INTERLOCAL COOPERATIVE AGREEMENT BETWEEN PUD #1 OF DOUGLAS COUNTY AND THE GREATER BAR WATER DISTRICT

This Agreement is by and between Public Utility District #1 of Douglas County, Washington (the "PUD"), and the Greater Bar 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 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 monthly 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 quarterly basis.
   E. Maintain records in keeping with best accounting principles and practices meeting the requirements of the State Auditor.
3.02 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 of the additional persons responsible for payment for water utility service within the Greater Bar Water District.
   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 for additional customers – 3 hour@ the union scale for Senior Billing Clerk.

   April 2011 – March 2012: $1.79 per account per billing.
   April 2012 – March 2013: $1.81 per account per billing.
   April 2013 – March 2014: $1.83 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 Duration. This agreement shall be amended upon the acceptance of the 2014-2016 Collective Bargaining Agreement between PUD Management and the IBEW Local 77.

5.01 Termination. Subject to paragraph 8.05, this Agreement shall commence immediately upon execution by the parties. Billing services shall continue for the current Downing Townsite Water customers and shall begin for the additional annexed customers upon the District’s delivery to the PUD of names and mailing addresses for persons responsible for payment within the Greater Water Bar District. 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 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.

7.03 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 cost incurred in that action, arbitration or proceeding.
7.04 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 IX
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.
EXECUTED THIS 23 DAY OF May, 2011.

PUBLIC UTILITY DISTRICT NO. 1 OF
DOUGLAS COUNTY, WASHINGTON

By [Signature]
General Manager
Adopted: 5-5-11

GREATER BAR WATER DISTRICT
BOARD OF COMMISSIONERS

Chair, Commissioner

Commissioner

Commissioner

ATTEST:

Clerk of the Board