

Return Document to: PUD #1 of Douglas County  
Document Title: Interlocal Cooperative Agreement  
Reference Number of Related Documents: N/A  
Grantor: PUD #1 of Douglas County  
Grantee: Downing Townsite Water District  
Legal Description: N/A  
Parcel Number(s): N/A

## **INTERLOCAL COOPERATIVE AGREEMENT BETWEEN PUD #1 OF DOUGLAS COUNTY AND THE DOWNING TOWNSITE WATER DISTRICT**

This Agreement is by and between Public Utility District #1 of Douglas County, Washington (the "PUD"), and the Downing Townsite Water District (the "District").

### **ARTICLE I PURPOSE**

**1.01 Purpose.** The purpose of this Agreement is to set forth the terms and conditions under which the PUD will provide water utility billing services for the District. This Agreement is limited to this purpose and does not apply to any other power, privilege or authority that may be exercised by either the PUD or the District.

### **ARTICLE II OWNERSHIP AND CONTROL**

**2.01 Water System.** The water system shall be owned, operated and maintained by the District.

### **ARTICLE III DUTIES OF THE PARTIES**

**3.01 Duties in General.** The District has recently been formed for the specific purpose of acquisition, design, improvement, construction, operation and maintenance of a water system serving its residents. The District is seeking necessary financing through a Community Development Block Grant (CDBG) and a Rural Development Loan (RDL). The PUD is not funding any acquisition, design, improvement, construction, operation or maintenance of the water system.

**3.02 Duties of PUD.** The PUD shall have the following duties with respect to this Agreement:

- A. Prepare and mail water service utility billing statements on a bimonthly basis to those responsible parties identified by the District.
- B. Receive, record and deposit payments; transmit receipts to the County Treasurer on a schedule prescribed by the County Treasurer.
- C. Advise the District of accounts that are delinquent by thirty (30) and sixty (60) days.
- D. Present a proper invoice for billing services to the District on a bimonthly basis.
- E. Maintain records in keeping with best accounting principles and practices meeting the requirements of the State Auditor.

**3.03 Duties of District.** The District shall have the following duties with respect to this Agreement:

- A. The District shall deliver to the PUD the names and mailing addresses for persons responsible for payment for water utility service within the Downing Townsite Water District. Such delivery shall be made prior to the preparation of billing statements and on dates specified by the PUD.
- B. Compensate the PUD for billing services in a manner set forth in this Agreement.
- C. Be responsible for the collection of delinquent accounts and/or termination of service.
- D. The District shall be solely responsible for operation and maintenance of the water system.
- E. Maintain records in keeping with best accounting principles and practices meeting the requirements of the State Auditor.

#### **ARTICLE IV COMPENSATION FOR SERVICES**

**4.1 Compensation.** The District shall compensate the PUD as follows:

Initial Setup - 3 hours @ the union scale for clerk  
Account Billing and Collection - \$ 1.40 per account per billing

Upon presentation of a proper invoice for services by the PUD, the District shall make payment to the District within thirty (30) days of receipt.

**ARTICLE V  
DURATION AND TERMINATION OF AGREEMENT**

**5.01 Termination.** Subject to paragraph 8.05, this Agreement shall commence immediately upon execution by the parties. Billing services shall not begin until such time as the District has acquired the water system. This Agreement shall terminate December 31, 1999 unless extended by joint resolution of both parties. This Agreement may terminate, in whole or in part, on thirty days written notice by either party.

**5.02 Disposition of Property.** The PUD is not directly financing any acquisition, design, construction, operation or maintenance of the water system. Accordingly, upon the partial or complete termination of this Agreement, ownership of the water system shall remain vested in the District.

**ARTICLE VI  
PERFORMANCE OF AGREEMENT**

**6.01 Compliance with All Laws.** Each party shall comply with all federal, state and local laws, rules, regulations and ordinances applicable to the performance of this Agreement, including without limitation all those pertaining to wages and hours, confidentiality, disabilities and discrimination.

**6.02 Maintenance and Audit of Records.** Each party shall maintain books, records, documents and other materials relevant to its performance under this Agreement which sufficiently and accurately reflect any and all direct and indirect costs and expenses incurred or paid in the course of performing this Agreement. These records shall be subject to inspection, review and audit by either party or its designee, the Washington State Auditor's Office, and authorized federal agencies. Each party shall retain all such books, records, documents and other materials for five (5) years following the termination of this Agreement.

**6.03 Improper Influence.** Each party agrees, warrants and represents that it did not and will not employ, retain or contract with any person or entity on a contingent compensation basis for the purpose of seeking, obtaining, maintaining or extending this Agreement. Each party agrees, warrants and represents that no gratuity whatsoever has been or will be offered or conferred with a view towards obtaining, maintaining or extending this Agreement.

**6.04 Conflict of Interest.** The elected and appointed officials and employees of the parties shall not have any personal interest, direct or indirect, which gives rise to a conflict of interest.

## **ARTICLE VII DISPUTES**

7.01 **Time.** Time is of the essence of this Agreement.

7.02 **Conflict.** In the event of conflict among the terms and conditions of this Agreement and federal, state or local law, the inconsistency shall be resolved by giving precedence of interpretation in the following order:

1. Applicable federal case law, statutes and regulations; then
2. Applicable Washington case law, statutes and regulations; then
3. The terms and conditions of this Agreement; then
4. Any other terms and conditions of this Agreement incorporated by reference.

7.03 **Waiver Limited.** A waiver of any term or condition of this Agreement must be in writing and signed by the parties. Any express or implied waiver of a term or condition of this Agreement shall apply only to the specific act, occurrence or omission and shall not constitute a waiver as to any other term or condition or future act, occurrence or omission.

7.04 **Attorney's Fees.** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the substantially prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in that action, arbitration or proceeding.

7.05 **Governing Law and Venue.** This Agreement shall be governed exclusively by the laws of the State of Washington. The Douglas County Superior Court shall be the sole proper venue for any and all legal action brought to enforce or interpret the provisions of this Agreement.

## **ARTICLE IIX GENERAL PROVISIONS**

8.01 **Assignment.** Neither party may assign its rights or delegate its duties under this Agreement, whether by assignment, subcontract or other means. Any such attempted assignment or delegation shall be void and shall constitute a material breach of this Agreement.

**8.02 Entire Agreement/Modification.** This Agreement constitutes the entire agreement between the parties. There are no understandings or agreements between parties other than those set forth in this Agreement. No other statement, representation or promise has been made to induce either party to enter into this Agreement.

**8.03 Modification.** This Agreement may not be amended, supplemented or otherwise modified unless expressly set forth in a written agreement signed by the parties and adopted by resolution of each parties' legislative authority.

**8.04 Invalid Provisions.** The invalidity or unenforceability of any particular term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision and this Agreement shall be construed in all respects as if such invalid or unenforceable term or provision was omitted.

**8.05 Filing and State Approval.** Pursuant to RCW 39.34.040, this Agreement shall be filed with the Douglas County Auditor prior to its entry into force. This Agreement shall also be filed with the Secretary of the PUD and the Secretary of the District.

Adopted: 12/4/98

PUBLIC UTILITY DISTRICT #1 OF  
DOUGLAS COUNTY  
BOARD OF COUNTY COMMISSIONERS

Tr James Davis  
President

Tim M. ...  
Vice President

Michael ...  
Secretary

ATTEST:

...  
Clerk of the Board

Adopted: 12-10-98

DOWNING TOWNSITE WATER DISTRICT  
BOARD OF COMMISSIONERS

  
\_\_\_\_\_  
Ellis Morton, President

  
\_\_\_\_\_  
Don Briggs, Vice President

  
\_\_\_\_\_  
William Hill, Secretary