

**RESOLUTION NO. 14-988**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, KING COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT AMENDMENT WITH CH2M HILL TO PROVIDE PROFESSIONAL SERVICES IN REGARDS TO THE SERVICE AREA BOUNDARY DISPUTE WITH COVINGTON WATER DISTRICT.**

**WHEREAS**, Covington Water District has filed an appeal with the King County Utilities Technical Review Committee (UTRC) in regards to a water area dispute on the west side of the City; and

**WHEREAS**, the City is in need of professional services to assist City staff in defending the City's position; and

**WHEREAS**, CH2M Hill was selected to assist the City with this service area dispute and has the expertise and familiarity necessary to provide this assistance; and

**WHEREAS**, A \$15,000 administratively approved contract with CH2M Hill was executed on October 7, 2014 to meet early deadlines of the appeal; and

**WHEREAS**, the majority of the technical support work is needed in November and December of 2014; and

**WHEREAS**, the costs of this assistance are covered in the 2014/2015 MDRT budget;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:**

**Section 1.** The Mayor is hereby authorized to execute the attached contract amendment with CH2M Hill to provide professional services in regards to the service boundary dispute with Covington Water District, substantially in the form attached hereto.

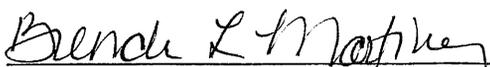
**PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 6<sup>TH</sup> DAY OF NOVEMBER, 2014.**

CITY OF BLACK DIAMOND:



Dave Gordon, Mayor

Attest:

  
Brenda L. Martinez, City Clerk

**FIRST AMENDMENT TO  
CONSULTANT SERVICES CONTRACT  
BETWEEN THE CITY OF BLACK DIAMOND  
AND CH2M HILL**

This First Amendment ("First Amendment") is made by and between the City of Black Diamond, a Washington municipal corporation (hereinafter the "City") and CH2M Hill Engineers, Inc., (hereinafter the Consultant"), a corporation organized under the laws of the State of Delaware with an office located and doing business at 1100 – 112<sup>th</sup> Avenue N.E., Suite 500, Bellevue, WA 98004, to amend the Consultant Services Contract (hereinafter the "Contract") between the parties executed on October 7, 2014.

**RECITALS**

WHEREAS, the City and Consultant executed the Contract to hire the Consultant and allow the Consultant to research, review documents and assist in the City's preparation for the pre-hearing conference at the UTRC on an appeal by the Covington Water District to the City's Water Service Area; and

WHEREAS, the City will need additional technical support in analyzing, assessing and comparing the capabilities of the City's water system and Covington's water system to support the City's attorney's efforts in defending the City's right to service the Villages Master Planned Development with water; and

WHEREAS, the parties also needed additional time to discuss and finalize the scope of services that would be required for the Consultant's work in representing the City in the UTRC appeal by the Covington Water District;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is agreed by the parties as follows:

**TERMS**

**Section 1.**     **Description of Work.** The Description of Work in the Contract shall be amended to include the scope of services described in Exhibit A, attached hereto and incorporated herein by this reference.

**Section 2.**     **Payment.** Section II of the Contract shall be amended to read as follows:

A.     The City shall pay the Consultant an amount based on time and materials according to the list of billing rates and reimbursable expenses attached hereto as Exhibit B, not to exceed Sixty Thousand Two Hundred Dollars (\$60,200) for the services described in Section 1 herein. This is the maximum amount to be paid under this First Amendment for the work described in Exhibit A and is in addition to the authorization of the original Contract, and shall not be exceeded without the prior written authorization of the City in the form of a negotiated and executed

supplemental agreement. PROVIDED HOWEVER, the City reserves the right to direct the Consultant's compensated services under the time frame set forth in Section IV herein before reaching the maximum amount.

Section II(B) of the Contract is unchanged.

**Section 3. Duration of Work.** Section IV of the Contract shall be amended to read as follows:

The Consultant shall perform the work according to the City's direction, as described in Section 1 of this Agreement and First Amendment. This Agreement and this First Amendment shall be in effect through April 2015. If the City needs additional assistance to support an appeal to the King County hearing examiner or a filing with superior court on the water service area issue, an additional amendment will be required.

CH2M Hill will begin work immediately on the new tasks assigned by Amendment 1 upon Notice to proceed (NTP). The draft technical memo will be submitted to the City of Black Diamond by December 19<sup>th</sup>, 2015. The final technical memo will be submitted to the City of Black Diamond prior to the deadline for submission established by the UTRC. CH2M Hill will provide three-day turnaround for review of draft briefs and be available for consultation through the filing of briefs, responses and replies.

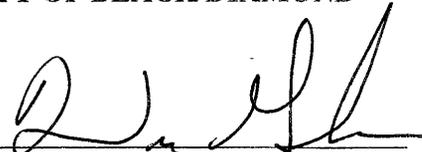
**Section 4. Incorporation of All Other Provisions.** All of the other provisions of the Contract shall remain the same and are hereby incorporated by reference into this First Amendment.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 7 day of NOV, 2014.

CONSULTANT – CH2M HILL

CITY OF BLACK DIAMOND

By  <sup>10/30/14</sup>  
Its Vice President

By   
Its Mayor

ATTEST:

APPROVED AS TO FORM:

  
Brenda Martinez, City Clerk

\_\_\_\_\_  
Carol A. Morris, City Attorney

# City of Black Diamond

## UTRC Process Technical Support

### Amendment 1

#### Initial Scope of Services

The initial services to be provided prior to the processing of Amendment 1 have been completed as follows:

1. Review various documents related and supporting the City's case for serving water for all of the Villages Master Planned Development.
2. Attend strategy meetings with the City and developer legal team and the pre-hearing conference.
3. Prepare submittals to the Utilities Technical Review Committee for the prehearing conference by September 26<sup>th</sup>.

#### Additional Scope of Services Included in Amendment 1

The City of Black Diamond (City) has requested CH2M HILL technical support to assist with the City's response to an Appeal filed with the King County Utilities Technical Review Committee (UTRC) by Covington Water District (CWD) to solve a water service area dispute over the right to serve 98 acres on the west side of Black Diamond within the Villages Master Planned Development.

#### Covington Water District Filing Support

Although in form, CWD's filing with the UTRC is nominally a Timely and Reasonable challenge under the Municipal Water Law, in substance and in fact, it is actually a service area dispute under the provisions of the Water Supply Coordination Act (RCW 70.116). CH2M HILL will review documents, memos, reports, plans and other materials and prepare a brief memo addressing technical matters related to establishment of water service areas under RCW 70.116.

#### 1) Materials to be reviewed include:

- a) Covington Water District Comprehensive Plan and pending draft Water Comprehensive Plan and other relevant CWD documents and regulations as requested by the City of Black Diamond
- b) City of Black Diamond's Water Comprehensive Plan
- c) City of Black Diamond's water system hydraulic model
- d) Covington WD water system hydraulic model
- e) Yarrow Bay engineered drawings and specific plans for service to phases 1A and 2 of the Villages Master Planned Development
- f) South King County Coordinated Water System Plan
- g) Various land use approvals, agreements, and pending applications
- h) City of Black Diamond Engineering Design and Construction Standards
- i) Documents submitted and/or filed with the UTRC by CWD and interveners in the process

## 2) Technical Memo

- a) Prepare a draft technical memo addressing issues relevant to the UTRC process and responding to issues raised by CWD and interveners in the process. It is expected that the technical memo will be no longer than 20 pages. The memo will address
  - i) Comparison of the ability of Covington WD and the City of Black Diamond to meet the fire flow requirements, level of service adopted by the City of Black Diamond and CWD, conditions imposed by the hearing examiner in Villages PP1A approval and the Villages development agreement.
  - ii) Compare the difference in the cost of new public infrastructure for CWD and City to serve the disputed 98 acres in addition to the surrounding areas already planned to be served.
  - iii) Evaluation of the differences of administrative, operation and maintenance efficiency of service for Black Diamond to serve the disputed 98 acres as compared to Covington Water District to serve the same 98 acres.
  - iv) Evaluation of the difference in system reliability for Black Diamond to serve the disputed 98 acres as compared to Covington Water District to serve the same 98 acres.
  - v) Evaluation of the City's hydraulic model and the validity of the City of Black Diamond's Water Comprehensive Plan to provide fire flow, redundant service with a major water line or source out of service during a peak day and compare to Covington Water District's ability to provide the same.
  - vi) Evaluation of CWD's hydraulic model and the validity of the CWD's Comprehensive Plan to provide fire flow, redundant service with a major water line or source out of service during a peak day and compare to City's ability to provide the same.
- b) Based on comments received from the City, revise and finalize the technical memo for submission to the King County UTRC by City's counsel

## 3) Review of legal briefs

- a) CH2M Hill staff will provide reviews of draft legal briefs to ensure attorneys interpret technical information correctly and provide recommendations, comments and edits.

## 4) Meetings

- a) CH2M Hill assigned staff will attend 4 meetings to review progress with the UTRC appeal defense team at a preliminary outline phase, a preliminary draft phase, and during the brief preparation phase and one unspecified meeting if needed.

## 5) Professional Support

Provide additional professional services requested by the City but not defined or included in this scope of work. Given the level of uncertainty and complexity of the work, the city may desire to have CH2M HILL perform work or render additional services within the general scope of this project but which has not been specifically included in the scope of work or due to the current uncertainty associated with the work in the scope, the level of effort for budgeting purposes is difficult to define. A professional support fund has been established for this project as a means for the city to address the level of effort for these undefined services or contingencies that are not included in the rest of the scope. Services will be requested on an as-needed basis by city. Work completed under this task is limited to 80 hours of professional services.

## Assumptions

- 1) The City will provide electronic copies of all materials to be reviewed and evaluated by CH2M HILL. CH2M HILL will reasonably rely upon the timeliness, accuracy, and completeness of information provided by the City.
- 2) Review of materials will require no more than 50 hours of professional staff time.
- 3) Review and evaluation of the City of Black Diamond and Covington Water District hydraulic models to address the matters described in section 2)a)v) and 2)a)vi) will require no more than 32 hours of professional time. The City of Black Diamond model will be provided in complete and functional form in WaterCad 8i. The Covington Water District hydraulic model will be provided in complete and functional form in InfoWater version 10.1. CH2M HILL will use each hydraulic model "as-is". No calibration or verification will be conducted.
- 4) Completion of the CWD related service area dispute memo will require no more than 60 hours of professional staff time.
- 5) Participation in the meetings included in this scope will be limited to 4 professional staff. Meetings will be limited to no more than 3 hours each.
- 6) Professional support beyond the technical analysis as described in section 5), Professional Support, above will be limited to 80 hours of professional staff time.
- 7) Clerical and other support staff for this scope will be limited to 20 hours.
- 8) Total CH2M HILL staff time for this project will not exceed 310 hours.
- 9) Review and comment by the City and counsel on technical memos will be completed in one round of consolidated review comments.

## Deliverables

- 1) One draft technical memo in electronic form addressing issues related to the service area dispute raised by CWD
- 2) One final technical memo in electronic and hard copy form addressing related the service area dispute raised by CWD.
- 3) If needed, assist legal counsel with preparing declarations outlining key points from the technical review and potentially addressing issues CWD raises in briefing.

# Exhibit B

## Fee Schedule

### City of Black Diamond Water Service Area – UTRC Support

Functional Classification	Rate
Principal Project Manager	\$246
Project Engineer	\$246
Rate Analyst	\$135

The labor schedule and job classifications above are representative of CH2M HILL personnel who may be required to perform the work on the project. If other personnel are required to work on this project they shall be billed at a labor rate of 3.2 times direct salary cost. The burdened billing rates above are inclusive of all employer contributions, benefits, overhead expenses and profits. These rates shall be valid through December 2014, with a 3% labor escalation effective annually January 1 of the subsequent year.

#### Reimbursable Expense Schedule

Reimbursable expenses for services performed are:

- Reimbursable direct external expenses chargeable to the project, which are included in the maximum billing amount, are paid at cost and are defined as follows:
  - Travel subsistence and incidentals costs
  - Rental charges for use of equipment, including equipment owned by CH2M HILL.
  - Reproduction of reports, drawings, and specifications
  - Shipping charges for project-related materials
  - Reimbursable direct external expenses for subcontract or outside services, obtained specifically for and applicable only to this project are paid at cost times 1.10