
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: August 8, 2006

SUBJECT: **Interlocal Cooperation Agreement with Holladay City for Fire Hydrant Maintenance**

STAFF REPORT BY: Lehua Weaver

ADMINISTRATIVE DEPT. AND CONTACT PERSON: Department of Public Utilities
LeRoy Hooton, Director

KEY ELEMENTS:

Since 1979, Salt Lake City has repaired fire hydrants throughout the City's water service area in unincorporated Salt Lake County. The costs for these repairs have been reimbursed by the County on a case by case basis.

This Interlocal Cooperation Agreement between the City of Holladay and Salt Lake City Corporation will provide a process and cost reimbursement schedule for these fire hydrant repairs. This agreement formalizes the hydrant repair agreement and confirms that the City will provide water supply for fire-fighting use from these hydrants.

The reimbursement amount will be paid to the City on an annual basis, and will be figured based on the cost to repair and maintain hydrants within the Salt Lake City, multiplied by 1.35, which is the standard "County rate differential" for services. The annual fee will be adjusted each year based on a new count of hydrants, and installation of new hydrants will be contracted to the City for actual labor and material costs. This contract will result in a current annual reimbursement of \$17,868.

CC: Rocky Fluhart, LeRoy Hooton, Jeff Niermeyer

LEROY W. HOOTON, JR.
DIRECTOR

SALT LAKE CITY CORPORATION

DEPARTMENT OF PUBLIC UTILITIES
WATER SUPPLY AND WATERWORKS
WATER RECLAMATION AND STORMWATER

ROSS G. "ROCKY" ANDERSON
MAYOR

COUNCIL TRANSMITTAL

To: Rocky Fluhart, Chief Administrative Officer

June 30, 2006

Re: Interlocal Cooperation Agreement (Fire Hydrant Maintenance) by and among Salt Lake City Corporation, a municipal corporation of the State of Utah ("Salt Lake"), and Holladay City, a municipal corporation of the State of Utah ("Holladay").

Recommendation: That the Council approve the attached Interlocal Cooperation Agreement and forward to the Mayor for execution in behalf of the City.

Availability of Funds: 2006/2007 Budget

Discussion: Salt Lake provides culinary water service outside its municipal boundaries to Holladay through a distribution system constructed as part of Exchange Agreements with various mutual irrigation companies or individual customers under Special County Contracts in the area designated in Exhibit A as the "Salt Lake City - Holladay Water Service Area" boundary map.

Beginning in 1979, fire hydrants connected to the Salt Lake's water distribution system located within Salt Lake County have been repaired by the Salt Lake, and Salt Lake County has reimbursed Salt Lake for the cost of such repairs. In 1999 Holladay City was incorporated and by this agreement will assume the responsibility to pay for the repair of fire hydrants and the cost of installation of new fire hydrants located in Exhibit A.

Except as may be provided for by contract, Salt Lake has no responsibility to acquire, own, install, inspect, maintain, repair, operate or otherwise manage fire hydrants situated outside its corporate boundaries.


As specified in the terms of the Interlocal Cooperation Agreement, Salt Lake agrees to maintain, repair and replacement all Holladay-owned fire hydrants identified in Exhibit A. For this service, Holladay will pay to the Salt Lake's Department of Public Utilities (the "Department") an annual flat fee calculated by a formula based on the cost of maintaining and repairing fire hydrants within the corporate boundaries of Salt Lake City with a 1.35 multiplier (County rate differential) applied to the Holladay fire hydrants repairs. Based on the cost per fire hydrant within the corporate limits of Salt Lake of \$18.08, the average cost per fire hydrant in Holladay is \$24.41. The annual fee for the

current 732 fire hydrants located within Exhibit A is \$17,868. Annually, the fee will be adjusted based on the then cost per fire hydrant in Salt Lake and the number of fire hydrants counted within the boundary shown on Exhibit A. For new fire hydrant installations, Holladay will pay the Department the actual labor and material costs of installation; and thereafter new hydrants will be maintained pursuant to this agreement.

The Interlocal Cooperative Agreement further memorializes that the City will make available from the water distribution system through fire hydrants water for fire-fighting purposes within the boundary shown on Exhibit A.

Contact Person: LeRoy W. Hooton, Jr. (483-6768) or Jeff Niermeyer (483-6785)

Submitted By:


LERROY W. HOOTON, JR.
DIRECTOR

Attachments

RESOLUTION NO. _____ OF 2006
AUTHORIZING THE APPROVAL OF AN
INTERLOCAL COOPERATION AGREEMENT
BY AND BETWEEN
SALT LAKE CITY CORPORATION
AND THE
CITY OF HOLLADAY

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WHEREAS, Title 11, Chapter 13, Utah Code Annotated, 1953, allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached agreement has been prepared to accomplish said purposes;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. That the execution and delivery of the following is hereby approved:

AN INTERLOCAL AGREEMENT BY AND BETWEEN SALT LAKE CITY CORPORATION AND THE CITY OF HOLLADAY, PROVIDING FOR THE MAINTENANCE OF FIRE HYDRANTS WITHIN PORTIONS OF THE CITY OF HOLLADAY.

2. Ross C. Anderson, Mayor of Salt Lake City, Utah, or his designee, is hereby authorized to approve and execute said agreement on behalf of Salt Lake City Corporation, subject to such minor changes which do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2006.

SALT LAKE CITY COUNCIL

By: _____
CHAIRPERSON

CHIEF DEPUTY CITY RECORDER


SENIOR CITY ATTORNEY

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INTERLOCAL COOPERATION AGREEMENT
(HOLLADAY CITY FIRE HYDRANT MAINTENANCE)

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THIS INTERLOCAL COOPERATION AGREEMENT (HOLLADAY CITY FIRE HYDRANT MAINTENANCE), dated as of _____, 2006 (this "Agreement"), by and among SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah ("Salt Lake"), and HOLLADAY CITY, a municipal corporation of the State of Utah ("Holladay"),

W I T N E S S E T H:

WHEREAS, Salt Lake provides culinary water service outside of its municipal boundaries within portions of Holladay, including the area identified on Exhibit A attached hereto, such identified area being referred to herein for purposes of this Agreement as the "Holladay Water Service Area;" and

WHEREAS, such water service is provided by means of a water treatment, conveyance and delivery system consisting of dams, reservoirs, storage tanks, water treatment plants, raw and finished water conveyance facilities, valves, pumps, distribution pipelines and related and appurtenant facilities, operated and maintained by Salt Lake (collectively, the "System"), portions of which are situated within the Holladay Water Service Area; and

WHEREAS, Holladay owns (or will own) certain fire hydrants and related appurtenances in the Holladay Water Service Area; and

WHEREAS, except as may be provided for by contract, Salt Lake has no responsibility to acquire, own, install, inspect, maintain, repair, replace, operate or otherwise manage fire hydrants situated outside of the boundaries of Salt Lake City; and

WHEREAS, Holladay desires to engage Salt Lake to provide fire hydrant maintenance, repair and replacement services for all Holladay fire hydrants connected to the System and situated within the Holladay Water Service Area, and Salt Lake is willing to provide such services to Holladay; and

WHEREAS, Holladay desires to obtain from Salt Lake a continuing supply of water sufficient to fight fires in the Holladay Water Service Area, and Salt Lake is willing to provide with such water supply; and

WHEREAS, Salt Lake and Holladay desire to document their mutual understanding with respect to the foregoing, under authority of the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated (the "Interlocal Act"),

NOW THEREFORE, for and in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

SECTION 1. Fire Hydrant Maintenance. (a) Salt Lake agrees to provide for Holladay, on a contractual basis as provided in this Agreement, maintenance, repair and replacement services for all Holladay-owned Fire Hydrants situated within the Holladay Water Service Area. For all purposes of this Agreement, the term "Fire Hydrant" shall mean and include the fire hydrant itself, the "T" connection, one or more valves, the branch line to the hydrant, the thrust restraints, and any associated appurtenances. "Fire Hydrant" shall include only Fire Hydrants owned by Holladay, and shall not include any Fire Hydrants owned by other public or private parties, except as otherwise agreed by Salt Lake and Holladay. Such maintenance, repair and replacement services shall be performed and accomplished by Salt Lake in the same manner as Salt Lake performs and accomplishes maintenance, repair and replacement services with respect to Salt Lake-owned Fire Hydrants. In the case of damage to Fire Hydrants caused by third parties, Holladay agrees to assign to Salt Lake the right to pursue all claims against such third parties, and Salt Lake shall be entitled to retain all amounts so collected.

(b) Holladay agrees to inspect or cause to be inspected each Fire Hydrant within the Holladay Water Service Area on a periodic basis, and report to Salt Lake any conditions which appear to warrant maintenance, repair or replacement work. Except to the limited extent provided in subparagraphs (c) and (d) below, Salt Lake shall only be required to perform maintenance, repair or replacement services on Fire Hydrants so identified by Holladay and for which notification is given to Salt Lake. Salt Lake and Holladay shall cooperate with each other in monitoring the maintenance, repair and replacement status of all Holladay Fire Hydrants so identified.

(c) It is the current practice of Salt Lake to open and operate each Fire Hydrant on the System at least once each year in order to fully flush the System as part of a systematic water quality maintenance program. During the term of this Agreement, Salt Lake shall open and operate each Fire Hydrant situated within the Holladay Service Area in accordance with Salt Lake's then current System flushing practice. Incidental to such practice, in the event Salt Lake observes conditions which render a Fire Hydrant inoperable, or which otherwise warrant maintenance, repair or replacement work, Salt Lake shall so notify Holladay in the same manner as Salt Lake notifies the Salt Lake City Fire Department, and will schedule and perform the necessary work in accordance with Salt Lake's standard practice within Salt Lake. Except as described above, Salt Lake is under no duty and has no obligation to inspect Holladay Fire Hydrants or independently schedule maintenance, repair or replacement work, and in any event such Salt Lake activities shall not absolve Holladay of its primary obligation to inspect and operate all Fire Hydrants within the Holladay Water Service Area.

(d) Whenever Salt Lake undertakes a water main replacement project in the Holladay Water Service Area, Salt Lake agrees, in connection with such project, and without special direction by or authorization from Holladay, to (i) replace or repair broken or otherwise defective Fire Hydrants, (ii) replace old Fire Hydrants which are otherwise functional but which do not meet then current standards, with new Fire Hydrants, and (iii) install new Fire Hydrants as necessary to achieve the then required density of Fire Hydrants (currently one Fire Hydrant every 500 feet).

(e) Salt Lake agrees to install such additional new Fire Hydrants within the Holladay Service Area as Holladay shall direct.

SECTION 2. Fees and Charges. (a) For the services described in Sections 1(a), (b), (c) and (d) (i), Holladay shall pay to Salt Lake an annual flat fee, in an amount to be determined for each fiscal year, as provided herein. Such fee shall be fixed for the duration of each fiscal year, and shall not be subject to increase or decrease by either party based upon the actual cost of services provided during the applicable fiscal year; provided, however, that Holladay shall be responsible for the actual costs incurred by Salt Lake for maintenance, repair or replacement work which is required due to the gross negligence or willful misconduct of Holladay, or any agents of Holladay. The annual flat fee shall be based on the flat fee charged by Salt Lake's Department of Public Utilities (the "Department"), to Salt Lake's Fire Department for similar services. For each fiscal year during the term of this Agreement, the fixed fee shall be an amount equal to (i) the average per Fire Hydrant fee charged by the Department to Salt Lake Fire Department for such fiscal year, increased to reflect the then applicable rate differential applied by Salt Lake for water service outside of its municipal boundaries, which fee shall be determined and reported by Salt Lake to Holladay not later than the April 15th immediately preceding the beginning of such fiscal year, times (ii) the number of then existing Fire Hydrants within the Holladay Water Service Area, based on an inventory to be performed by Holladay on or after September 30 of each year, and reported to Salt Lake not later than January 1 of the following calendar year, which inventory shall be subject to confirmation by Salt Lake. By way of example, for the fiscal year beginning July 1, 2005, Salt Lake charged Salt Lake's Fire Department a flat fee of \$108,000 for 5,971 Salt Lake Fire Hydrants, representing an average fee of \$18.08 per Fire Hydrant. Applying the current rate differential of 35% to the average Salt Lake charge of \$18.08 results in an average charge to Holladay of \$24.41 per Fire Hydrant. Based on a current inventory of 732 Fire Hydrants within the Holladay Water Service Area, the fixed annual fee payable by Holladay for the fiscal year beginning July 1, 2006 will be \$17,868. The annual fee shall be due and payable within thirty (30) days after the later to occur of the first day of the relevant fiscal year, or the date the invoice is delivered by Salt Lake to Holladay. The fee for fiscal year 2006 shall be due and payable upon the execution and delivery of this Agreement.

(b) For the services described in Section 1(d)(ii), 1(d)(iii) and (e), Holladay shall pay to Salt Lake the actual cost of installing such new Fire Hydrants, including both materials and labor. In order to assist Holladay in budgeting for such costs, Salt Lake shall notify Holladay in advance of each water main replacement project scheduled by

the Department during the next fiscal year. Such notice shall be delivered to Holladay on or before the 1st day of February immediately preceding the beginning of the fiscal year for which such projects are scheduled. Such notice shall be given to Holladay as a courtesy, and shall not preclude Salt Lake from undertaking additional, or different, water main replacement projects based on emergencies, or unforeseen circumstances, and Holladay agrees to pay the actual Fire Hydrant installation costs, notwithstanding the lack of advance notice thereof.

SECTION 3. Water Sales. (a) Salt Lake agrees to make available to Holladay, for fire-fighting purpose, through Fire Hydrants situated within the Holladay Water Service Area, water available in the System in such quantities and at such pressures as the System is capable of producing at any given time or location.

(b) The Holladay recognizes that the System may from time to time be unable to deliver water at the times, at the locations, in the quantities and at the pressures required by Holladay, and that Salt Lake cannot guarantee such water availability. However, and without creating a special contractual duty on the part of Salt Lake different from its duty to all other customers of Salt Lake within the Holladay Water Service Area, Salt Lake represents that Salt Lake has and will continue to perform and accomplish the operation, maintenance, repair and replacement of the System within the Holladay Water Service Area in accordance with generally applicable standards, policies, practices, procedures, rules, regulations, ordinances, statutes and other applicable law, as the same shall be in effect from time to time, and on the same basis as operation, maintenance, repair and replacement is performed and accomplished by Salt Lake with respect to the System within all other portions of Salt Lake's culinary water service area, both within and outside of Salt Lake. Notwithstanding the foregoing, this representation shall not apply to any areas governed by exchange agreements between Salt Lake and any mutual irrigation water companies, within which areas the operation, maintenance, repair and replacement of the System and any other facilities used to deliver culinary water shall continue to be covered by the terms of such exchange agreements.

(c) It is understood and agreed that Salt Lake has obligations to deliver water to the inhabitants, firms and corporations within the municipal boundaries of Salt Lake, and Salt Lake may sell water within the Holladay Water Service Area, pursuant to Section 10-8-14, Utah Code Annotated, only to the extent such water is not required by Salt Lake or its inhabitants. In taking any actions to reduce or eliminate water sales within the Holladay Water Service Area, Salt Lake shall not discriminate against Holladay, and shall take such actions only to the extent the same actions are taken toward and are made generally applicable to other similarly situated surplus water customers of Salt Lake.

(d) The fixed annual fee referred to in Section 2 above includes a component to compensate Salt Lake for water usage under this Section.

SECTION 4. Term. Unless earlier terminated, this Agreement shall remain in effect for fifty (50) years. This Agreement may be terminated at any time by mutual

consent of the parties, or upon thirty (30) days' prior written notice by either party based upon a violation of the terms hereof by the other party, which violation is not cured within such thirty (30) day period.

SECTION 5. Assignment. This Agreement may not be assigned by any party, without the prior written consent of the other parties.

SECTION 6. Entire Agreement. This Agreement contains the entire agreement between the parties and cannot be altered except in writing signed by both parties.

SECTION 7. Interlocal Act Requirements. In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the parties agree as follows:

(a) This Agreement shall be authorized by resolution or ordinance of the legislative body of each party, pursuant to Section 11-13-202.5(1)(b) of the Interlocal Act;

(b) The resolution or ordinance of a party's legislative body approving this Agreement shall specify the effective date of this Agreement, pursuant to Section 11-13-202.5(2) of the Interlocal Act.

(c) A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each party pursuant to Section 11-13-209 of the Interlocal Act.

(d) The Mayor of Salt Lake and the Mayor of Holladay are designated as the joint administrators of this Agreement for all purposes of the Act, pursuant to Section 11-13-207(1) of the Interlocal Act.

(e) The disposition of real or personal property upon partial or complete termination shall be governed by applicable law.

(f) This Agreement shall be submitted to the attorney authorized to represent Salt Lake and Holladay respectively, for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5(3) of the Interlocal Act.

(g) In satisfaction of Section 11-13-207(2) of the Interlocal Act, the parties agree that the acquisition, holding, and disposition of real and personal property used in the joint undertaking shall be governed by the provisions of applicable law.

SECTION 8. Representations Regarding Ethical Standards For Salt Lake City Officers And Employees And Former Salt Lake City Officers and Employees. Holladay each represents that it has not (1) provided an illegal gift or payoff to a Salt Lake officer or employee or former Salt Lake officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing

business; (3) knowingly breached any of the ethical standards set forth in Salt Lake's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a Salt Lake officer or employee or former Salt Lake officer or employee to breach any of the ethical standards set forth in Salt Lake's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

SECTION 10. No Third-Party Beneficiaries Intended. This Agreement and the covenants, promises, obligations and responsibilities contained herein are intended solely to establish the obligations and benefits of the respective parties hereto. No other persons are intended to benefit from or be bound by the mutual obligations of the parties and no third party may enforce the terms of this Agreement or rely on this Agreement in any action against either of the parties.

SECTION 11. Governmental Immunity Act. Each party hereto is a governmental entity subject to the Utah Governmental Immunity Act (the "Act") and the substantive and procedural protections thereof. Nothing in this Agreement is intended to or does waive any defense, limitation on actions, substantive protection or procedural requirement established under the Act affecting or benefiting either party with respect to either the performance of its obligations under the agreement or the rights of third parties.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this _____ day of _____, 2006.

SALT LAKE CITY CORPORATION

By _____
MAYOR

ATTEST AND COUNTERSIGN:

CHIEF DEPUTY CITY RECORDER

STATE OF UTAH)

: ss.

County of Salt Lake)

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 7/25/06
By Chris Selt

On the _____ day of _____, 2006, personally appeared before me _____ and _____, who being by me duly sworn, did say that they are the Mayor and Deputy City Recorder, of SALT LAKE CITY CORPORATION, and that the foregoing instrument was signed in behalf of said municipal corporation by authority of a resolution of its City Council; and said persons acknowledged to me that said municipal corporation executed the same.

EXHIBIT A