

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

CONSENT AGENDA REQUEST

TO: Board of County Commissioners

FROM: Mark McCauley, County Administrator

DATE: February 10, 2025

SUBJECT: Interlocal Agreement with Chimacum School District (CSD)

STATEMENT OF ISSUE:

Chapter [39.34](#) RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage.

An interlocal agreement between the County and the CSD Board is necessary to secure grant funding specific to a portion of the Chimacum Creek Primary School as the designated Project Site Location for a new public aquatic facility.

ANALYSIS:

On January 27, 2025, the BoCC approved Chimacum Creek Primary School as the Project Site Location for the purposes of applying for grant monies to support a new public aquatic facility. An interlocal agreement is necessary to clarify each parties' roles and responsibilities for a successful partnership. A draft of the proposed interlocal agreement is attached. Timing of applying for the grant funding is short and CSD may request non-material changes to the interlocal agreement. CSD will also be holding a special meeting this week to review the ILA. As such, delegating authority to the County Administrator to sign the interlocal agreement makes sense, so the ILA can be approved by both the County and CSD prior to the federal grant submission deadline of February 21, 2025.

FISCAL IMPACT:

An interlocal agreement will maximize limited governmental resources by sharing support staff, legal services, and administrative overhead costs for the purposes of applying for grant monies used to support a new public aquatic facility.

RECOMMENDATION:

Move to authorize the county administrator to review and approve the proposed interlocal agreement with the CSD.

REVIEWED BY:


Mark McCauley, County Administrator


Date

**INTERLOCAL AGREEMENT
BETWEEN JEFFERSON COUNTY AND
THE CHIMACUM SCHOOL DISTRICT**

This Interlocal Agreement (Agreement) between Jefferson County (County), a political subdivision under the laws of the State of Washington, and the Chimacum School District (CSD), (collectively the Parties) is hereby dated and made effective this _____ day of February 2025.

WHEREAS, chapter 39.34 RCW (Interlocal Cooperation Act) permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

WHEREAS, it is well-known that Jefferson County has been exploring options for a new public aquatic facility through the county's Healthier Together Task Force and by participating in other stakeholders' meetings for several years now; and

WHEREAS, Jefferson County, working collaboratively with key community stakeholders, finally has the capacity through further strengthening public and private partnerships to take actionable steps towards finalizing potential plans for a new public aquatic facility; and

WHEREAS, building a new public aquatic facility located in Jefferson County's tri-area would create the most accessible county-wide location; and

WHEREAS, in order to the move forward with a new public aquatic facility, Jefferson County will need to apply for federal grant funding to help meet the high costs of design, construction, and other related operational costs for a new aquatic facility; and

WHEREAS, Jefferson County approached CSD about the possibility of purchasing property owned by CSD near the Chimacum Creek Primary School and the Jefferson County Library in Port Hadlock-Irondale, WA 98339; and

WHEREAS, CSD instead proposed that it partner with Jefferson County on the use of other property owned by CSD on the Chimacum Creek Primary School campus, immediately adjacent to the Jefferson County Library, as shown in Figure A, below (the Project Site Location); and

WHEREAS, the Project Site Location has been determined by Jefferson County to be the best location for a new public aquatic facility in Jefferson County for the reasons discussed by the Jefferson County Board of County Commissioners at its January 27, 2025 regular session, and others; and

WHEREAS, Jefferson County is well-situated to apply for the competitive 2025 Legislative Session Member Requested Local Community Project grant and the application must be submitted no later than February 21, 2025; and

WHEREAS, having received permission from CSD, the Jefferson County Board of Commissioners unanimously voted on January 27, 2025, to approve CSD as a co-applicant on the

2025 Legislative Session Member Requested Local Community Project grant application and designate CSD's Chimacum Creek Primary School, located at 313 Ness Corner Road, Port Hadlock, WA 98339, as the "project site location" for the grant; and

WHEREAS, Jefferson County and CSD desire to better coordinate their efforts in order to pursue their individual, joint, and mutual goals of improving the public infrastructure and public amenities located in Jefferson County's tri-area, including but not limited to, a new public aquatic facility accessible for all Jefferson County residents and to promote destination tourism in Jefferson County; and

WHEREAS, Jefferson County desires to create a Public Facilities District (PFD) to provide an on-going source of revenue for construction and operation of a new public aquatic facility pursuant to RCW [36.100.010](#)(1) in the near future; and

WHEREAS, pursuant to RCW [36.100.030](#), public facilities districts are authorized to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities, and recreational facilities, together with contiguous parking facilities;

NOW, THEREFORE, the Parties have entered into this Agreement in consideration of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act.

(1) Purpose and Interpretation

- A. Jefferson County and CSD will work collaboratively to apply for funding opportunities that serve their joint interests for improving the designated Project Site Location for a new public aquatic facility.
- B. Jefferson County is empowered by chapter [36.100](#) RCW to create a PFD in order to acquire, construct, own, remodel, maintain, equip, reequip, repair, and operate sports facilities, entertainment facilities, convention facilities, and recreational facilities, together with contiguous parking facilities. To this end, Jefferson County intends to work in partnership with CSD and other key community stakeholders, towards the construction of a new public aquatic facility located at the Project Site Location on the Chimacum Creek Primary School's property and the creation of a PFD to operate the new public aquatic center.
- C. In order to make the most efficient use of public monies, to avoid duplication of effort, and to coordinate their efforts, the Parties have entered into this Agreement. In the event of ambiguity or the need for guidance arises, this Agreement shall be interpreted in accordance with the provisions of RCW [39.34](#) (Interlocal Cooperation Act), and the provisions of the Governmental Accounting Act, RCW [43.09.200](#) *et seq.* as the same exists or shall hereafter be amended.
- D. Once a PFD is created, an amended or new interlocal agreement may be necessary. Pursuant to RCW [36.100.010](#)(3), a public facilities district is a municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a

“taxing district” within the meaning of Article VII, section 2 of the state Constitution. The Parties shall work cooperatively to add a newly formed PFD to this Agreement.

(2) Obligations of the Chimacum School District.

CSD shall:

- A. In accordance with the requirements of the Washington State Department of Commerce, Community Capital Facilities Site Control, provide the “Project Site Location” at Chimacum Creek Primary School (commonly known address 313 Ness Corner Road, Port Hadlock, WA 98339, and Tax Parcel ID No. 901023010). The Project Site Location is identified in Figure A (see next page).
- B. Maintain control of the Project Site Location for a minimum of 15-years or as long as necessary to satisfy the requirements of grant agreements.
- C. As explained in Section 4 below, execute a long-term lease agreement for not less than 15-years from the time at which the Washington State Department of Commerce tenders any grant funds to begin design, planning, construction or any combination thereof for the new public aquatic facility at the Project Site Location. Additional terms to the lease agreement shall be negotiated by the Parties to the lease, which may include Jefferson County, the future PFD, and other government or private entities, as may be deemed necessary for the construction and operation of the new public aquatic facility.
- D. Agree to cooperate in good faith in considering applying for all relevant and available grant applications that would further advance CSD and the county’s shared purpose and goals, as set forth in this Agreement, or as subsequently amended.
- E. Participate in all required grant requirements and reporting where CSD is a co-applicant with the county, as set forth in this Agreement, or as subsequently amended.

Figure A: Project Site Location¹



¹ GIS Accessed by Jefferson County on January 27, 2025.

(3) Obligations of Jefferson County.

The County shall:

- A. Until a PFD is created, provide all staff and necessary related support to the joint application, design, and partnership between the county and CSD towards the construction, operation, and maintenance of a new public aquatic facility located at the Project Site Location.
- B. Annual services provided may include the services provided by the Prosecuting Attorney's Office, the Clerk of the Board of County Commissioners, the County Treasurer, and employees of the County serving the needs of the Project Site Location and any associated costs including but not limited to, the preparation of grant application(s), reporting, advertising, design, contracting, construction management, accounting, and any and all other actual charges or agreed upon percentage of charges associated with the proper application of allocated funding in accordance with law and ordinance. In consideration of the benefits derived by the County, overhead charges such as utilities, information technology, office supplies, and equipment shall be a contribution of the County to the Parties' joint goals and objectives and need not be directly charged to CSD.
- C. Maintain for the period established by the State Archivist retention schedule, financial records, kept in accordance with general accepted accounting practice and governmental accounting requirements, as necessary to document that any and all funding received through any joint grant application, this Agreement, or as otherwise subsequently agreed, is used only for approved projects in accordance with state law.

(4) Ownership and Lease of the Project Site Location.

- A. A new public aquatic facility and all related infrastructure directly developed, maintained, and improved by the future PFD shall remain the property of the PFD. However, the real property located at 313 Ness Corner Road, Port Hadlock, WA 98339, shall remain the real property of CSD. Any land or playground construction and improvements to the Site Location that are not directly related to the public aquatic facility remain the property of CSD. No joint property ownership is contemplated under the terms of this Agreement. However, the Parties agree to use their best efforts to enter into a mutually acceptable lease document for a new public aquatic facility located at the Project Site Location. CSD agrees to maintain control and ownership of the Project Site location for at minimum 15-years, or as long as necessary to satisfy the requirements of grant applications.
- B. The Parties understand that by entering into this Agreement, that neither Jefferson County nor CSD accept any financial burden for maintaining the new public aquatic facility and that all maintenance, repair, and operations shall be conducted only by the PFD. Jefferson County and CSD shall insist that the PFD fully operate and maintain the new public aquatic facility as part of any future lease agreement.

(5) No Joint Board.

No provision is made for a joint board. CSD, Jefferson County, and the future PFD shall each exercise their respective functions in accordance with any applicable bylaws and state law.

(6) Potential Conflict & Mutual Parties.

By signing this Agreement, CSD is consenting to joint representation by the Jefferson County Prosecuting Attorney's Office. Joint representation offers several advantages such as presenting a united front against any claims and minimizing the opportunity to pit one jointly represented Party against another. Moreover, joint representation often allows for improved coordination of the Parties. Joint representation also leads to cost and time efficiencies and extra value related to information exchange and strategy development. No Party is under any obligation to agree to joint representation. If CSD has any doubts about agreeing to joint representation, CSD should obtain independent counsel at CSD's expense to ensure that CSD's interests are independently represented. As a condition of the Prosecuting Attorney representing jointly representing CSD, the Parties shall each enter into a joint representation agreement with waivers of any potential or actual conflicts of interest on a form acceptable to and approved by the Jefferson County Prosecuting Attorney. A separate conflict of interest waiver shall also be executed by the Jefferson County Board of Commissioners and the Chimacum School District more thoroughly addressing these potential issues.

(7) Mutual Indemnity.

For its comparative liability, each Party agrees to indemnify, defend and hold the other Party, its officers, officials, employees, agents and volunteers (and their marital communities), harmless from and against any claims, damages, losses and expenses, including but not limited to court costs, attorney's fees and alternative dispute resolution costs, for any personal injury, for any bodily injury, sickness, disease or death and for any damage to or destruction of any property (including the loss of use resulting therefrom) which are alleged or proven to be caused by an act or omission, negligent or otherwise, of its officers, officials, employees, agents or volunteers (and their marital communities). A Party shall not be required to indemnify, defend, or hold the other Party or its officers, officials, employees, agents and volunteers (and their marital communities) harmless if the claim, damage, loss or expense for personal injury, for any bodily injury, sickness, disease or death or for any damage to or destruction of any property (including the loss of use resulting therefrom) is caused by the sole act or omission of the other Party or its officers, officials, employees, agents or volunteers. If any concurrent act occurs or omission of the Parties and their officers, officials, employees, agents and volunteers, negligent or otherwise, these indemnity provisions shall be valid and enforceable only for the comparative liability of each Party and its officers, officials, employees, agents or volunteers. The Parties agree to maintain a consolidated defense to claims made against them and to reserve all indemnity claims against each other until after liability to the claimant and damages are adjudicated. If any claim is resolved by voluntary settlement and the Parties cannot agree upon apportionment of damages and defense costs, they shall submit apportionment to binding arbitration. The indemnification obligations of the Parties shall not be limited

by the Washington State Industrial Insurance Act, title [51](#) RCW, or by application of any other workmen's compensation act, disability benefit act or other employee benefit act. Each Party expressly waives any immunity afforded by such acts to the extent required by a Party's obligations to indemnify, defend and hold harmless the other Party, its officers, officials, employees, agents and volunteers (and their marital communities). A Party's waiver of immunity does not extend to claims made by its own employees directly against that Party as employer. The indemnity provisions of this section are a material inducement to enter into this Agreement and have been mutually negotiated. This section shall survive the expiration or termination of this Agreement.

(8) Compliance with Laws.

Each Party accepts responsibility for compliance with federal, state or local laws and regulations including, in particular, that Party's bidding requirements applicable to the acquisition of any goods, services, or equipment obtained through the cooperative process agreed to herein.

(9) Effective Date.

This Agreement shall be effective upon the last authorizing signature affixed hereto, and when filed with the county auditor as required by RCW [39.34.040](#).

(10) Termination.

This Agreement shall terminate or expire as follows:

- A. Prior to the execution of the lease required by [Section 4](#), this Agreement may be terminated by either Party upon the provision of sixty (60) calendar days' notice.
- B. After the execution of the lease required by [Section 4](#), this Agreement may be terminated by either Party upon the provision of 24 months' notice. Upon receiving notice of termination after the execution of the lease agreement, CSD may offer Jefferson County and/or the future PFD a lease purchase agreement at fair market value. Any additional terms of a future lease purchase agreement shall be negotiated by the Parties to any such agreement.
- C. A final reconciliation of costs, payments, and a current report of completed activities to date shall be completed by both Jefferson County and CSD within such period following notice by either Party.

(11) Survival.

Those provisions of this Agreement that by their sense and purpose should survive the term of this Agreement. Without limiting the generality of the preceding sentence, and for the avoidance of doubt, the provisions that survive the term of this Agreement include: controlling law and indemnification.

(12) Severability.

Any provision of this Agreement held to be prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions or affecting the validity or enforcement of such provisions.

(13) Contact Persons.

The Parties stipulate that the following persons shall be the contact person for their respective jurisdiction.

JEFFERSON COUNTY:

Mark McCauley
County Administrator
Jefferson County
1820 Jefferson St., Port Townsend, WA 98368
Phone: (360) 385-9130

CHIMACUM SCHOOL DISTRICT:

Dr. Scott Mauk
Superintendent
PO BOX 278
91 West Valley Road
Chimacum, WA 98325
Phone: 360-302-5890

(14) Recording.

A copy of the fully executed version of this Agreement shall be recorded by Jefferson County in the Jefferson County Auditor's Office.

(16) General Provisions.

- A. No new or separate legal or administrative entity is created to administer the provisions of this Agreement.
- B. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement.
- C. No provision of this Agreement may be amended or modified except by written agreement signed by the Parties.
- D. This Agreement shall be binding upon and inure to the benefit of the Parties' successors in interest, heirs and assigns.
- E. The Parties do not intend, and nothing in this Agreement shall be construed to mean, that any

provision in this Agreement is to benefit any person or entity who is not a Party.

- F. This Agreement may be amended or supplemented only by a writing signed by duly authorized representatives of all the Parties.
- G. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Agreement at different times and places by the Parties shall not affect the validity of this Agreement, so long as all the Parties execute a counterpart of this Agreement.
- H. The Parties agree that facsimile and electronic signatures shall have the same force and effect as original signatures.
- I. If either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each Party shall pay all its own attorneys' fees, costs and expenses.
- J. It is understood and agreed this Agreement is entered into in the State of Washington. This Agreement shall be governed by and construed under the laws of the United States, the State of Washington and the County of Jefferson, as if applied to transactions entered into and to be performed wholly within Jefferson County, Washington between Jefferson County residents. No Party shall argue or assert that any state law other than Washington law applies to the governance or construction of this Agreement.
- K. The venue for any legal action shall be solely in the appropriate state court in Jefferson County, Washington, subject to the venue provisions for actions against counties in RCW [36.01.050](#).
- L. The county shall be responsible for compliance with the Washington Public Records Act, chapter [42.56](#) RCW (as may be amended) for both Parties. This Agreement, once executed, will be a "public record" subject to production to a third-party if it is requested under the chapter [42.56](#) RCW.
- M. No Party may sell, transfer or assign any rights or benefits under this Agreement without the written approval of all the Parties.

(SIGNATURES FOLLOW ON NEXT PAGE)

CHIMACUM SCHOOL DISTRICT

JEFFERSON COUNTY

By: _____
Dr. Scott Mauk, CSD Superintendent
Date:

By: _____
Mark McCauley, County Administrator
Date:

SEAL:

ATTEST:

Carolyn Gallaway, CMC Date
Clerk of the Board

Approved as to form only:

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney