

TO: City Council
FROM: Dan Smith, Water Resources & Sustainability Director
DATE: February 7, 2023
SUBJECT: Interlocal Agreement with the Washington Department of Transportation for Maintenance of Palermo Treatment Lagoon

1) Recommended Action:

Staff recommends Council approve and authorize the Mayor to sign Amendment No. 1 to the Interlocal Agreement between the City of Tumwater and the Washington Department of Transportation for the Maintenance of Palermo Treatment Lagoon, increasing reimbursement limit for the project.

2) Background:

The Palermo Treatment Lagoon serves to further treat surface waters impacted by contaminants associated with the "Palermo Superfund" site. Since the late 1990's when contamination was discovered at the Palermo Wellfield through its Wellhead Protection Program, the City has cooperated with state and federal agencies to support clean-up efforts and protect drinking water. The City is responsible for routine maintenance within the Palermo neighborhood and has agreed to provide management of the lagoon maintenance, through the interlocal agreement being amended. Initial bid results suggest additional financial resources are necessary to complete the project due to inflation, limited vendors capable of completing the projects, and other increased costs for materials and labor. The WA Department of Transportation (WSDOT) is the primary responsible party for clean-up efforts, and has agreed to the increased reimbursement limit.

3) Policy Support:

- Be a leader in Environmental Sustainability.
-

4) Alternatives:

- ☐ No alternatives identified; project is necessary to maintain treatment.
-

5) Fiscal Notes:

The initial agreement provides for 100% reimbursement of third party costs for clean-up efforts, not expected to exceed \$100,000.00. Amendment No. 1 increases the reimbursement by \$75,000.00, for a new agreement threshold of \$175,000.00.

6) Attachments:

- A. Interlocal Agreement – Maintenance of Palermo Treatment Lagoon
- B. Amendment No. 1 – Interlocal Agreement of Palermo Treatment Lagoon