


**JEFFERSON COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**CONSENT AGENDA REQUEST**

**TO:** Board of Commissioners

**FROM:** Philip Morley, County Administrator 

**DATE:** October 22, 2012

**RE:** AGREEMENT re: Public Infrastructure Project Funding Sparling Well Improvement Project; Jefferson County Public Utility District No. 1; \$500,000

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**STATEMENT OF ISSUE:**

The Public Infrastructure Fund Board has recommended replacing an existing \$500,000 PIF 50% loan/50% grant award to the Public Utility District's Sparling Well Improvement Project and converting it into a 100% grant. The proposed Grant Agreement would provide a \$500,000 grant to the PUD for construction of the Sparling Well Project through September 30, 2015.

**ANALYSIS:**

The PUD's Sparling Well Improvement Project received a \$500,000 Public Infrastructure Fund (PIF) award in 2007 as a 50% grant and 50% loan. At its March 11, 2011 meeting, the Public Infrastructure Fund Board reviewed the project and the PUD's request for conversion to a 100% grant, and approved a motion recommending that the County Commissioners provide a 100% grant of \$500,000 to fund up to 50% of the cost of the Sparling Well Improvement Project.

The PUD is ready to move forward. A \$36,558 prior payment of PIF funds drawn by the PUD against the original loan for the project would be included in the new \$500,000 grant agreement total. The PUD Commissioners approved the proposed Grant Agreement on October 16, 2012.

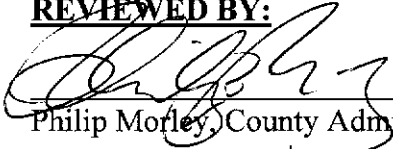
**FISCAL IMPACT:**

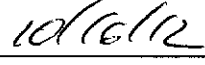
Adequate funds are available in fund balance in Fund 306 to pay for the whole grant. Adequate expenditure authority is included in the 2012 budget to cover eligible grant payment requests that the PUD anticipates submitting this year. Appropriation authority will need be included in the 2013 budget for project expenditures for next year.

**RECOMMENDATION:**

Approve the proposed Agreement.

**REVIEWED BY:**

  
Philip Morley, County Administrator

  
Date

PIF Grant Agreement – Sparling Well Improvement Project

Grant Agreement by and Between

JEFFERSON COUNTY

and

The Jefferson County Public Utility District No. 1

For Public Infrastructure Project Funding  
Sparling Well Improvement Project

WHEREAS, RCW 82.14.370 authorizes a sales and use tax to provide funding of public infrastructure projects; and

WHEREAS, pursuant to RCW 82.14.370, Jefferson County has established the Public Infrastructure Fund and a program for its administration as codified in Jefferson County Code Chapters 3.28, 3.29 and 3.36; and

WHEREAS, on October 2, 2007, the Public Infrastructure Fund Board recommended that the County approve a 50% (\$250,000) grant, and 50% (\$250,000) loan for a total of \$500,000 to fund up to 50% of the cost of the Sparling Well Improvement Project; and

WHEREAS, the Jefferson County Board of County Commissioners authorized a 50% (\$250,000) grant, and 50% (\$250,000) loan for a total of up to \$500,000 to fund up to 50% of the cost of the Sparling Well Improvement Project; and

WHEREAS, through December 31, 2009, the PUD has invoiced and received \$36,558 in PIF funds for Sparling Well Improvement Project for up to 50% of PUD expenditures on the project; and

WHEREAS, on February 18, 2011, the PUD requested that the 50% grant/50% loan be converted to a 100% grant for the Sparling Well Improvement Project; and

WHEREAS, the Public Infrastructure Fund Board at their March 11, 2011 meeting recommended that the prior 50% grant/50% loan PIF funding of the PUD's Sparling Well Project be converted to a 100% PIF grant of up to \$500,000 to fund up to 50% of the cost of the Sparling Well Project; and

WHEREAS, the Jefferson County Board of Commissioners concurs with the Public Infrastructure Board's recommendation;

NOW, THEREFORE, Jefferson County, a municipal corporation in Washington State, hereinafter referred to as "County," and the Jefferson County Public Utility District No. 1, a municipal corporation in Washington State, hereinafter referred to as "PUD," in consideration of the mutual benefits, terms, and conditions hereinafter specified, do hereby agree as follows:

PIF Grant Agreement – Sparling Well Improvement Project

1. **Loan Conversion and Grant Commitment.** The 50% grant and 50% loan previously provided to the PUD, is hereby converted to a 100% grant of \$500,000. Any prior obligation by the PUD for repayment on the principal and interest for the original loan is hereby extinguished. The approved maximum amount of the grant, intended to cover 50% of the approved project cost, shall be \$500,000, including all prior payments. The grant (\$500,000) shall be available based on submission of appropriate invoices. This grant commitment will expire and is automatically withdrawn if the available funds are not expended by September 30, 2015. Any request for an extension beyond September 30, 2015, must be approved by the County Commissioners upon receipt of a recommendation from the Public Infrastructure Board.
2. **Project Designation.** The PUD shall perform the project as defined herein. This project will make improvements to the Sparling Well, including engineering, permitting, financing, construction management, and construction of a new source well and a new treatment plant, to include structure, treatment system, piping, electrical, controls, pumps, and earthwork.
3. **Integrated Agreement.** This Grant Agreement represents the entire and integrated agreement between the County and PUD and supersedes all prior negotiations, representations, or agreements written or oral.
4. **Payment.** Expenses incurred by the PUD for the work performed on the project by its consultants, contractors, suppliers, or PUD staff shall be submitted to the PIF Administrator by the PUD using a detailed invoice.

Each detailed invoice shall show individual items followed by the total amount incurred by the PUD and the amount eligible for reimbursement under this grant. The PUD may submit such invoices to the County once per month during the course of the project for work completed.

The PIF Administrator shall review and approve payment of such invoices; payments will be limited to the monies that are available under the grant as the grant is described in Paragraph 1 above. Such invoices, once approved, will be paid using the County's normal bill paying process and cycle.

5. **Compliance with Laws.** The PUD shall, in completing its project under this Grant Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances, and regulations, applicable to the project to be completed under this Grant Agreement.
6. **Indemnification.** PUD shall indemnify, defend and hold harmless the County, its officers, agents, and employees, from and against any and all claims, losses or liability, or any portion thereof, including attorney's fees and costs, arising out of or in connection with a negligent act, omission or failure of the PUD or the PUD's employees, representatives or agents, including but not limited to injury or death to persons, including injuries, sickness, disease, or death to PUD's own employees, or damage to property occasioned by a negligent act, omission or failure of the PUD or the PUD's employees, representatives or agents.

7. Insurance. The PUD shall obtain and keep in force during the term of the contract, or as otherwise required, Worker's Compensation and Employer's Liability insurance with companies or through sources approved by the State Insurance Commissioner pursuant to RCW 48.
8. Independent Contractor. The PUD and the County agree that the PUD is an independent contractor with respect to the project to be completed pursuant to this Grant Agreement. Nothing in this Grant Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the PUD nor any employee of the PUD, nor any subcontractor of the PUD shall be entitled to any benefits accorded to County employees by virtue of their services on the project to be completed under this Grant Agreement. The County shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the State industrial insurance program, or otherwise assuming the duties of an employer with respect to PUD, or any employee, representative or agent of PUD, or any contractor of the PUD.
9. Discrimination Prohibited. The PUD, with regard to the project to be completed under this Grant Agreement, will not discriminate on the grounds of race, creed, color, national origin, religion, age, sex, veteran or military status, sexual orientation, or the presence of any sensory or physical disability in the selection and retention of materials, supplies, contractors or subcontractors.
10. Contract Expiration. This contract shall run until the project is complete and until the County has made all payments required under this Grant Agreement, except that the project must be completed no later than September 30, 2015 unless extended by mutual agreement. Previous authorized work on the Sparling Well Project completed after January 1, 2008 is hereby ratified as part of this Grant Agreement.
11. Failure to appropriate. The PUD acknowledges that the County may only appropriate monies for this grant in the current year and in a manner consistent with Paragraph 1 above. The County agrees to appropriate monies to fund this grant unless emergency circumstances prevent the County from doing so. Any monies to be paid by the County to the PUD for this grant are subject to appropriation by the County Commission.
12. Integrated Agreement. This Grant Agreement together with attachments or addenda, represents the entire and integrated agreement between the County and PUD and supersedes all prior negotiations, representations, or agreements written or oral. This Grant Agreement may be amended only by written instrument signed by both the County and the PUD.

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed this \_\_\_\_\_ day of October, 2012.

**Jefferson County  
Board of Commissioners**

**Jefferson County  
Public Utility District No. 1**

\_\_\_\_\_  
John Austin, Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Barney Burke, President

\_\_\_\_\_  
Date

ATTEST:

ATTEST:

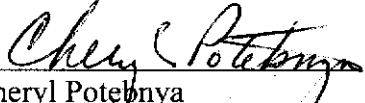
\_\_\_\_\_  
Raina Randal  
Deputy Clerk of the Board

\_\_\_\_\_  
Date

\_\_\_\_\_  
Ken McMillen  
Secretary of the Board

\_\_\_\_\_  
Date

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Cheryl Potelnya  
Deputy Prosecuting Attorney

*10/10/12*  
\_\_\_\_\_  
Date