

**REVISED AND RESTATED INTERLOCAL AGREEMENT FOR
FIRE AND EMERGENCY MEDICAL SERVICES**

THIS REVISED AND RESTATED INTERLOCAL AGREEMENT (“Restated ILA”) by and between **SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 1**, a Washington municipal corporation (the “District”) and the **CITY OF EDMONDS**, a Washington city (the “City”) is for the provision of fire and emergency medical services (EMS).

WHEREAS, a consolidated Fire and EMS service, by a single vendor or through a Regional Fire Protection Service Authority (RFA), has recently gained support of most elected officials in Southwest Snohomish County; and

WHEREAS, the City and District agree that a long-term agreement between the City and the District for fire and emergency medical services is beneficial to the City and District and their stakeholders; and

WHEREAS, on November 3, 2009, the City and District entered into an Interlocal Agreement (the “Agreement”) for the District to provide fire and emergency medical services to the City beginning January 1, 2010;

WHEREAS, such Agreement was amended pursuant to a First Amendment dated April 17, 2012 to address a fire boat; and

WHEREAS, such Agreement was amended pursuant to a Second Amendment approved on January 27, 2015; and

WHEREAS, the District and the City are authorized, pursuant to Chapter 39.34 of the Revised Code of Washington, to enter into Interlocal Agreements which allow the District and the City to cooperate with each other to provide high quality services to the public in the most efficient manner possible; and

WHEREAS, the parties have analyzed the performance of the Agreement during the period of 2010 – 2016 (the “Introductory Period”) and have determined that is in their mutual interests and the interests of their respective stakeholders to revise and update the Agreement; and

WHEREAS, the District and City now wish to revise and restate the Agreement as provided herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the City and District hereto agree as follows:

0. DEFINITIONS.

The following definitions shall apply throughout this Restated ILA.

- a. **Adjustment Year:** The year in which a new collective bargaining agreement (CBA) is effective between the District and the local chapter of the IAFF. When a new CBA has retroactive effect, the Adjustment Year shall be the date to which the CBA is retroactively applied. For example, if a CBA expires on December 31, 2014 and a new CBA is executed on December 1, 2016 but made retroactive to January 1, 2015, the Adjustment Year would be 2015.
- b. **Assigned:** As used in the definitions of Unit Utilization Factor and Neighboring Unit Utilization Factor, the term "Assigned" shall describe the period of time in seconds from dispatch time to clear time, when the Unit becomes available to respond to another call.
- c. **City:** City of Edmonds.
- d. **City Fire Stations:** Fire Station 16, Fire Station 17, and Fire Station 20.
- e. **Commencement Date:** January 1, 2010.
- f. **Contract Payment:** The amount that the City shall pay to the District pursuant to this Restated ILA.
- g. **District:** Snohomish County Fire Protection District No. 1.
- h. **Edmonds Unit:** An Edmonds Unit is any Unit based at one of the City Fire Stations with the exception of the Battalion Chief.
- i. **Effective Date:** February 1, 2017.
- j. **Esperance:** "Esperance" refers to the entirety of the contiguous unincorporated area that is completely surrounded by the City of Edmonds and commonly known as Esperance.
- k. **Esperance Offset:** The amount of tax revenue and fire benefit charges, if fire benefit charges are imposed in the future, to be received by the District from Esperance for the year in which the Contract Payment is calculated. The Esperance Offset shall not drop below \$1,117,150 (the amount derived by multiplying the 2017 Esperance Assessed Value of \$565,469,115 by the District's 2017 tax rate of \$1.97561714741 divided by 1,000) even if the actual tax revenue received by the District drops below that amount as a result of reductions in assessed valuation or tax rate. The Esperance Offset for any given year shall not exceed \$1,117,150, multiplied by the compounded percentage increase in City Station Personnel Costs from 2017 to the year for which the Esperance Offset is being calculated. For example, if City Station Personnel Cost increases 3% from 2017 to 2018 and 4% from 2018 to 2019, the 2019 cap for the Esperance Offset would be \$1,197,516 and be calculated as follows:

$$\$1,117,150 \times 1.03 = \$1,150,664 \times 1.04 = \mathbf{\$1,196,691}$$

- i. **District Fire Chief**: The Fire Chief of Snohomish County Fire Protection District No. 1.
- m. **Firefighters**: Full-time, compensated employees, captains, firefighters, emergency medical technicians, and/or paramedics.
- n. **Insurance**: The term “insurance” as used in this Restated ILA means either valid insurance offered and sold by a commercial insurance company or carrier approved to do business in the State of Washington by the Washington State Insurance Commissioner or valid self-insurance through a self-insurance pooling organization approved for operation in the State of Washington by the Washington State Risk Manager or any combination of valid commercial insurance and self-insurance pooling if both are approved for sale and/or operation in the State of Washington.
- o. **Law**: The term “law” refers to state and federal statutes and regulations. Unless expressly identified herein, City ordinances, codes and resolutions shall not be considered “law.”
- p. **Material Breach**: A Material Breach means the District’s failure to provide minimum staffing levels as described within this Restated ILA, the City’s failure to timely pay the Contract Payment as described within this Restated ILA, or the City’s or District’s failure to comply with other material terms of this Restated ILA.
- q. **Neighboring Unit Utilization Factor**: See Exhibit E.
- r. **Negotiation Threshold**. A designated occurrence or condition that requires the parties to renegotiate the Restated ILA.
- s. **Non-Edmonds Unit**: A Non-Edmonds Unit is any Unit stationed at any station other than the City Fire Stations.
- t. **Transport Balance Factor**: See Exhibit E.
- u. **Unit**: A Unit is a group of Firefighters that work together and are based at the same station. Where a station is staffed by three firefighters at any one time, that station shall be considered a Unit. Where a station is staffed by five or more firefighters at any one time, without counting the Battalion Chief or Medical Services Officer, that station shall be deemed to have two Units and the District shall clearly allocate the Firefighters at that station in such a manner that the two Units at that station can be clearly distinguished for the purposes of determining the Unit Utilization Factor for each Unit.
- v. **Unit Utilization Factor**: See Exhibit E.

- w. **Wind-Up Period**: Except in the context of Material Breach as defined in Section 10.2, the two years immediately following notice of termination under 11.2.

1. **SCOPE OF SERVICES**

- 1.1 **Services Provided**. The District shall provide all services necessary for fire suppression, emergency medical service, hazardous materials response, technical rescue, and disaster response (not including an Emergency Operations Center, which is provided by the City at the time of this Restated ILA) to a service area covering the corporate limits of the City of Edmonds. In addition, the District shall provide support services including, but not limited to, fire marshal, fire prevention and life safety, public education, public information, and fleet maintenance, payroll and finances, human resources, and legal and risk management pertaining to the operations and delivery of the District's services.
- 1.2 **Training, Education, and Career Development**. The District shall provide training and education to all firefighter and emergency medical service personnel in accordance with State, County and local requirements. Furthermore, the District shall offer professional development and educational and training opportunities for unrepresented and civilian employees.
- 1.3 **City Fire Chief**. The District Fire Chief shall be designated as the City Fire Chief for purposes of statutory provisions, regulations and the Edmonds City Code.
- 1.4 **District Fire Chief Designates Fire Marshal**. The District Fire Chief shall designate an individual to serve as City Fire Marshal, and shall assign necessary personnel to support the functions and needs of the Fire Marshal as mutually agreed to and partially funded by the City (See Exhibit A), subject to the City's right to provide its own fire inspectors pursuant to Section 2.8.2, below.

2. **STANDARDS FOR SERVICES/STAFFING**

- 2.1 **Battalion Chief**. A Battalion Chief shall continue to be available for response within the City twenty-four (24) hours per day, seven (7) days per week as during the Introductory Period. The District agrees to provide Incident Command response for all emergency incidents twenty-four (24) hours per day, seven (7) days per week.
- 2.2 **Fire Station Staffing**. The City Fire Stations shall each be staffed twenty-four (24) hours per day, seven (7) days per week with a minimum of one (1) fire captain and two (2) firefighters, at least one of whom shall be a firefighter/paramedic. Any increase in staffing above this level shall not increase the Contract Payment unless the increase occurs through an amendment of this Restated ILA.

2.2.1 The parties shall renegotiate this Restated ILA upon the occurrence of any of the following Negotiation Thresholds:

a. When the Unit Utilization Factor ("UUF") at any one of the City Fire Stations exceeds 0.250;

b. When the Neighboring Unit Utilization Factor ("NUUF") is out of balance as defined in this Restated ILA, PROVIDED THAT this subsection shall not trigger a renegotiation any earlier than January 1, 2018.

c. When the Transport Balance Factor (TBF) is out of balance as defined in this Restated ILA, PROVIDED THAT this subsection shall not trigger a renegotiation earlier than January 1, 2018.

d. When the Esperance Offset drops by ten percent (10%) or more over any consecutive three (3) year period.

2.2.2 The District shall provide written notice to the City ("Threshold Notice") whenever any of the foregoing Negotiation Thresholds occurs. Within thirty (30) days of issuance of a Threshold Notice, the parties shall meet to renegotiate this Restated ILA. Such negotiations shall include, at least the following topics:

- (i) Methodologies intended to reduce the UUF substantially below 0.250 or to balance the NUUF or TBF, as applicable (collectively "Remedial Measures"). Remedial Measures may include, but shall not be limited to, changes to the staffing mix and/or levels, adding another Unit, changing fire response plans in CAD, and/or implementing other service changes; and
- (ii) Adjusting the Contract Payment to account for the District's increased cost in employing the selected Remedial Measures.
- (iii) Where the Threshold Notice pertains to subsection 2.2.1(d), topics of negotiation shall include increasing the amount of the Esperance Offset and/or reducing staff and/or reducing overhead charges that are billed to the City.

2.2.3 The District shall identify various Remedial Measures that are likely to expeditiously achieve the applicable goals in Section 2.2.2(i). The City may opt to identify and notify the District about alternative Remedial Measures. After consulting with the District, the City shall select one or more of the Remedial Measures and shall provide written notice of same within one hundred twenty (120) days following the issuance of the Threshold Notice (the "Negotiation Deadline"). The City's selection shall be subject to mediation under paragraph 18.1 if the District finds the City's selection to be ineffective or inappropriate, but it shall not be subject to arbitration under paragraph 18.2. Any disputes regarding the cost impacts of the City's selection shall be subject to the complete Dispute Resolution procedures, and any adjustment to the Contract Payment arising out of the Dispute Resolution Procedures shall be retroactive to the earlier of the Negotiation Deadline or the date that the Remedial Measures were initially employed. If the City fails to designate one or more Remedial Measures by the Negotiation Deadline, such failure shall be deemed a Material Breach.

2.2.4 The parties shall endeavor to execute an amendment prior to the Negotiation Deadline. If the parties cannot agree upon an amendment to this Restated ILA before the Negotiation Deadline, either party may terminate the Restated ILA pursuant to 11.2, PROVIDED THAT during the ensuing two-year Wind-Up Period, the District shall be authorized to increase service levels at the City Fire Stations as it deems necessary, and FURTHER PROVIDED THAT the marginal increase in the Contract Payment resulting from any such District-imposed service level increases during the Wind-Up Period shall be shared equally by the parties during the Wind-Up Period.

2.3 Shift Arrangements. The City prefers that the following shift arrangements apply to personnel assigned to stations within the City: no Firefighter shall start a 24-hour shift at any of the City Fire Stations if that Firefighter has just completed a 48-hour shift at a City Fire Station or any other fire station in the District without having taken a rest day between shifts. The District commits that it will undertake in good faith, pursuant to Chapter 41.56 RCW, to negotiate successfully for those arrangements, to be implemented.

2.4 Review of Service Delivery Objectives. The parties acknowledge that the service delivery objectives adopted in 2006 (“Response Objectives”) have never been met in their entirety, even when the City had its own fire department. During the Introductory Period, the parties contracted for a particular staffing level at the City Fire Stations. It has been recommended that the parties move toward a performance-based contract where the City pays for a particular level of service that is measured by service delivery objectives (e.g. response time) instead of a particular number of positions. The parties would like to continue to evaluate this recommendation, but acknowledge that it would take significant additional work to implement such a change, not the least of which includes adoption of achievable performance standards. The City and the District agree to work toward adoption of a revised set of service delivery objectives in the first quarter of 2018.

2.4.1 Turnout Time. The District has adopted a standard of 2 minutes and 15 seconds on 90% of all calls. Failure to meet this standard shall not be deemed a Material Breach. If this standard is not being met during calendar year 2017 for the City Fire Stations, the District shall provide the City, no later than December 31, 2017, with a report containing the following information: (i) a list of possible measures that could be implemented to improve Turnout Time, (ii) the estimated cost of each measure (if reasonably available) and (iii) estimates concerning the amount that turnout time could be reduced with each measure.

2.5 Reporting. The District agrees to annually report to the City in accordance with chapter 35.103 RCW. In addition to the regular quarterly report content and the content required by law, the annual report shall contain the Neighboring Unit Utilization Factor for each of the following jurisdictions: Lynnwood and Mountlake Terrace. The annual report shall contain the total number of seconds that City Fire Stations responded to calls in Woodway and the total number of automatic aid responses from Shoreline into

Edmonds. The annual report shall, to the extent practicable, also state the amount of transport fees that the District sought to recover from incidents occurring within the City and Esperance, respectively, and the amount of those fees that were actually recovered. If the District has data that identifies the number of seconds during which two or more Units were Assigned to different calls at the same time, it shall include that data in the annual report.

2.5.1 Quarterly Reporting. In addition, the District shall provide a quarterly report to the City Clerk, no later than 30 days after the end of each quarter. The quarterly report shall contain the Unit Utilization Factor for each of the City Fire Stations, the Transport Balance Factor, as well as the turnout time, travel time, and overall response time.

2.6 [section relocated for clarity]

2.7 Criteria-Based 9-1-1 Dispatch. It is understood and agreed by the City and District that the dispatch of Units during emergencies is determined by criteria-based dispatch protocols of the dispatch centers and Automatic Vehicle Location (AVL). Nothing herein shall require the District to respond first within the City as opposed to other areas served by the District. The City and District recognize that responses to emergencies shall be determined by the District based upon dispatch protocols, the location of available Units and the District's operational judgment, without regard to where the emergencies occur.

2.8 Level of Service Changes. During the term of this Restated ILA, service level changes may be mandated that are beyond the control of either party. Additionally, either party may desire to change the service level, including but not limited to, those services identified in Section 1 Scope of Services and Section 2 Standards for Services/Staffing. When a service level change is mandated by law, adopted by the Edmonds City Council as part of the City's chapter 35.103 RCW Response Objectives, or is mutually agreed to by the parties, the City and the District shall renegotiate the Contract Payment at the request of either party. If the parties are unable to reach agreement within one hundred twenty (120) days after the change is mandated or mutually agreed, the matter shall be subject to the complete Dispute Resolution procedures, and any adjustment to the Contract Payment arising out of the Dispute Resolution Procedures shall be retroactive to the date that the service level change was initially employed. Failure of either party to participate in, or comply with, the Dispute Resolution Procedures in Section 18.1 and/or 18.2 shall be deemed a Material Breach.

2.8.1 The City acknowledges that the District may be required by law to notify and bargain with the local chapter of the IAFF any level of service changes made pursuant to this section 2.8.

2.8.2 The City reserves the right to remove the Fire Inspector services from this Restated ILA upon one year's written notice to the District, in which case the Contract Payment shall be equitably reduced, PROVIDED THAT in no case shall such notice be provided less than 90 days prior to the beginning of a new fiscal year, AND FURTHER PROVIDED THAT the City shall consult with the District regarding the impacts of a

proposed removal of the Fire Inspector services at least 90 days in advance of the City providing such notice , AND FURTHER PROVIDED THAT if the City exercises this option, it shall provide fire inspection services using one or more inspectors with current or previous firefighting experience.

- 2.9 Response Time Questions. In the event that response times should consistently deviate from the City's Response Objectives, as they may be amended from time to time by the City, the District Fire Chief and the City Mayor, or their designees, shall meet and confer to address the cause, potential remedies, and potential cost impacts.

3. USE OF CITY FIRE STATIONS

- 3.1 Use of City Fire Stations. The City shall retain ownership of three existing City Fire Stations and shall make them available for use by the District pursuant to the terms set forth in Exhibit B. The parties acknowledge that none of these three fire stations are ideally located and that the City could be better served by two ideally located fire stations. The parties also acknowledge that the internal configuration of the City's three stations contributes to slower turnout times than could be achieved with new stations built according to current standards. In light of the above, the parties contemplate that the City may opt to replace the three current fire stations with two new fire stations for use by the District during the term of this Restated ILA. In the event of a conflict between the provisions of the Restated ILA and Exhibit B, the provisions of Exhibit B shall control with respect to fire stations and fixtures contained therein, PROVIDED THAT Exhibit B shall be amended in the event that the City moves to a two-station service, and FURTHER PROVIDED THAT nothing in Exhibit B shall be construed to prevent the City from moving to a two-station service; and FURTHER PROVIDED, that the cost of providing turn key fire stations with equivalent technology to current fire stations shall be borne entirely by the City.

3.1.1 In the event the City decides to replace or relocate any of the City Fire Stations, the City shall provide notice to the District concerning the location, design and layout of the new City Fire Stations, the time frame for completion, and any other information reasonably requested by the District to plan for the transition. Not later than thirty (30) days following such notice, the parties shall meet to discuss the impact of any such changes on this Restated ILA and to negotiate an amendment to this Restated ILA to address such impacts. The parties recognize that there may be initial cost impacts that are not ongoing, and the parties agree to negotiate these as well. The parties shall endeavor to execute an amendment no later than one hundred twenty (120) days following such notice to address such initial cost impacts. If the parties cannot agree upon an amendment to this Restated ILA within such time, either party may invoke the Dispute Resolution procedures.

3.2-3.3 [Completed. Deleted for clarity]¹

4. **ANNUAL CONTRACT AND TRANSPORT FEES PAYMENT TERMS**

4.1 **Annual Contract Payment.** The City shall pay the District a sum referred to as the Contract Payment for the services provided herein. The annual total amount of the Contract Payment shall be determined according to Exhibit C. The Contract Payment shall be paid in equal monthly installments by the 10th day of each month. Failure to pay monthly installments in a timely manner shall be considered a Material Breach as defined in the Definitions section of this Restated ILA.

4.1.1 If a service level change requiring an adjustment in the Contract Payment occurs on a date other than January 1, the Contract Payment shall be adjusted on the effective date of the service level change, and the monthly installment payments shall be adjusted accordingly.

4.2 **Contract Payment Adjustment.** Each year, no later than September 1, the District shall submit to the City an invoice for the ensuing year, including any revision to the Contract Payment for the ensuing year.

4.2.1 Annual Percent Increase Based on Labor Costs. The cost of City Station Personnel identified in Exhibit C shall be adjusted annually pursuant to the negotiated labor collective bargaining agreement between the District and the local chapter of the IAFF ("CBA"); provided that, notwithstanding the actual terms of the CBA, the City Station Personnel cost in Exhibit C shall increase from one labor agreement to the next no more than the greater of (i) the median increase in the total cost of compensation (i.e., combined cost of wages and benefits) of comparable fire agencies, (ii) the increase in the Consumer Price Index as measured by the CPI-W Seattle-Tacoma-Bremerton metropolitan area for the twelve (12) month period ending June 30, or (iii) the percentage increase in compensation awarded by an interest arbitrator. The phrase "comparable fire agencies" shall refer to a list of comparables agreed upon by the Employer and Union through the collective bargaining process or the comparables accepted by an interest arbitrator in an interest arbitration proceeding.

4.2.1.1 The parties recognize that the cost of the District's community paramedic program is currently covered by grants. At the time the grants expire, the City may opt to continue the community paramedic program in which case Exhibit C shall be revised to add an equitable share of the cost of such community paramedics, taking into account the other jurisdictions that are served by the community paramedics. If the City opts not to continue with the program, the community paramedic program will not be continued within the City limits after the grant term ends.

¹ The Parties acknowledge that a number of actions described in the Agreement have been completed. For clarity and conciseness, those provisions are removed and replaced with the words "Completed. Deleted for clarity."

4.2.2 Adjustment Date Not Met. If a new CBA between the District and IAFF Local 1828 has not been finalized by September 1 of the final year of the then-effective CBA, the City Station Personnel costs and the Indirect Operating Costs for the ensuing year shall be adjusted following execution of the new CBA and shall be retroactive to January 1 of the Adjustment Year. For example, as of the date of this Restated ILA, the last CBA expired on December 31, 2014; thus, the Adjustment Year is 2015. In such instances, the District shall send the City (directed to the City Clerk), no later than September 1 of each year for which a CBA has not yet been executed for the ensuing year, a range within which the Contract Payment for the ensuing year is likely to fall, which range shall be informed by the current status of negotiations between the District and IAFF Local 1828. To enhance the District's ability to provide the City with a predictable range for the Contract Payment, the District shall, to the extent practicable, commence negotiations with IAFF Local 1828 no later than July 1st of any year in which a CBA is expiring. If a new CBA has not been executed by November 1st of the year in which a CBA is expiring, the District shall notify the City of the economic issues on which the parties have not reached tentative agreement.

4.2.3 Documentation of Labor Costs. Upon executing a new CBA, the District shall provide supporting documentation sufficient to allow the City to confirm that the labor costs have not increased more than the limits set forth in Section 4.2.1, including comparable agency compensation data used by the parties or the interest arbitrator to establish new compensation levels.

4.3 -4.4 [sections relocated and renumbered for clarity]

4.5 Indirect Operating Cost Portion of Contract Payment. The District shall determine the Indirect Operating Cost portion of the Contract Payment according to the following:

- Overhead shall be ten percent (10%) of the cost of the City Station Personnel cost;
- Equipment maintenance and operation, medications, and supplies shall be ten percent (10%) of the City Station Personnel cost;
- Fire Marshal allocation of fifty percent (50%) of wage and benefit cost of the position, and Fire Inspector at one hundred twenty-five percent (125%) of wage and benefit cost of the position (See Exhibit A); and
- Apparatus replacement costs based upon the District Apparatus Replacement Schedule –Rolling Stock designated as Exhibit D.

The total of the City Station Personnel cost and the Indirect Operating Costs, plus any additional amounts due to annexations as provided in Section 4.6, less the "Esperance Offset", shall constitute the Contract Payment for the ensuing year.

4.6 Annexation. The City's Urban Growth Area contains property within the boundaries of the District. Should the City seek to annex portions of the District, the District will not oppose the annexation. In the event the City annexes portions of the District other than Esperance, the Contract Payment shall be increased by an amount calculated by applying the then current District levy rate and emergency medical services levy rate to

the assessed value of the annexed area, plus revenue from a Fire Benefit Charge, if imposed, that the District would have received from the annexed area in the year in which the Contract Payment is calculated. The increase in the Contract Payment shall occur on the first month on which the District is no longer entitled to collect non-delinquent tax revenue from the annexed area pursuant to RCW 35.13.270(2).

4.6.1 Esperance Annexation. If the City annexes all of the area commonly referred to as "Esperance", the District will support the annexation. Whenever any portion of Esperance is annexed, the Esperance Offset attributable to the annexed area shall no longer be used to reduce the calculation of the Contract Payment at such time as the District is no longer entitled to collect non-delinquent tax revenue from the annexed area pursuant to RCW 35.13.270(2).

- 4.7 Significant Change in Cost of Providing Services. In the event that there is a material and significant increase or decrease in the costs of providing services under this Restated ILA because the District was required to comply with a legislative or regulatory decision by an entity other than the City, then at the request of either party, the City and District shall seek to renegotiate this Restated ILA and the Contract Payment to fully compensate the District for actual costs incurred according to the methodology in Exhibit C. An example of a significant increase in cost would be if the state required that fire engines be staffed with four firefighters per engine instead of three. If the City and District are unable to successfully renegotiate the Contract Payment in this context through good faith negotiations, then the complete Dispute Resolution provision of this Restated ILA shall apply. Failure of either party to participate in, or comply with, the Dispute Resolution Procedures in Section 18.1 and/or 18.2 shall be deemed a Material Breach. Nothing herein prevents either party from terminating the Restated ILA pursuant to Section 11.2, whether before or after exercise of the Dispute Resolution provisions of this Restated ILA.
- 4.8 EMS Transport Fees. The District shall charge fees for the basic life support and advanced life support transports that it performs. As the EMS service provider for the City, the District shall receive and pursue collection of all Transport Fees in accordance with District policy for transports that originate within the City limits. The District shall remit the amount so received to the City, less an administration fee not to exceed the actual cost of collection on a quarterly basis. The District shall be responsible for, and agrees to prepare and provide in a timely fashion, reasonable documentation and/or reports to the City.
- 4.9 Creating Unfunded Mandates. The City shall not create any unfunded mandates for increased service or reporting by the District without fully compensating the District for actual costs incurred.

5. CITY EMPLOYEES

5.1-5.8 [Completed. Deleted for clarity].

5.9 Former City Employees. The City shall indemnify, defend, and hold the District harmless from any and all demands, claims, or actions by former City personnel, which arise out of, or relate to, the time prior to the Commencement Date, provided, however, that the indemnification shall not apply to any claims arising as a result of the District's actions under the Agreement or the Restated ILA.

6. **ROLLING STOCK (APPARATUS AND VEHICLES)**

6.1 – 6.5 [Completed. Deleted for clarity].

6.6 District Apparatus Replacement Schedule. The District has provided current information regarding existing and proposed Apparatus Replacement Schedule attached in Exhibit D. The District, in its sole discretion, may elect to purchase new rolling stock or otherwise assign District rolling stock for use within the City.

6.7 Public Safety Boat. Title to the City Public Safety Boat known as *Marine 16* (the "Vessel") has been transferred to the District. The District's use of *Marine 16* for training and emergencies as a county-wide asset is described in the First Amendment to Interlocal Agreement for Use of Rescue and Fire Boat. Exhibit H to the Agreement is hereby deleted.

6.7.1 [Completed. Deleted for clarity]

6.7.2 The District assumes responsibility for maintenance and repairs to the Vessel. However, upon the District's request, the City agrees to provide maintenance and repair services for the Vessel in exchange for receipt from the District of the City's normal hourly shop rates for labor.

6.7.3 The Apparatus Replacement Schedule (Exhibit D to the Agreement and the Restated ILA) is amended to include the Outboard Motors of the Vessel for as long as the Vessel is in operation. The amended Apparatus Replacement Schedule is attached hereto. The Contract Payment shall reflect the addition of the Outboard Motors to this schedule.

6.7.4 [Completed. Deleted for clarity]

6.7.5 Use of the vessel by the City of Edmonds Police Department shall continue as agreed to before this Restated ILA. The City is solely responsible for maintaining and certifying its operators.

6.7.5.1 The City's use of the Vessel is at the City's risk. The City acknowledges that the District is making no representations or warranties concerning the Vessel. Further, if the City uses the Vessel without a District operator, the City agrees to be solely responsible for all damage or loss to the Vessel and its apparatus while the Vessel is within the City's control and/or possession.

6.7.5.2 The City agrees to release the District from any claims associated with any training provided to it. The City further agrees to defend, indemnify and hold the

District harmless from any and all claims for bodily injury or property damage arising out of the City's use and operation of the Vessel.

6.7.5.3 The City specifically and expressly waives any immunity that may be granted under the Washington State Industrial Insurance Act, Chapter 51 RCW as to any claims by its employees arising from the use of the Vessel.

7. **EQUIPMENT**

7.1 – 7.4 [Completed. Deleted for clarity]

8. **OVERSIGHT AND REPORTING**

8.1 **Agreement Administrators.** The District Fire Chief and the City Mayor and/or their designees, shall act as administrators of this Restated ILA for purposes of RCW 39.34.030. During the term of this Restated ILA, the District Fire Chief shall provide the Mayor with quarterly written reports concerning the provision of services under this Restated ILA. The format and topics of the reports shall be as set forth in Section 2.5. The District Fire Chief shall present an annual report covering the previous calendar year to the Edmonds City Council prior to March 1, and at such meeting the Chief shall request, and the City Council shall schedule, the Joint Annual meeting provided for in section 8.2.

8.1.1 The parties agree to meet on a quarterly basis to address the performance of the Restated ILA. It is expected that these quarterly meetings will be attended by at least one City Council member, the Mayor, the City Attorney, the Finance Director, the District Fire Chief and at least one Commissioner from the District.

8.2 **Joint Annual Meeting.** In addition to the meeting(s) referred to in Section 8.1 above, the Edmonds City Council and Board of Fire District #1 Commissioners shall have a joint annual meeting after, but within 30 days, of the annual report at a properly noticed place and time to discuss items of mutual interest related to this Restated ILA.

8.3 **Representation on Intergovernmental Boards.** The District shall represent the City on intergovernmental boards or on matters involving the provision of services under this Restated ILA as reasonably requested by the Mayor. The City reserves the right to represent itself in any matter in which the interests of the City and the District are not aligned or whenever any matter relates to the appropriation of or expenditure of City funds beyond the terms of this Restated ILA.

9. **EXISTING AGREEMENTS**

9.1 **DEM, SNOCOM and SERS.** The City currently has contractual relationships with other entities or agencies including the Department of Emergency Management (DEM) (or successor), Snohomish County Communications Center (SNOCOM) (or successor), and Snohomish County Emergency Radio System Agency (SERS) (or successor). The City shall maintain its representation and financial obligations with those entities or agencies

and will act to represent itself and retain authority to negotiate on its behalf. At the discretion of the City, the District may provide representation on behalf of the City on various committees, boards, and/or commissions as requested, as appropriate, and/or as agreed to by mutual agreement of the parties. The parties shall meet to address any changes to the foregoing entities that result in a change to the City's representation or financial obligations.

9.2 Mutual and Automatic Aid. The District shall assume any of the City's remaining contractual responsibility and obligations for the provision of mutual and automatic aid.

9.3 Full Information as Basis for Relationship. The City and District agree to coordinate their individual relationships with other entities and agencies so that the services under this Restated ILA will be provided in an efficient and cost effective manner. The City and District agree to keep each other fully informed and advised as to any changes in their respective relationships with those entities or agencies, whether or not those changes impact the City and/or the District obligations shall be provided to the other party in writing in a timely manner that allows a reasonable opportunity to discuss proposed changes in relationships or obligations.

10. TERM OF AGREEMENT

10.1 20-Year Agreement. The Effective Date of this Restated ILA shall be February 1, 2017. The Commencement Date of the Agreement was January 1, 2010. This Restated ILA shall continue in effect until December 31, 2030, unless terminated earlier as provided in section 11. After December 31, 2030, this Restated ILA shall automatically renew under the same terms and conditions for successive, rolling five (5) year periods unless terminated as provided in section 11.

10.2 Material Breach and Wind-Up Period. In the event of a Material Breach of this Restated ILA, the City and District shall, unless the City and District mutually agree otherwise, continue to perform their respective obligations under this Restated ILA for a minimum of twelve (12) months after notice of the Material Breach (the "Wind-Up Period") provided, however, that the Wind-Up Period shall be (i) ninety (90) days if the Material Breach involves the City's failure to make the Contract Payment or (ii) 180 days if the City fails to timely select a Remedial Measure following the District's issuance of a Threshold Notice; provided further, that during the Wind-Up Period, the City and District shall coordinate their efforts to prepare for the transition to other methods of providing fire and EMS service to the City. The City shall be responsible for all Contract Payment installments required herein until the conclusion of the Wind-Up Period.

11. TERMINATION AND RETURN OF ASSETS

11.1 [Completed. Deleted for clarity]

11.2 Termination – Notice. In addition to terminating this Restated ILA for a Material Breach, either party may terminate this Restated ILA at any time by providing the other party with two (2) years written notice of its intent to terminate.

11.3 Termination Costs. Except as otherwise provided herein, the costs associated with terminating this Restated ILA shall be borne equally between the parties, or in the event of a Material Breach, by the breaching party, provided that in the following circumstances, the cost of termination shall be apportioned as provided below.

11.3.1 Termination Due to Change in Law or by Mutual Agreement. In the event that this Restated ILA is terminated due to a change in law or by mutual agreement, each party shall bear its own costs associated with the termination.

11.3.2 Regional Fire Protection Service Authority. In the event that the District, along with one or more fire protection jurisdictions, elects to create a Regional Fire Protection Service Authority Planning Committee (“RFA Planning Committee”) as provided in RCW 52.26.030, the District agrees to notify the City of its intent and subject to mutual approval of the District and other participating jurisdictions, to afford the City an opportunity to be a participant on the RFA Planning Committee. Declining the opportunity to participate in the RFA Planning Committee shall not be construed as a Material Breach on the part of the City. In the event that a Regional Fire Protection Service Authority (RFA) or another legally recognized means of providing fire and emergency medical services is created, inclusive of District, the District’s powers and duties under this Restated ILA shall be assigned to the RFA as the District’s successor-in-interest as provided by RCW 52.26.100.

11.3.2.1 If the District forms a RFA with any other agency, the parties shall confer to determine whether any efficiencies have resulted from the creation of the RFA that could warrant reconfiguring the service provided to the City.

11.4 [reserved]

11.5 [reserved]

11.6 Duty to Mitigate Costs. The City and District have an affirmative duty to mitigate their respective costs of termination, irrespective of the party who elects to terminate this Restated ILA and irrespective of the party who must bear the costs of termination.

11.7 Return of Assets to the City. Regardless of the reason for termination, the City and District agree that like assets purchased by and transferred to the District as part of the Agreement shall be purchased by the City as described below. This provision shall not apply to the formation of an RFA in which both the City and the District are participants.

11.7.1 Purchase Back Rolling Stock. All rolling stock in use by the District at the City Fire Stations at the time of termination shall be purchased back at a price that considers the fair market value of the asset and any adjustments to fair market value that would be

fair and equitable, including, for example, City contributions to apparatus replacement, costs incurred by the District for acquisition, maintenance, and repair, depreciation, etc.

11.7.2 Purchase Back Equipment. All equipment in use by the District at the City Fire Stations at the time of termination shall be purchased back at fair market value.

11.7.3 [Completed. Deleted for clarity]

11.7.4 District Employees. The District shall indemnify, defend and hold the City harmless from any and all demands, claims, or actions by District personnel, which arises out of or relate to the time that such personnel were employees of the District, PROVIDED HOWEVER, that the indemnification shall not apply to any claims arising as a result of the City's actions during the term of the Agreement or the Restated ILA.

12. **DECLINE TO MERGE**

12.1 City Declines to Merge. In the event that the District enters into an agreement with any other fire district or agency that is functionally equivalent to a merger, the City may opt to terminate this Restated ILA without prejudice or penalty. To exercise this option the City shall provide written notice to the District of its intent to end the Restated ILA. Such notice shall be provided not more than ninety (90) days after receiving written notification from the District in accordance with the provisions of Section 19.1 that the District intends to merge with another entity.

12.1.1 Not a Material Breach. The City's decision to terminate under 12.1 does not constitute a Material Breach of the Restated ILA and none of the penalties associated with a Material Breach shall apply to the City.

12.1.2 12-Month Notice. The City's notice shall provide an effective date of termination which shall be no more than twelve (12) months after the City officially notifies the District of its termination, unless otherwise agreed to by the parties, and the costs of termination shall be split evenly between the parties.

12.1.3 City Exit from Agreement. If the City elects to terminate the Restated ILA because of an impending merger between the District and one or more other jurisdiction, the City's exit will be under the terms and conditions described in Section 11.7.

13. [deleted]

14. **TOWN OF WOODWAY**

14.1 Service to Woodway. The City may, in accordance with the terms herein, subcontract with the Town of Woodway to have the District provide fire and emergency medical services to the Town of Woodway. The City shall consult with the District in advance of entering into any such subcontract, and the District shall have the opportunity for input into any issues that may affect service and/or the cost of providing service. The City shall provide advance written notice to the District of at least twelve (12) months prior to any commencement of such service. The City's subcontracting of the District's service to

Woodway shall not be considered an unfunded mandate, and no change in the Contract Payment shall result from such a subcontract, provided that the City is not requesting additional staff to serve Woodway. Any and all payments from such a subcontract with Woodway shall be paid to the City of Edmonds only. The District agrees not to compete with the City of Edmonds in such negotiations.

14.1.1 If the City is requesting additional staff to serve Woodway, the parties shall renegotiate the Contract Payment retroactive to the date that the District begins providing the additional staff. If the parties have not executed an amendment prior to the commencement of service to Woodway, either party may invoke the Dispute Resolution procedures in Section 18.1 and 18.2; provided, however, that any adjustment to the Contract Payment arising out of the Dispute Resolution Procedures shall be retroactive to the date that the District begins providing the additional staff to serve Woodway. In this context, failure of either party to participate in, or comply with, the Dispute Resolution Procedures in Section 18.1 and/or 18.2 shall be deemed a Material Breach.

14.1.2 The City of Edmonds right to subcontract with the Town of Woodway constitutes the consideration for the City's agreement to incur the additional 9.13% in Exhibit C initially attributable to Woodway under the Agreement.

14.1.3 At the City's request, the District agrees to work with Shoreline Fire Department to adjust automatic aid responses into the Town of Woodway.

14.1.4 In the event that the Point Wells development is to become part of the service area for the District, such event shall be deemed a "Negotiation Threshold", and the negotiation provisions of 2.2.3 - 2.2.4 shall apply.

15. [Completed. Deleted for clarity]

16. **CITY AND DISTRICT ARE INDEPENDENT MUNICIPAL GOVERNMENTS**

16.1 Independent Governments. The City and District recognize and agree that the City and District are independent governments. Except for the specific terms herein, nothing herein shall be construed to limit the discretion of the governing bodies of each party. Specifically and without limiting the foregoing, the District shall have the sole discretion and the obligation to determine the exact method by which the services are provided within the District and within the City unless otherwise stipulated within this Restated ILA.

16.2 Resource Assignments. The District shall assign the resources available to it without regarding to internal political boundaries, but rather based upon the operational judgment of the District as exercised within the limitations and obligations of Sections 2.4 through 2.8.

16.3 Debts and Obligations. Neither the City nor District, except as expressly set forth herein or as required by law, shall be liable for any debts or obligations of the other.

17. **INSURANCE**

- 17.1 **Maintenance of Insurance.** For the duration of this Restated ILA, each Party shall maintain insurance as follows: Each party shall maintain its own insurance policy insuring damage to its own fire stations, real and personal property and equipment if any, and "policy" shall be understood to include insurance pooling arrangements or compacts such as the Washington Cities Insurance Authority (WCIA). The City shall maintain an insurance policy insuring against liability for accidents occurring on City owned property. Such insurance policy shall be in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than five-thousand dollars (\$5,000.00). The District shall maintain an insurance policy insuring against liability arising out of work or operations performed by the District under this Restated ILA in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than five-thousand dollars (\$5,000.00). The phrases "work or operations" and "maintenance and operations" shall include the services identified in Section 1. Scope of Services, the services of the Fire Marshal and the District Fire Chief, acting in the capacity of City Fire Chief and any obligation covered by Exhibit B, Section 9.
- 17.2 **Claims of Former City Employees.** The City has provided proof of coverage that it has maintained insurance against claims by former City Personnel for incidents and occurrences which may have occurred prior to the Commencement Date of the Agreement, including but not limited to, injuries, employment claims, labor grievances, and other work-related claims. Such insurance was at all times in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than five-thousand dollars (\$5,000.00). The City will hold harmless the District and its insurance provider for any such claims lawsuits or accusations that occurred prior to the Commencement Date.
- 17.3 **Claims of Former District Employees.** The District represents and warrants that it has maintained insurance against claims by District employees for incidents and occurrences which may have occurred during the time period prior to the Commencement Date of the Agreement, including but not limited to injuries, employment claims, labor grievances, and other work-related claims. Such insurance was at all times in an amount not less than one million dollars (\$1,000,000.00) per occurrence with a deductible of not more than five-thousand dollars (\$5,000.00).
- 17.4 **Hold Harmless.** To the extent each party's insurance coverage is not voided, each party agrees to defend, indemnify and hold harmless the other party, its officers, officials, employees and volunteers from any and all claims, costs, including reasonable attorneys' and expert witness fees, losses and judgments arising out of the negligent and intentional acts or omissions of such party's officers, officials, employees and volunteers in connection with the performance of the Agreement or the Restated ILA. The provisions of this section shall survive the expiration or termination of the Agreement and the Restated ILA.

17.5 Release from Claims. Except as specifically provided in this Restated ILA, and except in the event of breach of this Restated ILA, the District and the City do hereby forever release each other from any claims, demands, damages or causes of action arising prior to the Commencement Date and related to damage to equipment or property owned by the City or District or assumed under the Agreement or the Restated ILA. It is the intent of the City and District to cover this risk with the insurance noted above.

18. **DISPUTE RESOLUTION**

It is the intent of the City and District to resolve all disputes between them without litigation. In the event that any dispute between the City and District cannot be resolved by good faith negotiations between the City and District, then the dispute resolution provision of this Restated ILA shall apply. Excluded from these dispute resolution provisions are issues related to the legislative authority of the Edmonds City Council to make budget and appropriation decisions, decisions to contract, establish levels of service or staffing under Section 2 of this Restated ILA and Chapter 35.103 RCW and other policy matters that state law vests with the City Council. The above exclusions from the dispute resolution process shall not abridge the right of the District to pursue an increase in the Contract Payment as a result of any decision which, itself, is not subject to the Dispute Resolution provisions of this Restated ILA. Nothing herein shall prevent either party from providing notice of termination of the Restated ILA pursuant to Section 11.2 prior to completion of the dispute resolution processes described below; however, such notice shall not affect any obligations to proceed with the Dispute Resolution provisions.

18.1 Mediation. Upon a request by either party to mediate a dispute that is subject to the Dispute Resolution provisions, the parties shall mutually agree upon a mediator. If the City and District cannot agree upon a mediator within ten (10) business days after such request, the City and District shall submit the matter to the Judicial Arbitration and Mediation Service (JAMS) and request that a mediator be appointed. This requirement to mediate the dispute may only be waived by mutual written agreement before a party may proceed to litigation as provided within this Restated ILA. Except for unusual reasons beyond the reasonable control of either party, mediation shall be completed within ninety (90) days after the mediator is selected. Any expenses incidental to mediation, including the mediator's fee, shall be borne equally by the City and District.

18.2 Binding Arbitration. If the City and District are unsuccessful in resolving any dispute subject to the Dispute Resolution provisions through mediation, either party may demand binding arbitration as provided herein, unless the nature of the dispute is not subject to arbitration pursuant to other provisions of this Restated ILA.

18.2.1 The arbitration shall be conducted by JAMS in Seattle, Washington or other mutually agreeable dispute resolution service. The dispute shall be governed by the selected arbitration service's Streamlined Arbitration Rules and Procedures. The parties shall agree on a JAMS arbitrator with twenty (20) days from the date the matter is submitted to JAMS. In the event that the parties fail to agree on a JAMS arbitrator within

such time, then JAMS shall be asked to submit the names of at least three arbitrators. Each party shall have ten (10) days after receiving the list to strike one name from that list. JAMS shall select the arbitrator from the names on the list that have not been struck by either party. The parties may agree on another arbitrator in JAMS or another person at any time. In the event that JAMS is unable or unwilling to provide an arbitrator and the parties cannot otherwise agree, then either party may request the Snohomish County Superior Court to designate an arbitrator.

18.2.2 At any arbitration involving the Contract Payment, the arbitrator shall, as nearly as possible, apply the analysis used in this Restated ILA and supporting Exhibits to adjust the Contract Payment. The arbitrator may deviate from such analysis and use principles of fairness and equity, but should do so sparingly.

18.2.3 Unless the City and District mutually consent, the results of any binding arbitration session shall not be deemed to be precedent for any subsequent mediations or arbitrations.

18.2.4 The decision of the arbitrator shall be final and binding upon both parties, subject only to the right of appeal as provided in RCW 7.04; provided, however, that in arriving at such decision, neither of the parties nor the arbitrator shall have the authority to alter this Restated ILA in whole or in part.

18.2.5 The arbitrator cannot order either party to take action contrary to law.

18.2.6 The substantially prevailing party, if any, in any binding arbitration action shall be entitled to an award of its reasonable attorneys' fees and costs.

18.3 Litigation. For disputes that are not subject to binding arbitration, either party may file an action in Superior Court. Jurisdiction and venue for such actions shall lie exclusively in Superior Court for Snohomish County, Washington. Each party expressly waives the right to a jury trial. The party substantially prevailing in any such action or proceeding shall be awarded its reasonable costs and attorneys' fees.

19. **MISCELLANEOUS PROVISIONS**

19.1 Noticing Procedures. All notices, demands, requests, consents and approvals which may, or are required to be given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by electronic mail (provided a read receipt is obtained by the sender), sent by nationally recognized overnight delivery service, or if mailed or deposited in the United States mail, sent by registered or certified mail, return receipt requested and postage prepaid to:

**District Secretary:
Snohomish County Fire Protection District No. 1
12425 Meridian Avenue
Everett, WA 98208**

**City Clerk:
City of Edmonds
121 5th Avenue North
Edmonds, WA 98020**

Or, to such other address as the foregoing City and District hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

- 19.2 Other Cooperative Agreements. Nothing in the Restated ILA shall preclude the City and the District from entering into contracts for service in support of this Restated ILA.
- 19.3 Public Duty Doctrine. This Restated ILA shall not be construed to provide any benefits to any third parties. Specifically, and without limiting the foregoing, this Restated ILA shall not create or be construed as creating an exception to the Public Duty Doctrine. The City and District shall cooperate in good faith and execute such documents as necessary to effectuate the purposes and intent of this Restated ILA.
- 19.4 Entire Agreement. The entire agreement between the City and District hereto is contained in this Restated ILA and exhibits thereto. This Restated ILA supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. This Restated ILA supersedes the Agreement except where provisions have expressly been omitted for clarity and conciseness. Only those exhibits referenced in this Restated ILA shall continue to be effective.
- 19.5. Amendment. This Restated ILA may be amended only by written instrument approved by the governing bodies of the City and District subsequent to the date hereof. Notwithstanding the foregoing, the parties agree that the formulas for NUUF, UUF, and TBF may be changed administratively by mutual agreement of the parties if executed by the Mayor and Council President (for the City) and the District Fire Chief (for the District) in the event that a significant change occurs which would affect such formulas (e.g. RFA is formed, changes in dispatch technology); provided however, that any changes to the formulas shall be consistent with the underlying intent.

Dated this 26 day of January 2017

SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 1

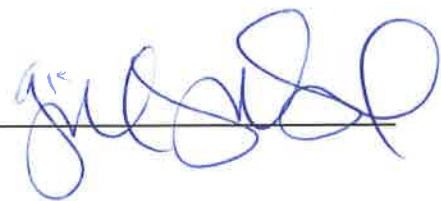
By: K. Meador

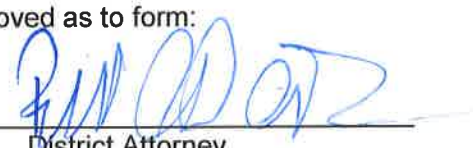
By: Tom [Signature]

By: [Signature]

By: _____

By: _____

Attest: 

Approved as to form:
By: 
District Attorney

CITY OF EDMONDS

By:  Attest: 

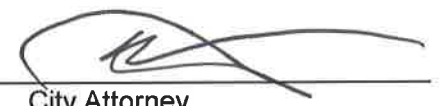
Approved as to form:
By: 
City Attorney

EXHIBIT A

FIRE MARSHAL AND FIRE INSPECTOR

1. In consultation with the City, the District Fire Chief shall designate an individual to serve as City Fire Marshal, and ensure the assignment of necessary personnel to support the needs and functions of the Fire Marshal as specified in the International Fire Code, City ordinances, and other fire service-related national, state, and local standards adopted and/or followed by the City.
2. As employees of the District, the City Fire Marshal and Fire Inspector shall perform all of the customary roles and duties associated with their positions: fire prevention; fire investigation; code development, application, interpretation, and enforcement; permit processes; plans review; records retention, response to public records requests and other legal summons; fire and life safety public education; and other duties as assigned in the City and throughout the jurisdictional areas served by the District.
3. The City agrees to pay fifty percent (50%) of the annual personnel cost (wages and benefits) of providing one (1) Fire Marshal, and one hundred twenty-five percent (125%) of the annual personnel cost (wages and benefits) of providing one (1) Fire Inspector.
4. The City Engine Company Inspection Program shall be maintained in its current form unless modified by mutual agreement of the parties.
5. The City agrees to provide office space, office furnishings, computers, fax, copier, printer, telephone landlines, and postal support for the use of the Fire Marshal and Fire Inspector in Edmonds City Hall.
6. All fees collected for Fire Permits/Special use, Fire Plan Checks, and Construction Inspections shall be retained by the City.

EXHIBIT B

USE OF FIRE STATIONS

For as long as the Restated ILA remains in effect, the City hereby grants to the District exclusive use and possession of premises for use as fire stations on the terms and conditions described below.

1. Three Fire Stations. The City shall provide use of the three fire stations located at 8429 - 196th Street Southwest, 275 - 6th Avenue North, and 23009 - 88th Avenue West in the City of Edmonds, Washington, PROVIDED THAT the City reserves the right to substitute these stations with new stations as further described in the Restated ILA.
2. Compliance with Applicable Codes. The fire stations provided by the City shall be compliant with all applicable codes, including without limitation, the applicable provisions of the Edmonds City Code and applicable Washington State Standards and regulations (currently WAC 296-305-06501 et seq.).
3. No Use Charge. No use charge shall be assessed to the District. The parties agree that the rights and contractual obligations contained within the Restated ILA constitute adequate consideration for District use and possession of the premises.
4. Utilities and Services. The City shall ensure the supply of all utilities necessary for the use of the premises, to include: water, sewer, garbage, heating, air conditioning, electrical power, telephone and information technology/system data lines.
 - 4.1 Cost for Utilities. The District shall be responsible for the cost of all utilities used on the premises, except for those utilities supplied by the City. If a separate meter is unavailable for any utility that the District is responsible to pay, then the cost shall be equitably apportioned to the District in a manner agreeable to both parties.
5. Conditions and Repairs. The City agrees to keep the premises and the buildings in good condition and repair as reasonably requested by the District for use as fire stations during the term of this Restated ILA at its own expense. The City shall at all times keep the buildings suitably equipped as fully functioning and operational fire stations.
6. Improvements. Upon District request, the City shall install such reasonable improvements as are normal and customary in connection with District use of premises set forth herein. The City shall pay for such improvements.

7. Removal of Personal Property Upon Termination of Agreement. Upon termination of this Restated ILA, the District shall remove all non-fixed equipment and personal property placed upon the premises by the District during the period of this Restated ILA unless those items are subject to repurchase by the City as provided in the Restated ILA. Any personal property not removed from the fire stations within 60 days after termination of this Restated ILA shall become the property of the City.

8. Maintenance of Premises.

8.1 Maintenance of the buildings, the premises and all improvements thereon is the sole responsibility of the City. Such responsibility includes without limitation, repair of walls, floors, ceiling, interior doors, interior and exterior windows and fixtures, sidewalks, landscaping, driveways, parking areas, walkways, building exterior and signs.

8.2 City shall maintain in good condition the structural parts of the fire stations and exterior buildings and structures which shall include emergency lighting, fences, enclosures, curbs, gutters and sidewalks, foundations, bearing and exterior walls, subflooring and roof, roof-mounted structures, unexposed electrical, plumbing and sewerage systems, including those portions of the systems lying outside the premises, exterior doors, apparatus bay doors, window frames, gutters, downspouts on the building and the heating, ventilating and air conditioning system servicing the premises.

8.3 All janitorial services for routine cleaning of the buildings shall be the responsibility of the District.

8.4 All grounds maintenance of the premises, to include fencing, enclosures, gates, landscape, stairs, rails, curbs, gutters, sidewalks, drains, and water retention structures shall be the responsibility of the City.

9. Insurance and Financial Security.

9.1 The parties agree that the City shall not be responsible to the District for any property loss or damage done to the District's personal property occasioned by reason of any fire, storm or other casualty whatsoever beyond the control of the City. The District shall insure its personal property located on the premises.

9.2 The District shall not be responsible to the City for any loss or damage to the buildings or premises that is not caused by the sole negligence of the District. The City shall insure the premises and buildings against such loss or damage. The District shall repair any damage to the buildings caused by its sole negligence

9.3 In the event of a casualty loss that renders the premises reasonably unsuitable for the use set forth herein, the City shall provide the District with another suitable location(s) for the District until such time as the premises have been repaired. The cost

of repairs, and the costs of relocation between the premises and the substitute location(s), shall be borne by the City.

10. Indemnification for Environmental Claims: Each party shall indemnify and hold the other party harmless from any and all claims, demands, judgments, orders, or damages resulting from the release of hazardous substances on the premises caused in whole or in part by the activity of the indemnifying party, its agents, employees, licensees or invitees. The term "hazardous substances" shall mean any substance heretofore or hereafter designated as hazardous under the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1257 et seq.; the Clean Air Act, 42 U.S.C. Sec. 2001 et seq.; the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et. Seq.; or the Hazardous Waste Cleanup-Model Toxic Control Act, RCW 70.105D all as amended and subject to all regulations promulgated thereunder.
11. Indemnification and Hold Harmless: Each party agrees to protect, save, defend, hold harmless and indemnify the other party, its officers, employees and agents from any and all demands, claims, judgments, or liability for loss or damage arising as a result of accidents, injuries, or other occurrences on the premises, occasioned by either the negligent or willful conduct of the indemnifying party, regardless of who the injured party may be.
12. Termination of Agreement. Upon termination of this Restated ILA or any extension thereof, whether by expiration of the stated term or sooner termination thereon as provided in the Restated ILA, the District shall surrender to City the premises peaceably and quietly.
13. Default and Remedies.

13.1 Failure of the City to perform repairs or maintenance to the buildings or premises as described in 8 above within a reasonable period after notice by the District shall constitute a Material Breach under the terms of this Restated ILA. For purposes of this Restated ILA, a reasonable period shall be construed to mean five (5) business days, for repairs and maintenance that could feasibly be performed in such time.

13.2 Notwithstanding anything to the contrary, if the nature of the repair constitutes an operational, safety, and/or security emergency which materially affects District use of the premises or building for their intended purpose, the City shall perform the repair as soon as possible regardless of the day or hour and no later than forty-eight (48) hours after receiving notification from the District.

13.3 If the City fails to timely perform the repair or maintenance under the conditions described above after notification, the District may have such repair or maintenance performed at City expense. The cost of the repair or maintenance shall be forwarded to the City, which shall pay the cost within thirty (30) days after notice. Notwithstanding anything to the contrary, the City shall not be in breach of any repair or maintenance

obligation herein if the repair cannot be completed within the time set forth herein so long as the City is diligently pursuing completion of the repairs.

EXHIBIT C
CONTRACT PAYMENT

Station Costing Model		2017	
Sta 16, 17, 20 All Cross Staffed\ALS			
Station Personnel (FTEs)	FTE	Average Wage & Benefits per Position	Total Labor Costs per Position
FTE Battalion Chiefs	2.424	186,248	451,465
FTE Captains	13.746	161,593	2,221,260
FTE Firefighter/Paramedics	18.000	147,936	2,662,854
FTE Firefighters	9.492	133,343	1,265,692
Firefighter/Paramedics-12 Hour		147,936	-
Firefighters-12 Hour		133,343	-
Total Positions	41.238		
FTE Factor	4.582		
Station Staffing	9.000		6,601,270
		0	
ADD: Administrative Overhead	10%		660,127
Maintenance & Operations	10%		660,127
Apparatus Replacement	2017		310,062
			8,231,587
TOTAL SUPPRESSION/EMS CONTRACT COST			
2017 Esperance AV	565,469,115	Esperance Est. Property Tax Revenue	(1,117,150)
			7,114,436
ADD:			
Additional Staff Paid Separately by the Contracting Agency			
	Count		
Fire Chief		254,227	-
Assistant Chief		213,009	-
Deputy Chief		199,030	-
Department Manager		-	-
Executive Assistant		-	-
Manager		-	-
Professional/Specialist		-	-
Admin Assistant		-	-
Technicians		-	-
Fire Marshal	0.500	203,408	101,704
Deputy Fire Marshal (Inspector)	1.250	169,958	212,448
			314,152
TOTAL ADDITIONAL COSTS			
			7,428,588
TOTAL FIRE/EMS SERVICES COST			

Cost of living increases based on CPI-W, not Comps

EXHIBIT D
APPARATUS REPLACEMENT

EXHIBIT E

Definitions Subject to Administrative Amendments Pursuant to Article 19.5

1. NEIGHBORING UNIT UTILIZATION FACTOR. Neighboring Unit Utilization Factor or NUUF is the method used by the parties to determine how much time Units associated with one jurisdiction are Assigned to calls in another jurisdiction. Because the District provides service across a number of different cities and unincorporated areas, and because those various jurisdictions make payments to the District for those services, Neighboring Unit Utilization Factor is relevant even where a District Unit is dispatched to a call that is still within an area served by the District but outside of the normal area served by that Unit.

NUUF is determined by converting the following fraction to a decimal rounded to the nearest thousandths:

$$\text{NUUF} = \frac{\text{total seconds that non-Edmonds Units are Assigned to calls in Edmonds over the previous calendar year}}{\text{total seconds that Edmonds Units are Assigned to calls outside of Edmonds over the previous calendar year}}$$

Formula Explanation: In this fraction, the numerator shall equal the total number of seconds that non-Edmonds Units are assigned to calls in Edmonds (not including Esperance, unless Esperance is annexed) over the previous calendar year. The denominator shall equal the total number of seconds that Edmonds Units are assigned to calls outside of Edmonds (Esperance shall be considered "outside of Edmonds" for the purpose of this calculation unless Esperance is annexed) over the previous calendar year.

Calculation: Neighboring Unit Utilization Factor shall be calculated separately for the City of Lynnwood (stations 14 and 15 combined) and any non-Edmonds unit within the District, e.g., Station 19, for as long as Lynnwood and the District are not part of the same Regional Fire Authority.

Determination of Whether NUUF is in Balance: Unlike the Unit Utilization Factor, the NUUF need only be calculated on an annual basis after the completion of each calendar year. NUUF shall be considered balanced if the NUUF falls somewhere between 0.900 and 1.100. For example, if Lynnwood's Units are assigned to calls in Edmonds that total 1,000,000 seconds during a calendar year, and Edmonds Units are assigned to calls in Lynnwood that total 1,095,000 seconds during a calendar year, the NUUF for that year would equal 0.913 and would be considered in balance. If, on the other hand, the numerator were to remain the same, but the

Edmonds Units are assigned to calls in Lynnwood that total 880,000 seconds, the NUUF for that year would equal 1.136 and would be considered out of balance.

Special Calculation for 2017: Since this Restated ILA takes effect after January 1, 2017, the 2017 NUUF shall be calculated proportionally for that portion of 2017 following the Effective Date.

2. TRANSPORT BALANCE FACTOR. Transport Balance Factor (TBF) is the method used by the parties to determine how frequently Units associated with one jurisdiction transport patients resulting from calls in another jurisdiction. Because the District provides service across a number of different cities and unincorporated areas, and because Edmonds is entitled to receive transport fee revenue for all District transports resulting from calls in Edmonds regardless of whether the transport is performed by an Edmonds Unit or a non-Edmonds Unit, Transport Balance Factor is relevant to whether transport fees are being distributed in an equitable manner. TBF is determined by converting the following fraction to a decimal rounded to the nearest thousandths:

$$\text{TBF} = \frac{\text{number of transports that non-Edmonds Units provide from calls in Edmonds over 6 months}}{\text{number of transports that Edmonds Units provide from calls outside of Edmonds over 6 months}}$$

Formula Explanation: In this fraction, the numerator shall equal the total number of transports that non-Edmonds Units provide from calls in Edmonds (not including Esperance, unless Esperance is annexed) over the previous six-month period. When an Edmonds Unit and a non-Edmonds Unit both respond to a call in Edmonds and the non-Edmonds Unit transports the patient, that call may not be counted in the numerator, even if the Edmonds Unit responded with a non-transport vehicle. The denominator shall equal the total number of transports that Edmonds Units provide from calls outside of Edmonds (Esperance shall be considered "outside of Edmonds" for the purpose of this calculation unless Esperance is annexed) over the previous six-month period.

Determination of Whether TBF is in Balance: TBF shall be considered "balanced" if the TBF falls somewhere between 0.900 and 1.100. While TBF is intended to be analyzed by looking back over the previous six months, during 2017, a special quarterly TBF shall be calculated that looks at TBF on a quarterly basis and adjusts the calculation method accordingly. The quarterly analysis shall be performed beginning with the second quarter

of 2017. The quarterly TBF is intended to give the District the ability to analyze the effect of minor dispatch adjustments before TBF could result in a Threshold Notice being issued.

3. UNIT UTILIZATION FACTOR

Unit Utilization Factor or UUF is the method used by the parties to determine how busy a particular Unit is. Unit Utilization Factor is determined by converting the following fraction to a decimal rounded to the nearest thousandths:

$$\text{UUF} = \frac{\text{number of seconds a Unit is Assigned to all calls over the previous twelve-month period}}{31,536,000}$$

Formula Explanation: In this fraction, the numerator shall equal the total number of seconds a Unit is Assigned to all calls over the previous twelve-month period. The denominator shall always be 31,536,000 (the number of seconds in a twelve-month period). Because this contract initially contemplates exactly one Unit at each station, with each station having multiple apparatus types, the total number of seconds a Unit is Assigned to all calls shall be the total for all apparatus types used by that Unit. The activity of the Battalion Chief and Medical Services Officer shall not be counted in the numerator for any unit. For example, if, over the previous twelve-month period, Engine 20 was Assigned to calls totaling 72,089 seconds, and Ladder 20 was Assigned to calls totaling 229,320 seconds, and Medic 20 was Assigned to calls totaling 4,008,640 seconds, then the calculation for UUF would be made as follows:

$$\text{UUF} = \frac{4,310,049}{31,536,000} = 0.1366 \text{ (rounded to 0.137)}$$

Frequency of Calculation: Unit Utilization Factor shall be calculated as soon as possible after the end of each quarter, looking back over the previous twelve-month period. While UUF is intended to be analyzed by looking back over the previous twelve months, during the each of the last three quarters of 2017, a special UUF shall be calculated that looks at UUF on a quarterly basis and adjusts the calculation method accordingly. The quarterly analysis during 2017 is intended to keep data from the service delivery model prior to the Effective Date from contaminating the data applicable to the Restated ILA.