

**Approved as to form:**

Christopher Quinn per email 3/10/2023  
Chief Civil Deputy Prosecutor                      Date

## **Exhibit A**

### SCOPE OF WORK

#### **City of Blaine – Blaine Wellfield Pump Station Installation Project**

EDI funds will be utilized to install a pump station to supply water to the east Blaine growth. This pump station will be in the Blaine Wellfield located at 3900 Pipeline Road, Blaine, WA. The total pumping capacity will reach 1200 gallons per minute (GPM). The pump station will pump water from the Reservoir located in the wellfield to the Water Distribution Network.

The project will begin in 2023 and completion is anticipated by the end of 2024. Design and permitting will be completed by the end of 2023. Construction will be completed by the end of 2024.

**Exhibit B**  
**City of Blaine - Blaine Wellfield Pump Station Installation Project**  
Grant Draw Down Requirements

The **\$375,000 grant** funding will be disbursed prior to any loan funding, as follows:

The **City of Blaine** will send invoices for project expenses to Whatcom County Executive's Office, 311 Grand Avenue, Suite 108, Bellingham, WA 98225. Invoices will be supported by proof of work performed and/or allowable expenses. Funds will be made available by warrant within 30 days following receipt of invoice and are for reimbursement of project expenses only. The request for grant funds should reference the Whatcom County assigned interlocal agreement number.

The **\$125,000 loan** will be disbursed as follows:

Following the disbursement of all grant funds, the loan funds will be made available for application to the project by warrant within 30 days of receipt of written request from the **City of Blaine**, and sent to the Whatcom County Executive's office, 311 Grand Avenue, Suite 108, Bellingham, WA 98225. The request will include the full loan amount (**\$125,000**), and a reference to the contract number assigned to this Interlocal Agreement. Repayment of the loan will begin one year from the disbursement date and follow the schedule noted in Attachment A.

**BUDGET**

Project's estimated budget and all the funding sources are identified in the table below:

Item	Projected/Estimate Costs
Design	500,000.00
Construction	900,000.00
Contingency	100,000.00
Total	1,500,000.00
Funding Sources	Estimate
Whatcom County EDI Funds (Grant)	375,000.00
Whatcom County EDI Funds (Loan)	125,000.00
Department of Commerce	500,000.00
City of Blaine Funds	500,000
Total	1,500,000.00

**ATTACHMENT "A"**  
**Amortization Schedule**  
**Wellfield Pump Station Project**

**LOAN DATA**

Loan amount:	<b>\$125,000.00</b>
Annual interest rate:	<b>1.00%</b>
Term in years:	<b>20</b>
Payments per year:	<b>1</b>
First payment due:	<b>12/1/2024</b>

**TABLE DATA**

Table starts at date:	
or at payment number:	<b>1</b>

**CALCULATIONS**

Use payment of:	<b>\$6,926.91</b>	<b>\$125,000.00</b>
1st payment in table:	<b>1</b>	<b>\$0.00</b>

**Table**

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	12/1/2024	125,000.00	1,250.00	5,676.91	119,323.09	1,250.00
2	12/1/2025	119,323.09	1,193.23	5,733.68	113,589.40	2,443.23
3	12/1/2026	113,589.40	1,135.89	5,791.02	107,798.38	3,579.12
4	12/1/2027	107,798.38	1,077.98	5,848.93	101,949.45	4,657.11
5	12/1/2028	101,949.45	1,019.49	5,907.42	96,042.03	5,676.60
6	12/1/2029	96,042.03	960.42	5,966.49	90,075.54	6,637.02
7	12/1/2030	90,075.54	900.76	6,026.16	84,049.38	7,537.78
8	12/1/2031	84,049.38	840.49	6,086.42	77,962.96	8,378.27
9	12/1/2032	77,962.96	779.63	6,147.28	71,815.67	9,157.90
10	12/1/2033	71,815.67	718.16	6,208.76	65,606.92	9,876.06
11	12/1/2034	65,606.92	656.07	6,270.85	59,336.07	10,532.13
12	12/1/2035	59,336.07	593.36	6,333.55	53,002.52	11,125.49
13	12/1/2036	53,002.52	530.03	6,396.89	46,605.63	11,655.51
14	12/1/2037	46,605.63	466.06	6,460.86	40,144.77	12,121.57
15	12/1/2038	40,144.77	401.45	6,525.47	33,619.30	12,523.02
16	12/1/2039	33,619.30	336.19	6,590.72	27,028.58	12,859.21
17	12/1/2040	27,028.58	270.29	6,656.63	20,371.95	13,129.50
18	12/1/2041	20,371.95	203.72	6,723.19	13,648.76	13,333.22
19	12/1/2042	13,648.76	136.49	6,790.43	6,858.33	13,469.70
20	12/1/2043	6,858.33	68.58	6,858.33	0.00	13,538.29

**ATTACHMENT “B”**  
**City of Blaine – Wellfield Pump Station Installation Project**  
**Economic Development Investment (EDI) Program Application**

**North Harvey Road Booster Pump Facility** **Funding Request: \$500,000**

**Request:** The City of Blaine requests \$500,000 of EDI funding to help build a water booster pump station and related infrastructure to serve the current community and prepare for the residential growth that is occurring in East Blaine. The City intends to contribute \$500,000 of the City’s ARPA funding to the project and is has received a \$500,000 capital allocation from the State the complete the project funding. As development continues in the service area, developers will additional infrastructure to distribute potable water to new homes. The request is for a \$125,000 loan and \$375,000 grant.

**Issue:** Whatcom County is in need of additional housing. The County's Business and Commerce Committee has identified workforce housing as the single largest issue curtailing economic development. Young adults raised in the County are finding it impossible to remain in the County due to high housing costs. The City of Blaine’s and Whatcom County’s comprehensive plans have indicated a need for significant expansion to occur in East Blaine to support the expected population increase. Given that, the East Blaine area is projected to support almost 40% of the city’s housing stock need over the next 20 years. Most of the area is at an elevation higher than what can be served by the existing water distribution system. The City has determined that a water booster pump station for Blaine’s current water system service area is required to provide the necessary water infrastructure concurrent with upcoming residential and business development.

**Solution:** The portion of the subarea that is near and east of North Harvey Road will require a new pressure zone and major improvements to provide adequate service. This includes a new booster pump station, 12- inch looped trunk lines, and a new reservoir. The initial phase of the project is installation of the first pump in a new pump station building with adequate electrical service to serve this scalable solution. The City is currently completing the design phase of the project.

