INTERLOCAL COOPERATIVE AGREEMENT BETWEEN PUD No. 1 OF DOUGLAS COUNTY AND THE TOWN OF MANSFIELD

This Agreement is by and between Public Utility District No. 1 of Douglas County, Washington (the "District"), and the Town of Mansfield ("Mansfield"); collectively referred to as the "Parties".

ARTICLE I
PURPOSE

1.01 Purpose. The purpose of this Agreement is to set forth the terms and conditions under which the District will compensate Mansfield for operating the Withrow Water Works. 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 District or Mansfield.

ARTICLE II
OWNERSHIP AND CONTROL

2.01 Water System. The water system is and shall continue to be owned by the District.
2.02 Operation. The water system shall be operated solely by Mansfield.
2.03 Responsible Operator in Charge. Mansfield’s Public Works Superintendent shall be the sole Responsible Operator in Charge of Public Water System #98000T, Withrow Water Works.

ARTICLE III
DUTIES OF THE PARTIES

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

A. Read meters and record customer usage.
B. Prepare and mail water service utility billing statements on a monthly basis to the Withrow Water Works customers.
B. Receive, record and deposit payments.
C. Collect payment for delinquent accounts.
D. Maintain records in keeping with generally accepted accounting principles and practices meeting the requirements of the State Auditor.

E. All other duties required of the Water System Purveyor by the Washington Departments of Health and Ecology.

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

A. Present a proper invoice for billing services to the District on a quarterly basis.

B. Mansfield shall be solely responsible for operation and maintenance of the water system. A residential customer may be used to collect daily chlorination levels.

C. Timely file all required reports with regulatory agencies and provide a copy to the District.

E. Maintain records in keeping with generally accepted accounting principles and practices meeting the requirements of the State Auditor.

**ARTICLE IV**

**COMPENSATION FOR SERVICES**

4.1 **Compensation.** The District shall compensate Mansfield as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
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<tbody>
<tr>
<td>Routine operation and maintenance:</td>
<td>$200.00 per month.</td>
</tr>
<tr>
<td>Repairs/activities necessary to operate the system:</td>
<td>Actual time and materials at reasonable prices approved by the District.</td>
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</tbody>
</table>

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

**ARTICLE V**

**DURATION AND TERMINATION OF AGREEMENT**

5.01 **Duration.** This agreement shall remain in effect until modified as mutually agreed between the Parties, or until terminated by either Party subject to paragraph 5.02.

5.02 **Termination.** Subject to paragraph 8.05, this Agreement shall commence immediately upon execution by the Parties. This Agreement may terminate, in whole or in part, on thirty days written notice by either Party.

5.02 **Disposition of Property.** 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 for 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 costs 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 or the Douglas County District
Court shall be the sole proper venues for any and all legal action brought to enforce or interpret the provisions of this Agreement.

ARTICLE VIII
GENERAL PROVISIONS

8.01 Indemnity. To the full extent permitted by applicable law each Party shall indemnify and save harmless the other Party, its successors and assigns together with its officers, directors, employees, agents and those for whom it is in law responsible, only from and against any and all liabilities, damages, costs, expenses, causes of action, claims, suits, proceedings and judgments (collectively “Claims”) which they may incur or suffer or be put to by reason of or in connection with or arising from any breach, violation or non-performance by a Party of any obligation contained in this Agreement to be observed or performed by a Party, or any wrongful act or negligence of a Party or its agents or employees which related to this Agreement, howsoever arising. The Parties acknowledge and agree that this indemnity shall survive any termination of this Agreement. The Parties agree that this indemnity provision was mutually negotiated.

8.02 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.

8.03 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.

8.04 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' governing authority.

8.05 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.

8.06 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 District and Mansfield.
EXECUTED THIS 12 DAY OF May, 2014.

PUBLIC UTILITY District NO. 1 OF
DOUGLAS COUNTY, WASHINGTON

By ______________
    General Manager

Adopted: ____________

Town of Mansfield
Officials

____________________
Mayor

____________________
Councilmember

____________________
Councilmember

____________________
Councilmember

____________________
Councilmember

ATTEST:

____________________
Clerk-Treasurer