

## INTERLOCAL COOPERATION AGREEMENT

This Agreement is by and between the PUBLIC UTILITY DISTRICT NO. 2 of GRANT COUNTY, WASHINGTON (hereinafter called the "District"), and the CITY OF MATTAWA, WASHINGTON, (hereinafter called the "City").

### Recitals:

WHEREAS, the District and City entered into an agreement in 2010 to establish a payment station and have the City collect payments on behalf of the District; and

WHEREAS, the District and the City have determined that this agreement is beneficial to both entities and the relationship should continue on the terms and conditions as provided herein; and

WHEREAS, the District and City are each authorized to enter into this Agreement by virtue of RCW 39.34.080, the Interlocal Cooperation Act.

NOW THEREFORE, IT IS AGREED THAT:

1. Purpose of this Agreement

The purpose of this Agreement is to provide a location for the receipt of District payments from District customers ("Customer") wishing to make payments in person in the Mattawa area. The parties acknowledge that this service is beneficial to the District and City customers.

2. Term of Agreement

This Agreement shall be effective from February 1, 2012 and shall remain in full force and effect until January 31, 2014 unless terminated per Section 18. The Agreement may be extended on a year-to-year basis by issuance of a mutually agreed upon Amendment in accordance with Section 9. The extension of this Agreement must be approved by the City's Council and the District's Commission.

3. Services and Resources provided by the City

District payments constitute remittances by Customers for electric bills and include cash, checks, money orders or cashier checks. The City shall provide the following services under this Agreement:

- a) The City agrees to provide adequate space, personnel and an appropriate sized separate change fund at the City Hall for the receipt of District payments during all City Hall business hours.
- b) The City shall follow all District policies and operating procedures when dealing with District Customers and District receipts and resources. Prior to any employee providing services under this Agreement, the employee will attend District-provided training on these policies and operating procedures. In the event District policies and/or operating procedures 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.
- c) City shall notify the District at least five (5) business days prior to adding any employees providing services under this agreement.

- d) City shall collect payments from Customers and immediately post to the District-provided system.
- e) City shall collect payments from the drop box located at City Hall. All payments in the drop box by 2:00 PM shall be posted in the current day's deposit.
- f) City shall segregate all District receipts from City funds by locating District receipts in a separate District-provided locking cash drawer. This cash drawer shall be locked and placed in the City vault each night.
- g) All payments received shall be balanced on a daily basis.
- h) All District payments shall be deposited to the District's bank or designated armored car service daily.
- i) City shall send batch stubs and reports each day to the District via the District's Courier.
- 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 identification when requested.
- l) The City shall handle District payments with at least the same care and diligence used in handling the City's own funds. The City shall use its best efforts to protect against loss while in the care and custody of the City. The City shall not be responsible for any losses incurred by the District resulting from the City's inadvertent acceptance and collection of counterfeit currency or forgeries.
- m) Any cash shortages or overages shall be the responsibility of the City, but shall be reported to the District Representative within one business day. A cash shortage shall not include a shortage caused by the receipt and collection of counterfeit currency or forgeries.

4. Services and Resources provided by the District:

- a) The District will provide training on applicable District policies and operating procedures related to cash receipting and use of District equipment to all City employees who will provide services under this Agreement.
- b) The 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) The District shall provide and maintain:
  - Telephone for Customers to contact the District
  - Computer workstation
  - Scanner
  - Receipt printer
  - Printer
  - Locking drawer
  - Necessary forms
  - Counterfeit detection light with user training

5. Ownership of Property and Payments

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

6. Confidentiality

The City shall not disclose customer addresses or account information to third parties without the Customer'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.

7. Representative

The District's Customer Service Supervisor shall be the District's Representative and be responsible for administering this Agreement and shall establish procedures to be followed by City personnel responsible for its execution. The City Clerk/Treasurer shall be the City's representative.

8. Compensation for Services

The District agrees to pay the City a flat rate of \$ 2,000.00 per month for services which rate shall not be subject to change until 2 years after the effective date of this Agreement. Any changes to the rate shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter, the City shall notify the District in writing at least 30 days prior to any such rate increase going into effect.

The District agrees to reimburse the City at the current IRS mileage rate for any District-provided training for City employees provided pursuant to this Agreement outside of Mattawa, WA.

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 9 of the Agreement.

The City shall invoice the District monthly for services rendered. All invoices shall be sent to the Contract Officer at the following address. Failure to send the invoice to the Contract Officer may result in payment delays.

Leah Mauceri, Contract Officer  
Public Utility District No. 2  
of Grant County, WA  
PO Box 878  
Ephrata, WA 98823

Phone No.: 509-754-1814  
E-mail: Lmaucer@gcpud.org

9. Agreement Alterations and Amendments

This Agreement may be amended by mutual agreement of both parties. Such Amendments shall be executed using the Amendment form attached hereto as Exhibit A and shall not be binding unless the Amendment is in writing and signed by authorized personnel.

10. Insurance and Bonding

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 with limits of \$500,000. The City shall also name the District as an additional insured on a Commercial

General Liability policy satisfactory to the District, with limits of \$500,000 per occurrence. The City shall provide the District a copy of the certificate(s) of insurance annually prior to expiration.

11. Indemnification

The City shall indemnify, defend, and hold harmless the District, its agents, employees and officers from any and all liability arising out of the performance of this Agreement by the City, whether by act or omission of the City's agents, employees or officers. Any liability attaching to the City shall be reduced by any proportion that such injury or harm is caused by negligence or intentional misconduct of the District, its agents, employees, or officers.

12. Assignment

The Agreement may not be assigned by either party.

13. Filing

Prior to its entry into force, this Agreement shall be filed with the county auditor or, alternatively, listed by subject on a public agency's web site or other electronically retrievable public source as required by RCW 39.34.040.

14. Employees

No agent, employee or representative of the City shall be deemed to be an agent, employee, or representative of the District for any purpose, and the employees of the City are not entitled to any of the benefits the District provides to District employees. The City shall continue to pay the salary and benefits of its employees while they are engaged in activities under this Agreement and shall be responsible for all direct non-salary costs (expenses) incurred by employees, including Worker's Compensation, Employment Security contributions and any other taxes.

15. Governing Law

This Agreement shall be governed exclusively by the laws of the State of Washington.

16. Entire Agreement

This Agreement contains the entire and integrated Agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings between the Parties with respect thereto.

17. Notice

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.

City of Mattawa, Washington  
Attention: Robin Newcomb

Public Utility District No. 2  
of Grant County, Washington  
Attention: Terry McKenzie

P.O. Box 965  
521 East Government Rd  
Mattawa, WA 99349  
Phone No.: 509-932-4037  
[frontdesk@donobi.net](mailto:frontdesk@donobi.net)

P.O. Box 878  
30 C Street SW  
Ephrata, WA 98823  
Phone No. 509-754-5088 ext. 2340  
[tmckenz@gcpud.org](mailto:tmckenz@gcpud.org)

18. Termination

Either party may terminate this Agreement at any time provided it gives the other written notification of the same at least 30 days prior to the effective date of termination.

19. Authorization

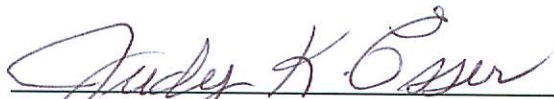
Each party hereby represents and warrants to the other that it is duly authorized to enter into and carry out the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto entered into the above and foregoing Agreement the day and year first above written.

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

  
\_\_\_\_\_  
Anthony Webb  
Assistant General Manager

CITY OF MATTAWA, WASHINGTON

  
\_\_\_\_\_  
Mayor Judy Esser

**EXHIBIT A  
AMENDMENT FORM**

AMENDMENT NO. \_\_\_\_\_

Pursuant to Section 9, the following changes are hereby incorporated into this Agreement:

- A. Description of Change:
  
- B. Time of Completion: The time of completion shall be increased/decreased by \_\_\_\_\_ calendar days. The revised completion date shall be \_\_\_\_\_.
  
- C. Contract Price Adjustment: As a result of this Amendment, the not to exceed Agreement price shall be increased/decreased by the sum of \$ \_\_\_\_\_ plus sales tax, which amount the City acknowledges is the maximum Agreement amount for the Agreement work including changes incorporated by this Amendment. This Amendment shall not provide any basis for any other payments to or claims by the City as a result of or arising out of the performance of the work described herein. The new total revised maximum Agreement price is \$ \_\_\_\_\_.
  
- D. Except as specifically provided herein, all other Agreement terms and conditions shall remain unchanged.

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

CITY OF MATTAWA, WASHINGTON

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

AMENDMENT  
NO. 1

Pursuant to Section 9, the following changes are hereby incorporated into this Agreement:

- A. Description of Change: Extend the term, increase the not to exceed Agreement Price, and revise the first sentence of Section 4.c to state, "The District shall provide and maintain, at a minimum, the following:".
- B. Time of Completion: The time of completion shall be increased by 730 days. The revised completion date shall be January 31, 2016.
- C. Agreement Price Adjustment: As a result of this Amendment, the not to exceed Agreement Price shall be increased by the sum of \$50,000.00 plus sales tax. This Amendment shall not provide any basis for any other payments to or claims by the City as a result of or arising out of the performance of the work described herein. The new total revised maximum Agreement Price is \$100,000.00, which amount the City acknowledges is the maximum Agreement Price for the work including changes incorporated by this Amendment.
- D. Except as specifically provided herein, all other Agreement terms and conditions shall remain unchanged.

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

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

Andrew Munro  
Director of Customer Service

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

1-22-2014

CITY OF MATTAWA, WASHINGTON

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

Judy Esser  
Pro  
Tem  
Mayor

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

Scott Hyndman

1/16/14


AMENDMENT  
NO. 2

Pursuant to Section 9, the following changes are hereby incorporated into this Agreement:

- A. Description of Change: Extend the Agreement term, increase the not to exceed Agreement Price, and increase the rate by \$500.00 per month for a new monthly rate of \$2,500.00.
- B. Time of Completion: The time of completion shall be increased by 731 calendar days. The revised completion date shall be January 31, 2018.
- C. Contract Price Adjustment: As a result of this Amendment, the not to exceed Agreement price shall be increased by the sum of \$56,000.00 plus sales tax. This Amendment shall not provide any basis for any other payments to or claims by the City as a result of or arising out of the performance of the work described herein. The new total revised maximum Agreement price is \$156,000.00, including changes incorporated by this Agreement.
- D. Except as specifically provided herein, all other Agreement terms and conditions shall remain unchanged.

PUBLIC UTILITY DISTRICT NO. 2  
OF GRANT COUNTY, WASHINGTON

CITY OF MATTAWA, WASHINGTON

Accepted By: 

Accepted By: 

Andrew Munro  
Director of Customer Service

Scott Hyndman  
Mayor

Date: 3/02/16

Date: 2/26/16