ADDENDUM NO. 1

AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF LAKEWOOD AND THE LAKEWOOD WATER DISTRICT REGARDING THE CONSTRUCTION OF ROADWAY IMPROVEMENTS AND WATER MAINS ALONG BRIDGEPORT WAY SW FROM 83RD ST SW TO 75TH ST W

THIS ADDENDUM made and entered into this ______ day of ______, 2014, by and between the CITY OF LAKEWOOD, a municipal corporation of the State of Washington (hereinafter referred to as the "CITY"), and the LAKEWOOD WATER DISTRICT, a special purpose district of the State of Washington (hereinafter referred to as the "WATER DISTRICT"), as an addendum to the Agreement between the parties executed on the 15th day of April, 2013.

W IT N E S S E T H:

WHEREAS, the parties to this agreement, pursuant to RCW Chapter 39.34, are authorized to enter into an interlocal agreement for the purposes of cooperatively and efficiently providing utility services to the citizens they serve; and,

WHEREAS, the purpose for this agreement is to allow coordination between the parties during the construction of roadway improvements and water mains facilities within the public rights-of-way along Bridgeport Way SW from 83rd ST SW to 75th ST W (hereinafter, “the Project”); and,

WHEREAS, Bridgeport Way SW from 83rd ST SW to 75th ST W is located within the boundaries of both the City and the Water District; and,

WHEREAS, Bridgeport Way SW from 83rd ST SW to 75th ST W is served by undersized and aging water main systems; and,

WHEREAS, the City and the Water District have entered into a franchise agreement granting to the Water District the right to construct, maintain, operate, replace, and repair water systems in, across, over, along, under, through, and below the public rights-of-way of the City; and,

WHEREAS, paragraph 4.1 of the franchise agreement provides that when the District "protects, supports, temporarily disconnects, relocates, or removes" any of its installations, the City and the District shall be 50/50 responsible for costs" when said work is "associated with City facilities that generate revenue such as storm drainage or sanitary sewer facilities;" and,

WHEREAS, the City and the Water District recognize the need for improved utility infrastructure; and,

WHEREAS, the City pursued and received over $3.4 million in grants to design and construct the roadway improvements and has budgeted $649,000 from its Surface Water Management Fund to upgrade the storm water collection and treatment systems along the corridor (all these improvements are collectively referred to as the "Roadway Improvements"); and,

WHEREAS, the Water District has budgeted over $0.8 million from its capital improvement fund to upgrade undersized water mains within the corridor subject to the Roadway Improvements (the "Water Main Improvements"); and,
WHEREAS, the City is the lead agency for the design and construction of the Roadway Improvements; and,

WHEREAS, the City and the Water District recognize that it is in the best interest of the public to coordinate the design and construction of the Roadway Improvements and Water Main Improvements when the coordination will minimize costs, conflicts among the utility systems, and public inconvenience during construction; and

WHEREAS, it is deemed in the best interest of the public, the City, and the Water District to incorporate the Water Main Improvements into the City's construction plans and contract for the Roadway Improvements if the incorporation will increase efficiency and decrease costs (collectively, the combined Water Main Improvements and Roadway Improvements are the "Project"); and

WHEREAS, the City and the Water District both recognize the complexity and challenges associated with implementing the Project and pledge to work cooperatively together to assure a mutual successful implementation;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, it is mutually agreed by and between the City and the Water District as follows:

REVISION TO SECTION 5. COSTS AND PAYMENTS:

Item B (3) is amended with the following added:

Exhibit B provides an estimate of the Water District's proportionate share of unallocated Project costs. Actual costs shall be determined upon acceptance of the bid of the successful bidder utilizing the formula as outlined in original agreement.

Item B (4) is revised to read:

The Water District shall pay the City on a time and materials basis for the contract administration costs incurred by the City for the Water Main Improvements. A cost estimate is included as Exhibit B for the benefit of the Water District on what they can expect to pay the City for these services. City costs shall be tracked on a project code basis.

REVISION TO SECTION 6. CHANGES AND CONTRACTOR CLAIMS:

Add new paragraph F.

F. If the City's contractor submits a claim that impacts the amount to be paid by the Water District, the City will provide a copy of the claim to the Water District along with information and data relevant to it. The Water District shall consider the claim and provide a response to the City. If the Water District rejects the claim in whole or in part, and the contractor does not accept the Water District's position, then the claim will be resolved pursuant to the dispute resolution process of the City-contractor contract. At the Water District's option, the Water District may appear in that process in the City's name, and shall be fully responsible for preparation and presentation of the defense to the claim, and shall bear all expenses and attorney's fees incurred in doing so.
REMAINING TERMS UNCHANGED: That all other provisions of the Agreement between the parties, executed on the 15th day of April, 2013, shall remain unchanged, and in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF LAKEWOOD
By:  
John Caulfield, City Manager

Attest:
By:  
Alice M. Bush, MMC/AAE, City Clerk

LAKEWOOD WATER DISTRICT
By:  
Randall M. Black, General Manager

By:  
Christie K. Butler, GM Executive Assistant

Approved as to form:
By:  
Heidi A. Wachter, City Attorney

By:  
Andrew W. Maron, District Attorney
## EXHIBIT B

Estimated Lakewood Water District Proportionate Unallocated Project Costs and Contract Admin Costs for
Bridgeport Way SW - 83rd ST SW to 75th ST W

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportionate Unallocated Project Costs (Mobilization)</strong></td>
<td></td>
</tr>
<tr>
<td>Estimated Water Main Bid Schedule (less Mobilization)</td>
<td>$565,000</td>
</tr>
<tr>
<td>Estimated Road and Storm Bid Schedule (less Mobilization)</td>
<td>$3,278,000</td>
</tr>
<tr>
<td>Estimated Total (less Mobilization)</td>
<td>$3,843,000</td>
</tr>
<tr>
<td>% Water Main Costs of Total Project Costs (less Mobilization)</td>
<td>17%</td>
</tr>
<tr>
<td>Estimated Project Mobilization (8% Total)</td>
<td>$307,440</td>
</tr>
<tr>
<td><strong>Estimated Lakewood Water Proportionate Unallocated Project Costs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Project Administration Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Project Total (with Mobilization)</td>
<td>$4,150,440</td>
</tr>
<tr>
<td>Estimated Project Administration (10%)</td>
<td>$415,044</td>
</tr>
<tr>
<td><strong>Estimated Water District Contract Administration (17%)</strong></td>
<td>$70,557</td>
</tr>
<tr>
<td><strong>Estimated Total</strong></td>
<td>$123,548</td>
</tr>
</tbody>
</table>