

**WHATCOM COUNTY CONTRACT
INFORMATION SHEET**

Whatcom County Contract No.
202303009

Originating Department:	Executive Office
Division/Program: <i>(i.e. Dept. Division and Program)</i>	Non-Departmental/Public Utilities Improvement Fund/EDI
Contract or Grant Administrator:	Tyler Schroeder, Deputy Executive
Contractor's / Agency Name:	City of Blaine - "G" Street Sewer Improvements Project

Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes No
 Yes No If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____

Does contract require Council Approval? Yes No If No, include WCC: _____
 Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)

Is this a grant agreement? Yes No If yes, grantor agency contract number(s): _____ CFDA#: _____

Is this contract grant funded? Yes No If yes, Whatcom County grant contract number(s): _____

Is this contract the result of a RFP or Bid process? Contract _____
 Yes No If yes, RFP and Bid number(s): _____ Cost Center: 332262

Is this agreement excluded from E-Verify? No Yes If no, include Attachment D Contractor Declaration form.

If YES, indicate exclusion(s) below:

- Professional services agreement for certified/licensed professional. Goods and services provided due to an emergency
- Contract work is for less than \$100,000. Contract for Commercial off the shelf items (COTS).
- Contract work is for less than 120 days. Work related subcontract less than \$25,000.
- Interlocal Agreement (between Governments). Public Works - Local Agency/Federally Funded FHWA.

Contract Amount:(sum of original contract amount and any prior amendments):
 \$ 1,875,000 Grant and \$625,000 Loan

This Amendment Amount:
 \$ _____

Total Amended Amount:
 \$ _____

Summary of Scope:

Council approval required for; all property leases, contracts or bid awards **exceeding \$40,000**, and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, **except when**:

1. Exercising an option contained in a contract previously approved by the council.
2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance.
3. Bid or award is for supplies.
4. Equipment is included in Exhibit "B" of the Budget Ordinance.
5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.

The City of Blaine has received EDI funding to install, replace and upsize existing sanitary sewer main in rights of way and easements located in Blaine.

Term of Contract: March, 2023

Expiration Date: December 31, 2023

Contract Routing:	1. Prepared by: <u>Tawni Helms</u>	Date: <u>03/03/23</u>
	2. Attorney signoff: <u>Christopher Quinn</u>	Date: <u>03/10/2023</u>
	3. AS Finance reviewed: <u>M Caldwell</u>	Date: <u>3/10/23</u>
	4. IT reviewed (if IT related): _____	Date: _____
	5. Contractor signed: _____	Date: _____
	6. Submitted to Exec.: _____	Date: _____
	7. Council approved (if necessary): <u>AB2023-208</u>	Date: _____
	8. Executive signed: _____	Date: _____
	9. Original to Council: _____	Date: _____

Whatcom County Contract No. 202303009
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**Economic Development Investment Program
Interlocal Loan and Grant Agreement
City of Blaine – G Street Sewer Improvements 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 required under Section V, MUTUAL CONSIDERATION, Subsection C, REPAYMENT OF COUNTY LOAN, have been made or until terminated as provided for in Section VIII, TERMINATION.

III PURPOSE

The purpose of this Agreement is to provide funding support for the G Street Sewer Improvements 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).

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 **\$625,000 loan from the Whatcom County Public Utilities Improvement Fund**, a **\$1,875,000 grant from the Whatcom County Public Utilities Improvement Fund**, and the balance of the Project will be funded by the City of Blaine, Department of Commerce (State Grant) and other sources, 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 \$625,000 and a grant in the amount of \$1,875,000, for a total of \$2,500,000. 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 a loan to the **City of Blaine** from the Public Utilities Improvement Fund in the amount of \$625,000, and a grant to the **City of Blaine** from the Public Utilities Improvement Fund in the amount of \$1,875,000.

I. The Public Utilities Improvement Fund balance is sufficient to make the requested loan and 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* Six Hundred Twenty Five Thousand Dollars and Zero Cents (\$625,000) 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 One Million Eight Hundred Seventy-five Thousand Dollars and Zero Cents (\$1,875,000) 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 B.
- (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 4/25/2023, 2023, for the **City of Blaine**:

DocuSigned by:
Michael Harmon, City Manager

4005E6231E674BA...
Michael Harmon, City Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF Whatcom)

On this _____ day of 4/25/2023, 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 _____.

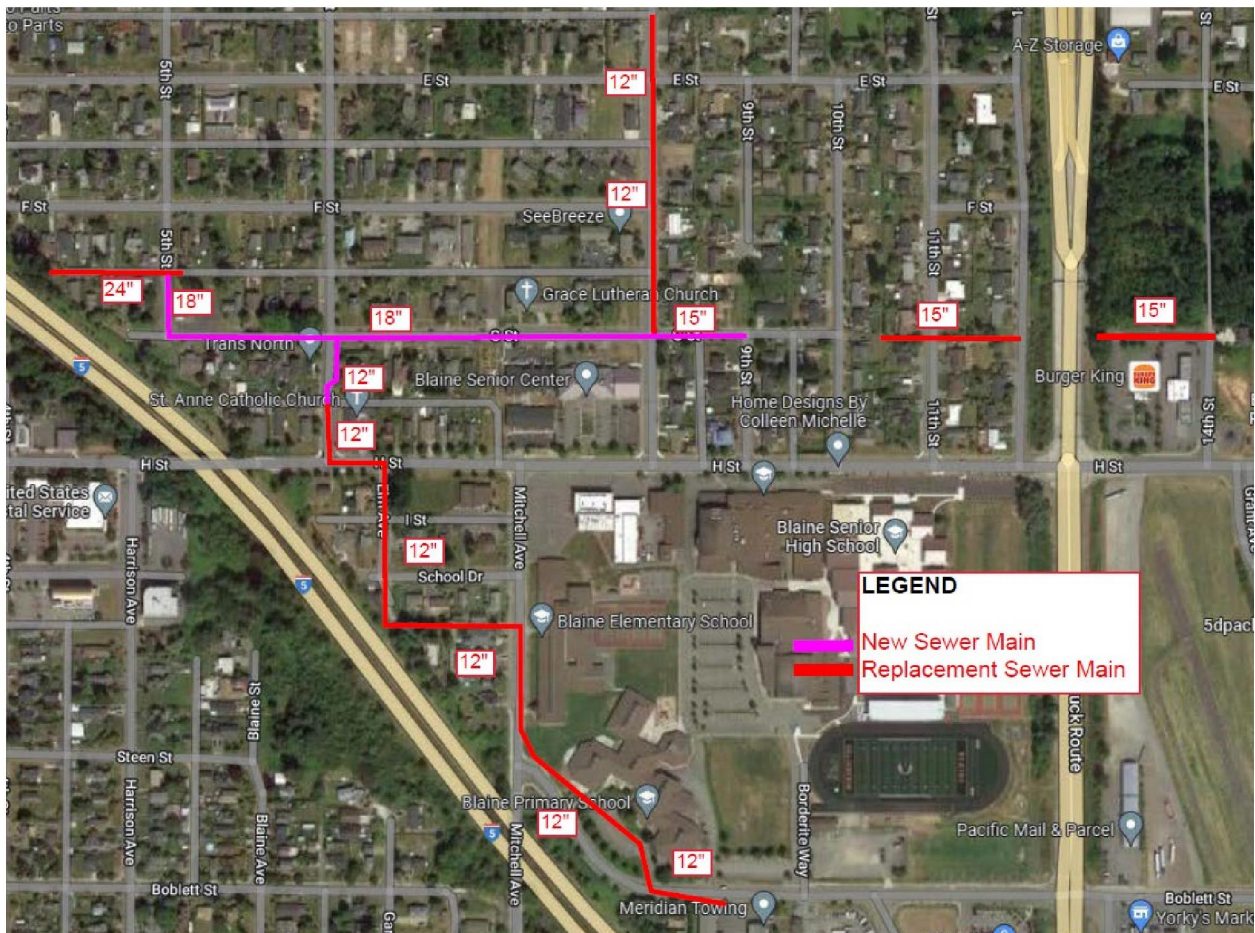
Exhibit A

SCOPE OF WORK City of Blaine – G-Street Sewer Improvements Project

Scope

The City of Blaine has requested grant and loan funding from the Whatcom County Economic Development Investment (EDI) Fund. Funding is requested for the G-Street Sewer Improvements project.

The scope of the G Street Sewer Improvements Project is to install or replace and upsize existing sanitary sewer main in rights of way and easements. Existing sewer mains range in size from 6” to 10”, constructed primarily of concrete and vitrified clay. Replacement and new sewer mains will include 8”, 12”, 15”, 18” and 24” pipe and will be primarily constructed of PVC pipe. The total length of the G Street Sewer Improvements project is approximately 6,660 feet of new or replaced sewer main. See attached figure for the location of the project. Location of the project is shown in the figure below.



Project Timeline

G Street Sewer Improvements Project and associated work will be completed as follows:

Project Phase	Date
Bid period	02/13/2023 – 03/10/2023
Start of Construction	May 2023
End of Construction	September 2023

The project is anticipated to be complete October 2023.

Exhibit B

City of Blaine – G-Street Sewer Improvements project Loan and Grant Draw Down Requirements

The **\$1,875,000 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 **\$625,000 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 (**\$625,000**), 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 budget and all the funding sources are identified in the table below:

Funding Source	Amount
City of Blaine Sewer Bond	\$ 4,968,800
City of Blaine Sewer Capital Reserve	\$ 56,200
Department of Commerce	\$ 490,000
Whatcom County EDI Fund (Grant)	\$ 1,875,000
Whatcom County EDI Fund (Loan)	\$ 625,000
TOTAL	\$ 8,015,000
Project Budget	
Design	\$ 615,000
Third-Party Construction Management	\$ 250,000
Construction Cost	\$ 6,500,000
Contingency	\$ 650,000
TOTAL	\$ 8,015,000

Attachment A

Amortization Schedule

LOAN DATA		TABLE DATA	
Loan amount:	\$625,000.00	Table starts at date:	
Annual interest rate:	1.00%	or at payment number:	1
Term in years:	20		
Payments per year:	1		
First payment due:	7/1/2024		
CALCULATIONS			
Use payment of:	\$34,634.57		\$625,000.00
1st payment in table:	1		\$0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	7/1/2024	625,000.00	6,250.00	28,384.57	596,615.43	6,250.00
2	7/1/2025	596,615.43	5,966.15	28,668.42	567,947.01	12,216.15
3	7/1/2026	567,947.01	5,679.47	28,955.10	538,991.91	17,895.62
4	7/1/2027	538,991.91	5,389.92	29,244.65	509,747.26	23,285.54
5	7/1/2028	509,747.26	5,097.47	29,537.10	480,210.16	28,383.02
6	7/1/2029	480,210.16	4,802.10	29,832.47	450,377.69	33,185.12
7	7/1/2030	450,377.69	4,503.78	30,130.79	420,246.89	37,688.89
8	7/1/2031	420,246.89	4,202.47	30,432.10	389,814.79	41,891.36
9	7/1/2032	389,814.79	3,898.15	30,736.42	359,078.37	45,789.51
10	7/1/2033	359,078.37	3,590.78	31,043.79	328,034.58	49,380.29
11	7/1/2034	328,034.58	3,280.35	31,354.23	296,680.35	52,660.64
12	7/1/2035	296,680.35	2,966.80	31,667.77	265,012.58	55,627.44
13	7/1/2036	265,012.58	2,650.13	31,984.45	233,028.14	58,277.57
14	7/1/2037	233,028.14	2,330.28	32,304.29	200,723.85	60,607.85
15	7/1/2038	200,723.85	2,007.24	32,627.33	168,096.51	62,615.09
16	7/1/2039	168,096.51	1,680.97	32,953.61	135,142.91	64,296.05
17	7/1/2040	135,142.91	1,351.43	33,283.14	101,859.76	65,647.48
18	7/1/2041	101,859.76	1,018.60	33,615.97	68,243.79	66,666.08
19	7/1/2042	68,243.79	682.44	33,952.13	34,291.66	67,348.52
20	7/1/2043	34,291.66	342.92	34,291.66	0.00	67,691.44

ATTACHMENT B Funding Application

City of Blaine – G-Street Sewer Improvements Project
Economic Development Investment (EDI) Program Application



Blaine Sewer Rehabilitation Project
Funding Request: \$2,500,000

Request: The City of Blaine requests \$2.5 million to rehabilitate and upgrade the existing sewer conveyance system. The work will include repairing existing sewer lines and adding a new line to alleviate flow restrictions in 90-year old lines. This work will be undertaken in an area on the east side of the City and Interstate 5. The repaired areas will aid in accepting increased demands from the continuing residential construction in the East Blaine area. The total cost of this project will be approximately \$7.5 million, of which the City of Blaine is requesting a \$2.5 million portion (\$1.875 million in EDI grant funding and \$625,000 in EDI loan funding).

Issue: Existing sewer pipes have settled due to changing soil conditions around the pipe beds causing slumping. Pipes are cracked and crumbling in some locations. The degraded system is leading to liquid blockages and debris stopping normal gravity flow toward the wastewater treatment facility. The various segments with these conditions have led to a few manholes collecting wastewater and percolating through their covers into the streets during extreme flow events. The existing conveyance infrastructure of pipes, manholes, and lift stations is the main route for wastewater movement from the City's east side residential area and industrial and manufacturing areas.

Solution: The City is coordinating to reconstruct part of the existing wastewater infrastructure and to add a new bypass line. This is being done in order to alleviate existing problems and to ensure adequate future capacity. Under the proposed project, 1,550 feet of new 18-inch wastewater main will be installed at the head end for the sewer to accept the mass flows that will result once the East Blaine development extensions are operational. In addition, over 1,700 feet of existing wastewater mains will be rehabilitated including rebuilding up to five manholes to manage existing flows and augment future capacity.

