

**AMENDED AND RESTATED AGREEMENT FOR  
MAINTENANCE, OPERATION, REPAIR, EMERGENCY RESPONSE, AND CAPITAL  
IMPROVEMENT OF THE BELLEVUE PIPELINE SEGMENT  
OF THE CASCADE WATER ALLIANCE PIPELINE**

This Amended and Restated Agreement for Maintenance, Operation, Repair, Emergency Response, and Capital Improvement of the Bellevue Pipeline Segment of the Cascade Water Alliance Pipeline ("Agreement") between CASCADE WATER ALLIANCE, a Washington municipal corporation ("Cascade"), and the CITY OF BELLEVUE, a Washington municipal corporation ("Bellevue") (individually a "Party" and collectively the "Parties") is made this 26<sup>th</sup> day of January, 2023.

WHEREAS, Cascade Water Alliance is a Washington Municipal Corporation composed of seven Members, which are municipal corporations and special purpose districts that are party to the JOINT MUNICIPAL UTILITIES SERVICES AGREEMENT ("2012 Agreement") under the authority of Chapter 39.106 RCW for the purpose of providing water supply to meet the growing demands of its Members; and

WHEREAS, pursuant to the 2006 PIPELINE TRANSFER AND ACQUISITION AGREEMENT, Bellevue transferred ownership to Cascade of a 24-inch transmission main consisting of water pipelines, valves, fittings, thrust restraint and appurtenances from the point of connection from the Seattle inlet to the isolation valve just outside the meter vault in front of 16104 SE Newport Way in Bellevue, Washington ("Bellevue Pipeline Segment"), as depicted in Exhibit A, and in 2006 the City of Issaquah transferred ownership to Cascade of a 24-inch water transmission main and appurtenances located from the point of connection with the City of Bellevue's 24-inch water main to its end located at 1<sup>st</sup> Avenue NE in Issaquah, Washington, and in 2008 the Sammamish Water and Sewer District ("District") transferred ownership to Cascade of a 24-inch water transmission main and appurtenances located from the point of connection with the City of Issaquah to the twelve (12) inch gate valve on the south side of a meter vault existing at the District's corrosion control facility and Well 9 located on Tax Lot No., and collectively these three water transmission main segments are known as the Bellevue-Issaquah Pipeline ("Pipeline"); and

WHEREAS, Cascade provides water supply via the Pipeline to Bellevue, the City of Issaquah, and Sammamish Water and Sewer District, which are Members of Cascade; and

WHEREAS, Cascade and Bellevue entered into a PIPELINE OPERATIONS AGREEMENT, effective June 30, 2006 ("2006 Pipeline Agreement"), whereby the Parties agreed that Bellevue would perform maintenance and operations of Cascade's Bellevue Pipeline Segment, subject to the terms and conditions stated therein;

WHEREAS, pursuant to the 2006 Pipeline Agreement, a subsequently agreed-upon BELLEVUE-ISSAQUAH PIPELINE OPERATIONS AND MAINTENANCE SCOPE OF Work ("2013 Scope of Work"), and annual task lists, Bellevue has performed such maintenance, operations, repair, and emergency response services of the Bellevue Pipeline Segment on behalf of Cascade, is willing to continue to perform such services, and further willing to accept the right of first offer to perform capital improvements; and

WHEREAS, the 2006 Pipeline Agreement, 2013 Scope of Work, and annual task lists addressed responsibility for operations and maintenance of the Bellevue Pipeline Segment, they did not address responsibility for capital project delivery for expansion, renovation, replacement, or improvement of the Bellevue Pipeline Segment; and

WHEREAS, Cascade wishes to continue contracting with Bellevue for the maintenance, operation, repair, emergency response, and capital improvement of the Bellevue Pipeline Segment; and

WHEREAS, Cascade and Bellevue now wish to amend and restate the 2006 Pipeline Agreement to incorporate minor modifications to the original terms, to clarify roles, responsibilities and expectations between each Party regarding maintenance, operations, repair, emergency response, and to address future expansion, renovation, replacement, or improvement of the Bellevue Pipeline Segment requiring a capital project;

NOW, THEREFORE, the Parties hereby agree that the 2006 Pipeline Agreement is hereby amended and restated in its entirety by this Agreement, as follows:

1. DURATION

This Agreement shall remain in existence until the Parties' exercise their rights to terminate the Agreement in accordance with Section 11 of this Agreement.

2. BELLEVUE PIPELINE SEGMENT

Every five (5) years Cascade and Bellevue shall review the geographic scope of the Bellevue Pipeline Segment, and upon mutual agreement, the Parties may modify the Bellevue Pipeline Segment's geographic scope.

3. CASCADE WATER ALLIANCE

- A. Cascade is responsible for the maintenance, operation, repair, emergency response, and capital improvement of the Pipeline facilities and is contracting out the maintenance, operation, repair, and emergency response work for the Bellevue Pipeline Segment to Bellevue.
- B. Cascade is responsible for the expansion, renovation, replacement, and/or improvement of the Pipeline facilities that must be solicited by competitive bid processes under Washington law ("Capital Improvement Project") and is providing Bellevue with the right of first offer for capital improvement projects on the Bellevue Pipeline Segment.
  - i. If a Capital Improvement Project is needed, Cascade will offer to contract such services to Bellevue under a separate agreement, including (but not limited to): project management, consultant contracting, design review, permitting, construction contracting, construction management and construction inspection, as well as other related Capital Improvement Project delivery services as needed.

- ii. If the Parties cannot reach mutual agreement for Bellevue to provide Capital Improvement Project services, Cascade will implement said project using its own staffing resources, procure and manage professional engineering consultant and construction contractor resources as needed, and perform other associated services. Such projects will then be required to obtain any necessary Bellevue permits and approvals, such as the Right-of-Way Use Permit and Clearing and Grading Permit.
- C. This Agreement does not delegate Cascade's responsibility under the Cascade 2012 Agreement for the delivery of water supply and the water quality of such supply to any of its Members.

#### 4. BELLEVUE

- A. Bellevue shall maintain, operate, repair, and respond to emergencies on the Bellevue Pipeline Segment, on behalf of Cascade, in accordance with the Pipeline MOU described in Section 5 of this Agreement.
- B. Pursuant to Section 3.B of this Agreement, Bellevue shall have first right of offer to provide Capital Improvement Project services for expansion, renovation, replacement, and/or improvement of the Bellevue Pipeline Segment, should these services be needed by Cascade. Bellevue shall provide notice to Cascade within ten business days of the offer to provide Capital Improvement Project delivery services that it is willing and able to provide; final confirmation to provide such services may be contingent on Bellevue City Council authorization.
- C. All maintenance, operation, repair, emergency response, and capital improvement work on the Bellevue Pipeline Segment, as outlined in this Agreement, shall be performed by or at the direction of the Bellevue Utilities Department, a department within the City of Bellevue, consistent with applicable statutes, regulations, codes and standards.
- D. Bellevue may utilize contractors, consultants, vendors, other City departments, and other third parties to maintain, operate, repair, respond to emergencies, and perform capital improvements on the Bellevue Pipeline Segment.
- E. Bellevue agrees to coordinate and cooperate with Cascade on the maintenance, operation, repair, emergency response, and capital improvement of Cascade's Bellevue Pipeline Segment to help Cascade ensure the delivery of water supply of quality and quantity in accordance with the Cascade 2012 Agreement.

#### 5. MAINTENANCE, OPERATIONS, REPAIR, EMERGENCY RESPONSE, AND CAPITAL IMPROVEMENTS

Cascade and Bellevue shall develop a Bellevue Pipeline Segment memorandum of understanding ("Pipeline MOU") between the two Parties to determine how best to implement this Agreement to ensure adequate water supply and water quality. The Pipeline MOU:

- i. Shall be a written agreement between each of the Parties' designees and include information on Cascade's and Bellevue's respective responsibilities for maintenance, operation, repair, emergency response, and capital improvement on the Bellevue Pipeline Segment and cost reimbursement; and
- ii. May be entered into and modified as needed through each Party's designee as long as the Pipeline MOU complies with the terms of this Agreement.

## 6. COST REIMBURSEMENT

- A. Maintenance, Operation, Repair, and Emergency Response: Cascade shall reimburse Bellevue for all time and materials and third party expenditures/billables (e.g. power bills) used to perform the required maintenance, operation, repair, and emergency response of the Bellevue Pipeline Segment in accordance with this Agreement. Included shall be an amount for overhead and other indirect costs attributable to the performance of such maintenance, operations, repair, and emergency response. The overhead rate shall be established in the Pipeline MOU and may be periodically reviewed and adjusted as necessary to ensure consistency with Bellevue overhead rates.
- B. Capital Improvement Projects: Cascade shall reimburse Bellevue for all time and materials, overhead and other indirect costs, and third party expenditures/billables (e.g. Bellevue staff time for project management, consultant and construction contracting and management, design review, other agency coordination, permitting, construction inspection, consultant and contractor payments, and other costs) used to perform Capital Improvement Project delivery services on the Bellevue Pipeline Segment, pursuant to the terms of a separate agreement to be negotiated by the Parties.
- C. Bellevue shall provide Cascade with regular invoices for all costs associated with providing maintenance, operations, repair, emergency response, and capital improvement services.
  - i. The frequency of invoicing and the information required in the invoices for maintenance, operations, repair, and emergency response shall be established in the Pipeline MOU.
  - ii. The frequency of invoicing and the information required in the invoices for capital improvement services shall be established by separate agreement for each Capital Improvement Project, as agreed to by the Parties.
  - iii. Cascade shall have no obligation to pay for invoices received after one calendar year or more of the work being completed.
- D. Cascade shall pay invoices within 30 days of receipt. Invoices not timely paid shall bear interest at the rate of one (1) percent per month until the amount of such invoice, plus any interest thereon, shall be paid in full.

## 7. LIABILITY/HOLD HARMLESS

The Parties shall mutually indemnify, defend, and hold the other Party, its officers,

agents and employees harmless from and against any and all claims, losses, or liability, including attorneys' fees, arising from injury or death to persons or damage to property occasioned by any act, omission or failure of each Party, its officers, agents and employees, in the performance of this Agreement. As to claims against either Party, its officers, agents and employees, each Party mutually agrees and expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of said Party. In the event of concurrent negligence, this obligation to mutually indemnify, defend and hold the other Party harmless is valid and enforceable only to the extent of the negligence of each Party, its officers, agents and employees.

#### 8. DISPUTE RESOLUTION

Both Parties to this Agreement shall use every reasonable effort to resolve any issue arising under this Agreement or any dispute regarding the eligibility of costs for reimbursement by Cascade. In the event the Parties are not able to resolve a dispute arising under this Agreement, the issue shall be directed to the Chief Executive Officer ("CEO") of Cascade and the Utilities Director or other designee of Bellevue for resolution. In the event that resolution is still not reached, the Parties shall hire an independent, trained, and mutually acceptable mediator to mediate the dispute. If the Parties cannot agree upon a mediator within ten (10) business days, either Party may petition a judge of the Superior Court of King County appoint such a mediator. The cost of the mediator will be shared equally by the Parties. The mediation shall be conducted in Bellevue, Washington. In the event that resolution cannot be reached through mediation, either Party may take the necessary steps to resolve the matter in the Superior Court of King County.

#### 9. AUTHORITY

By signing this Agreement, each Party certifies that it has the authority to bind its respective governing bodies to all of the terms and conditions of this Agreement.

#### 10. MODIFICATION

This Agreement may only be modified by written instrument signed by both Parties. Modifications to the Pipeline MOU or agreements for Bellevue to provide Capital Improvement Project delivery services to Cascade on the Bellevue Pipeline Segment do not require modifying or amending this Agreement.

#### 11. TERMINATION

This Agreement may be terminated by either Party upon giving the other party six (6) months prior written notice. The provisions of Section 7 of this Agreement shall survive termination of this Agreement.

## 12. PROPERTY

The Parties do not contemplate the need to jointly acquire, hold, or otherwise dispose of real property in performance of this Agreement. Acquisition of personal property in performance of this Agreement shall be consistent with the terms of the Pipeline MOU and the purchasing party's applicable codes, policies, and procedures. Any personal property acquired pursuant to the terms of the Pipeline MOU shall be property of Cascade, except where Cascade fails to reimburse Bellevue as required under the Pipeline MOU, in which case, the personal property shall be owned by Bellevue. The parties shall not dispose of any personal property used or acquired in performance of this Agreement, except as consistent with the terms of the Pipeline MOU or otherwise with Cascade's consent.

## 13. ADMINISTRATION

No new or separate legal or administrative entity is created to administer the provisions of this Agreement. The Parties agree to perform their obligations consistent with its obligations under this Agreement, as amended, or otherwise agreed in writing by the Parties. Any notices required to be provided to the other Party should be directed to:

<u>City of Bellevue</u>	<u>Cascade Water Alliance</u>
<u>Name:</u> Joe Harbour <u>Title:</u> Assistant Director, Operations & Maintenance <u>Address:</u> P.O. Box 90012 450 110 <sup>th</sup> Ave NE, Bellevue, WA 98004 <u>Phone:</u> (425) 452-2014 <u>Email:</u> jharbour@bellevewa.gov	<u>Name:</u> Melina Thung <u>Title:</u> Chief of Staff <u>Address:</u> 520 112 <sup>th</sup> Ave. NE Suite 400, Bellevue, WA 98004 <u>Phone:</u> (425) 628-4017 <u>Email:</u> mthung@cascadewater.org

## 14. PRIOR AGREEMENTS

As of the Effective Date, this Agreement shall supersede and replace the 2006 Pipeline Agreement, 2013 Scope of Work, and annual tasks lists developed thereto.

## 15. EFFECTIVE DATE

This Agreement is effective upon the date of the last signature below.

*[Signature pages follows]*

CASCADE WATER ALLIANCE, a Washington municipal corporation

By: Ray Hoffman

Name: Ray Hoffman

Its: Chief Executive Officer

Date: 1-26-2023

CITY OF BELLEVUE, a Washington municipal corporation

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

Its: \_\_\_\_\_

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

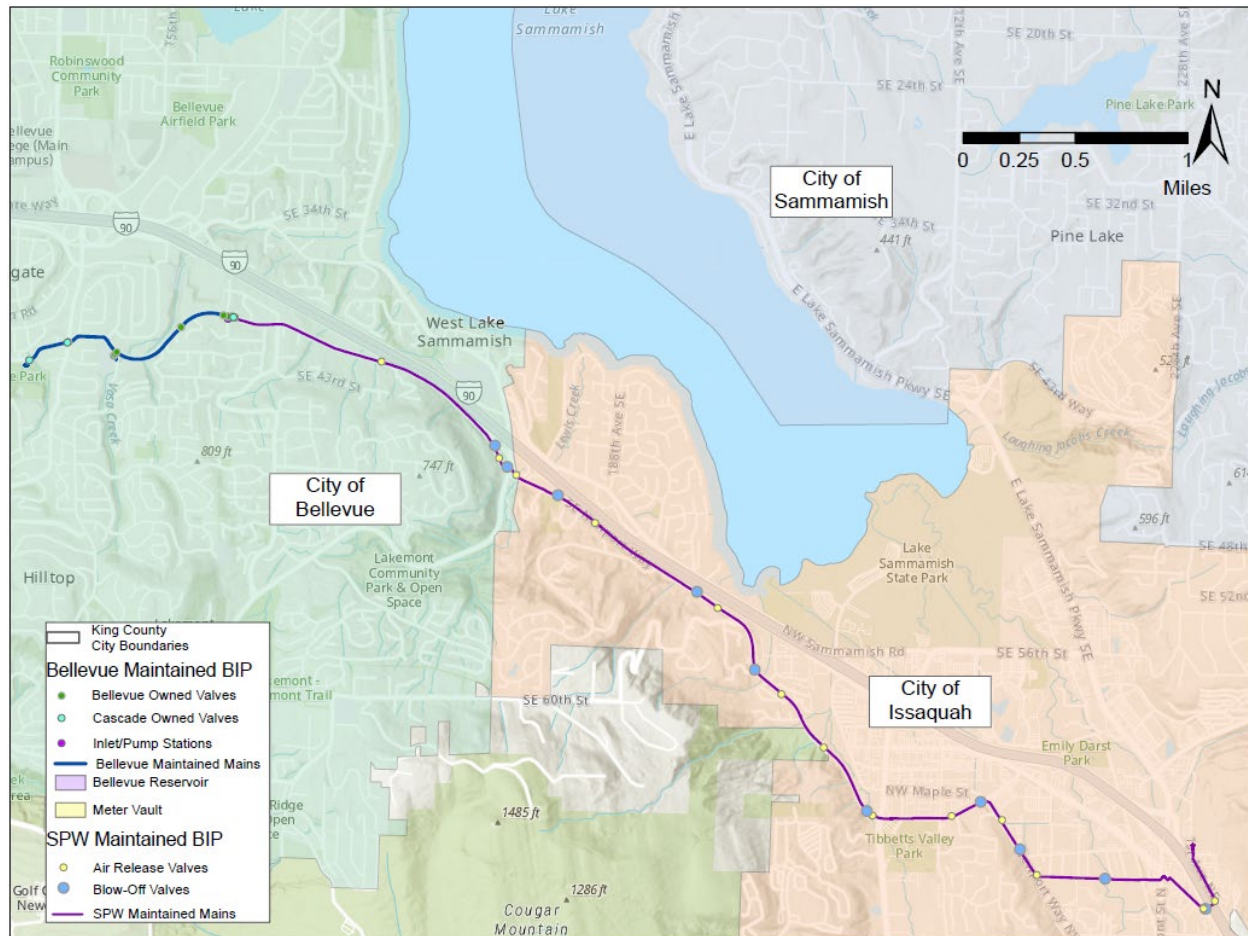
Approved as to form:  
Kathryn L. Gerla, City Attorney

By: \_\_\_\_\_  
Brian Wendt, Assistant City Attorney

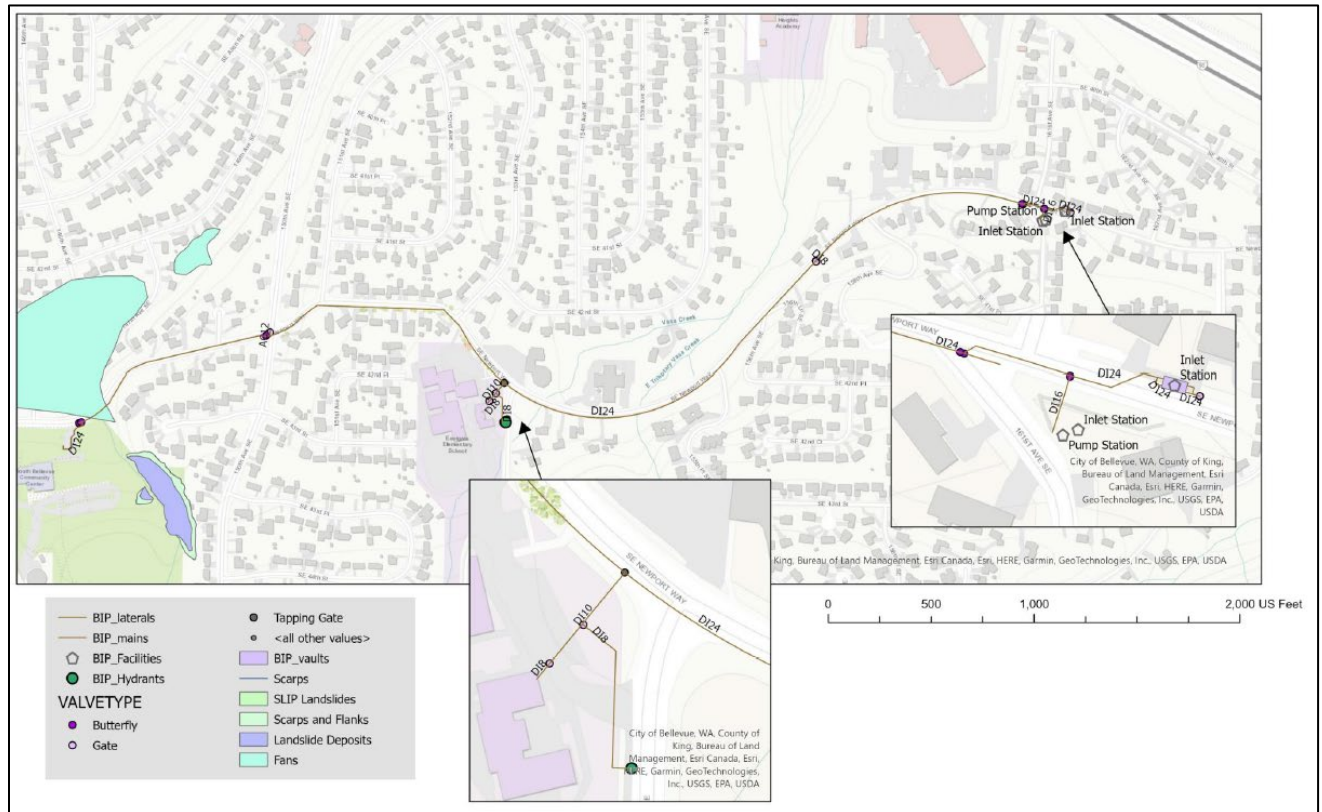


## MAPS AND DIAGRAM OF PIPELINE

### **Map A. Cascade Water Alliance Pipeline and Appurtenances**



## Map B. Cascade Water Alliance Pipeline With Connections to Other Pipelines



**Map C. Cascade Water Alliance Pipeline – Line of Demarcation Between Bellevue and Sammamish Plateau Water and Sewer District Responsibilities (Plan View)**



**Diagram 1. Cascade Water Alliance Pipeline – Line of Demarcation Between Bellevue and Sammamish Plateau Water and Sewer District Responsibilities (Elevation View)**

