

**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584
July 11, 2024 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the June 20, 2024 Regular Meeting (2-3)

REPORTS:

7. Commissioner Reports
8. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Voucher 2024-28
 - Bills to Be Reviewed:
 - Voucher 2024-27
 - Monthly Financial Report: May 2024 (4-5)
 - Monthly Billing Report: July 2024 (6)
9. General Manager's Report

BUSINESS:

10. Approve Tree Service Expenses (7)
11. Adopt Resolution 2024-02, Approving Amendments to WSRMP Interlocal Government Agreement (8-21)
12. Update & Discussion Regarding Ecology Loan
13. Policy on Staff Safety Violations
14. General Manager Evaluation (*possible executive session*)
15. Accept Resignation of Commissioner Position #2
16. Nominate Potential Candidate or Candidates to fill Vacancy
17. Review Timeline for Appointing Commissioner

OLD BUSINESS

18. Reservoir Repairs
19. Other Old Business

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
June 20, 2024
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584**

MINUTES

PRESENT: President E. J. Anderson, Secretary S. Swart, Audit Commissioner Carl Anderson, General Manager (GM) J. Palmer, Project & Accounts Manager (PM) J. Sartori

CALL TO ORDER: The meeting was called to order at 1:03 pm

SUBSCRIBER REMARKS: No subscribers present

CORRESPONDENCE: No correspondence

PRESENT AGENDA: *Commissioner Swart moved to adopt the agenda. Commissioner E.J. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted as presented.*

MINUTES:

The minutes of the June 6, 2024 regular meeting were presented. *Commissioner Swart moved to approve the minutes. Commissioner C. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Commissioner Reports: Commissioner Swart shared an updated email address for WASWD

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2024-26 in the amount of \$350,331.33 was presented. *Commissioner Swart moved to approve voucher 2024-26 in the amount of \$350,331.33. Commissioner E.J. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- Bills to Be Reviewed:
 - PM presented Voucher 2024-22 for review

General Manager's Report: GM presented his report on the current state of the District

BUSINESS:

Board Succession Planning: Commissioners reviewed and accepted a proposed posting for the anticipated vacancy of Commissioner Position No. 2. The post will be published June 24, 2024.

General Manager Evaluation: Commissioners discussed final edits to the GM's annual evaluation and continued to review the Districts contract with the GM.

Commissioner C. Anderson moved to adjourn the meeting. Commissioner E. J. Anderson seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 3:45 pm.

Respectfully Submitted By:

Signature

Stacy Swart, Secretary, Commissioner #3
Name and Title

Approved at the Regular Meeting of the Board on: 7-11-2024

Hartstene Pointe Water Sewer District Monthly Financial Report - Fund Activity

May 2024

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	43,789.69	-	183.74	43,973.43	183.74
050 - DWSRF Loan Reserve	47,389.90	-	6,526.33	53,916.23	6,526.33
060 - Bond Fund	0.00	-	-	0.00	-
070 - USDA Revenue Bond Reserve	45,695.53	-	191.73	45,887.26	191.73
Total Reserve Funds	136,875.12	-	6,901.80	143,776.92	6,901.80
Unreserved Funds					
EFT Account - Umpqua Bank	33,150.03	(73,559.27)	73,747.20	33,337.96	187.93
Petty Cash Account	2,425.08	(1,275.64)	1,150.89	2,300.33	(124.75)
Xpress Deposit Account	22,907.53	(69,417.66)	51,412.68	4,902.55	(18,004.98)
010 - Operating Fund					
<i>Operating Investment Fund</i>	121,332.79	-	-	121,332.79	-
<i>010 - Operating Fund - Other</i>	123,251.38	(95,144.75)	114,360.87	142,467.50	19,216.12
Total 010 - Operating Fund	244,584.17	(95,144.75)	114,360.87	263,800.29	19,216.12
065 - Capital Project Account	0.00	-	-	0.00	-
Total Unreserved Funds	303,066.81	(239,397.32)	240,671.64	304,341.13	1,274.32
Committed Funds					
020 - Water/Sewer Committed Fund					
Asset Replacement Fund	36,344.37	-	-	36,344.37	-
Capital Improvement Fund					
<i>I&I Repair</i>	90,373.24	-	310.03	90,683.27	310.03
<i>Reservoir Repair</i>	110,020.69	-	-	110,020.69	-
Total Capital Improvement Fund	200,393.93	-	310.03	200,703.96	310.03
Risk Management Fund	201,062.59	-	1,883.24	202,945.83	1,883.24
Total 020 - Water/Sewer Committed Fund	437,800.89	-	2,193.27	439,994.16	2,193.27
Total Committed Funds	437,800.89	-	2,193.27	439,994.16	2,193.27
Total Funds	877,742.82	(239,397.32)	249,766.71	888,112.21	10,369.39

I hereby certify that the above statement is true.

Project & Accounts Manager

Date

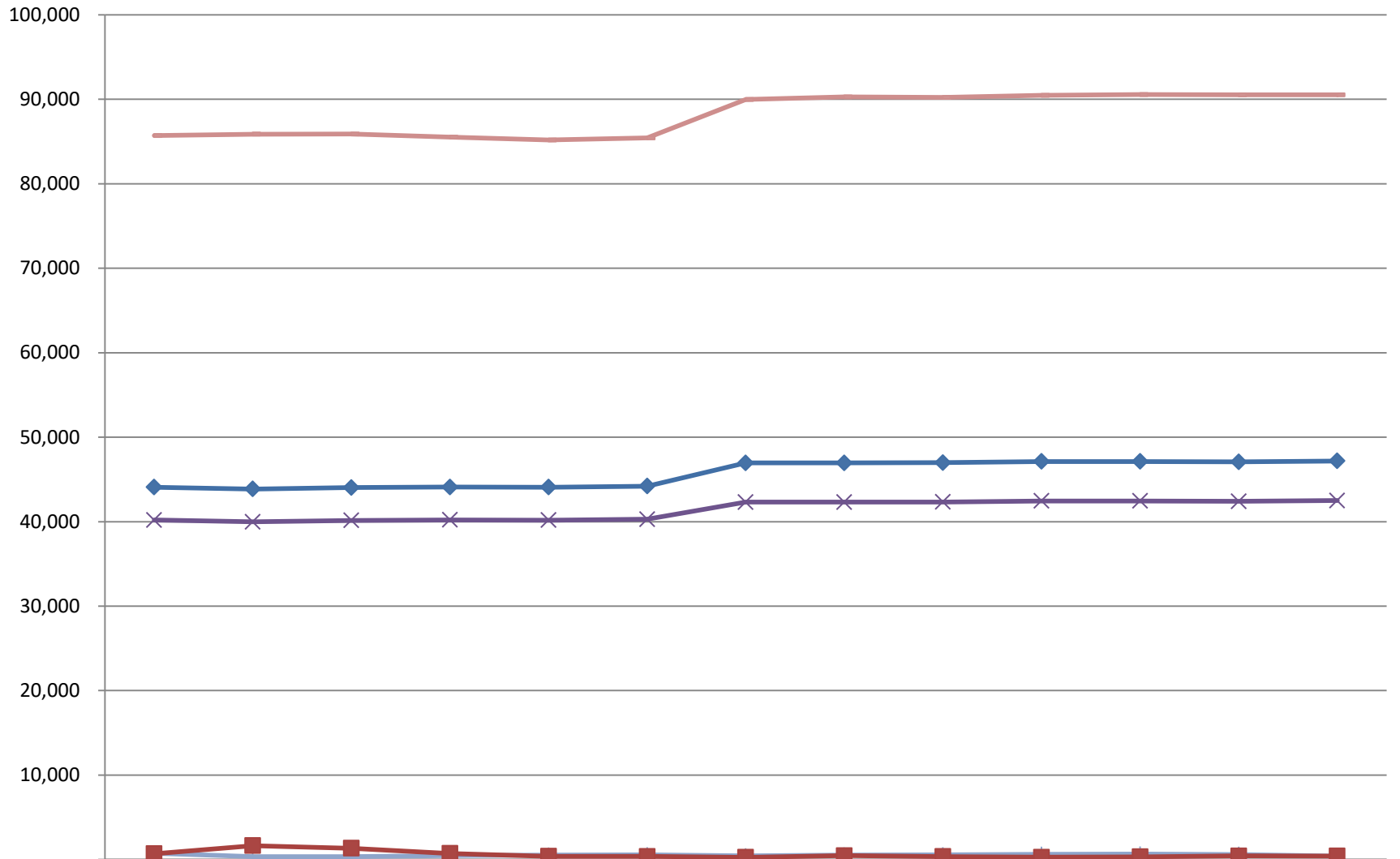
Audit Commissioner

Date

**Hartstene Pointe Water Sewer District
Profit & Loss Budget vs. Actual
May 2024**

	Profit & Loss	Budget v Actual			
	May '24	Jan - May '24 (41.6% of Yr)	Total 2024 Budget	\$ Over (Under) Budget	% of Total Budget
Ordinary Income/Expense					
Income					
Non-Operating Revenue	4,014.73	482,594.50	33,735.00	448,859.50	1,430.55%
Operating Revenue	94,984.13	457,075.37	1,080,940.00	-623,864.63	42.29%
Total Income	98,998.86	939,669.87	1,114,675.00	-175,005.13	84.3%
Gross Profit	98,998.86	939,669.87	1,114,675.00	-175,005.13	84.3%
Expense					
534 · Water Expenditures	14,012.11	61,052.07	378,313.00	-317,260.93	16.14%
535 · WW Treatment Expenditures	45,177.66	583,958.00	341,528.00	242,430.00	170.98%
538 · Combined W/S Expenditures	29,053.32	144,001.15	379,883.00	-235,881.85	37.91%
591.38 · Leases	1,000.00	5,000.00	12,300.00	-7,300.00	40.65%
Total Expense	89,243.09	794,011.22	1,112,024.00	-318,012.78	71.4%
Net Ordinary Income	9,755.77	145,658.65	2,651.00		
Net Income	9,755.77	145,658.65	2,651.00		

Regular Utility Billing



	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024
◆ Water Service	44,087	43,862	44,041	44,102	44,074	44,197	46,959	46,959	46,976	47,118	47,118	47,071	47,176
✕ Sewer Service	40,187	39,982	40,145	40,200	40,175	40,287	42,308	42,308	42,323	42,450	42,450	42,408	42,503
+ Late/Misc. Fees	738	359	364	488	532	563	432	534	556	617	650	612	416
■ Consumption	690	1,655	1,335	725	385	375	260	470	355	275	325	430	425
— Total Charges	85,701	85,858	85,885	85,515	85,166	85,422	89,959	90,271	90,210	90,460	90,542	90,521	90,519

Womer's Tree Service

Estimate

For: Hartstine Pointe Water-Sewer District
gm@hpwsd.org

Estimate No: 48
Date: 05/05/2024

Description	Quantity	Rate	Amount
limbing around fence line	1	\$2,000.00	\$2,000.00
small cedars removal	1	\$800.00	\$800.00
		Subtotal	\$2,800.00
		TAX	\$240.80
		8.6%	
		Total	\$3,040.80

Total **\$3,040.80**

**HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON**

RESOLUTION 2024-02

**A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
APPROVING AMENDMENTS TO THE INTERLOCAL GOVERNMENT
AGREEMENT OF THE WATER AND SEWER RISK MANAGEMENT POOL**

WHEREAS, Hartstene Pointe Water-Sewer District (the “District”) is a special purpose district and municipal corporation organized under and governed by Title 57 RCW; and

WHEREAS, the Board of Directors of the Water and Sewer Risk Management Pool (the “Pool”) at its semi-annual meeting on March 21, 2024, unanimously approved amendments to the Pool’s Interlocal Governmental Agreement (“Interlocal Agreement”) in the form attached hereto as Exhibit A; and

WHEREAS, before such amendments to the Interlocal Agreement become effective, two-thirds (2/3) of the Boards of Commissioners of the District hereby approves the Pool’s Interlocal Agreement as amended, in the form attached hereto; now

THEREFORE, the Board of Commissioners of Hartstene Pointe Water Sewer District hereby resolves:

1. To repeal Resolution 2009-20
2. To approve the Pool’s Interlocal Agreement as amended, in the form attached hereto.
3. To authorize the President of the Board of Commissioners to sign the Pool’s Amended Interlocal Agreement, confirming the Board’s approval.

ADOPTED by the District Board of Commissioners at its scheduled meeting on this 11th day of July, 2024.

Hartstene Pointe Water-Sewer District
Mason County, Washington

Earl Jim Anderson, President

Stacy Swart, Secretary

Carl Anderson, Audit Commissioner

INTERLOCAL GOVERNMENTAL AGREEMENT
CREATING THE WATER AND SEWER INSURANCE POOL

This agreement is made and entered into in the State of Washington by and among the Municipal Corporations organized and existing under the laws of the State of Washington, hereinafter collectively referred to as Member Districts/Entities, and individually as Member Districts/Entities. Said Districts/Entities are sometimes referred to herein as "Parties."

RECITALS

Whereas, Chapter 39.34 RCW provides that two or more local governmental entities may, by interlocal governmental agreement, join together for any common purpose and Chapter 48.62 RCW authorizes such governmental entities to form a joint pool for insurance or for self-insurance, and;

Whereas, each of these Parties in these agreements desires to join together with the other Parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint Protection Program for said Parties, and;

Whereas, it appears economically feasible and practicable for the Parties to this agreement to do so;

Now Therefore, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the Parties hereto agree as follows:

ARTICLE I

Definitions

The following definitions shall apply to the provisions of this agreement:

- A. "Pool" shall mean ~~the Water and Sewer Insurance Pool, also known as~~ the Water and Sewer Risk Management Pool created by this agreement.
- B. "Board of Directors" or "Board" shall mean the Governing Body of the Pool.
- C. "Claims" shall mean demands made against the Pool arising out of occurrences which are within the Pool's Joint Protection Program as developed by the Board of Directors.
- D. "Excess Insurance" shall mean the insurance purchased on behalf of the Pool to protect the funds and assets of the Pool and its Members against catastrophic losses and unusual frequency of losses during a single year.
- E. "Executive Committee" shall mean the Executive Committee of the Board of Directors of the Pool.
- F. "Fiscal Year" shall mean the period from November 1 through October 31 which is established as the Fiscal Year of the Pool.

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- G. "Insurance" shall mean and include self-insurance through a funded program and/or any commercial insurance contract.
- H. "Executive Director" shall mean the employee of the Pool who is appointed by the Board of Directors and responsible for the management and administration of the Pool and Joint-Protection Program of the Pool.

ARTICLE II

Purposes

This Agreement is entered into by municipal or governmental or public entities or agencies which provide public water and/or sewer services, in order to provide more comprehensive and economical liability coverage, to provide for economical or self-insurance pooling of all forms of insurance available or required by law for municipal corporations and other governmental entities or agencies, and for which state law authorizes formation of pooling organizations to provide such insurance, to reduce the amount and frequency of Member's losses, and to decrease the cost incurred by the Members and their handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate entity, Water and Sewer Insurance Pool, also known as the Water and Sewer Risk Management Pool, to administer a Joint-Protection Program wherein Members will pool their losses and claims, jointly purchase excess insurance, and administrative and other services including claims adjusting, data processing, risk management consulting, loss prevention, legal and other related services.

It is also the purpose of this Agreement to provide to the extent permitted by law, for the inclusion at a subsequent date ~~such municipal and any local~~ governmental entities, [nonprofit corporations or any other entity eligible to join per RCW 42.68, as amended.](#) ~~or agencies~~ which provide ~~public~~ water and/or sewer service which may desire to become parties of this agreement and members of this Pool, subject to the approval of the Board of Directors.

ARTICLE III

Parties to the Agreement

Each Party to this Agreement certifies that it intends to and does contract with all other Parties who are signatories of this Agreement and, in addition, with such Parties as may later be added to as signatories of this Agreement pursuant to Article XIX. Each party of this Agreement also certifies that the deletion of any party from this Agreement pursuant to Article XX and XXI, shall not affect this Agreement.

ARTICLE IV

Term of Agreement

This Agreement shall become effective on December 1, 1987, and shall continue for not less than five years and until and unless terminated as hereinafter provided.

ARTICLE V

Creation of the Pool

Pursuant to Chapter 48.62 RCW, ~~there is hereby created in 1988~~ a public entity separate and apart from the parties hereto, ~~was created to be that was~~ known as the Water and Sewer Insurance Pool, also known as the Water and Sewer Risk Management Pool, with such powers as are hereinafter set forth. [Effective in 2024, the Pool's official name was changed and simplified to the Water and Sewer Risk Management Pool.](#)

Pursuant to Chapter 48.62 RCW, the debts, liabilities and obligations of the Pool shall not constitute debts and liabilities or obligations of any party to this Agreement.

ARTICLE VI

Powers of Pool

- A. The Pool shall have the powers common to any of its Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:
1. To make and enter into contracts;
 2. To incur debts, liabilities or obligations;
 3. To acquire, hold or dispose of property; contribution and donation of property, funds, services and other forms of assistance from persons, firms corporations and governmental entities;
 4. To sue and be sued in its own name; and
 5. To exercise all powers necessary and proper to carry out the terms and provisions of the Agreement, or as otherwise authorized by law.
- B. Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE VII

Board of Directors

- A. The Pool shall be governed by a Board of Directors which is hereby established and which shall be composed of one representative from each Member District/Entity, who is an employee, official or designated agent of that member, as appointed by that Member's governing body. Each Member's Governing Body, in addition to appointing a member of the Board of Directors, shall appoint at least one alternate who also shall be an officer, employee or designated agent of that member. The alternate appointed by the Member shall have the authority to attend, participate in, and vote at any meeting of the Board when the regular Member for whom he or she is an alternate is absent from said meeting.
- B. Each representative or alternate to the Pool Board shall be appointed for a term of one year and until a successor is appointed. Each representative or alternate shall serve at the pleasure of the District/Entity by which he or she is an officer, an employee, or designated of that District/Entity. A representative or alternate may not represent more than three (3) Districts/Entities or be an employee or hired consultant of the Pool.
- C. Each member of the Board shall have one vote.

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ARTICLE VIII

Powers of the Board of Directors

The Board of Directors of the Pool shall have the following powers and functions:

- A. The Board may elect from its Members, pursuant to Article X of this Agreement, an Executive Committee to which it may give authority to make and implement any decisions, including those involving the administration of the Pool, except those decisions that would require an amendment of this agreement under Article XXVI herein.
- B. The Board shall review, modify, if necessary and approve an annual operating budget of the Pool.
- C. The Board shall receive and review periodic accounting of all funds under Article XIV and XV of this Agreement. The Board is authorized to establish a special fund with a Member District's/Entity's treasurer designated at the "Operating Fund of the Water and Sewer Insurance Pool Joint Board."
- D. The Board shall have the power to conduct on behalf of the Pool all business of the Pool which the Pool may conduct under the provisions hereof and pursuant to the law.
- E. The Board shall determine and select a Joint Protection Program for the Pool.
- F. The Board shall determine and select all necessary insurance, including excess insurance, necessary to carry out the Joint Protection Program of the Pool.
- G. The Board shall have the authority to contract for or develop various services for the Pool, including, but not limited to claims adjusting, loss control and risk management consulting services.
- H. The Board shall appoint an Executive Director for the Pool and shall receive and act upon reports of the Executive Director.
- I. The Executive Director shall have the power to hire such persons as the Board authorizes for the administration of the Pool, including the "borrowing" of management-level employees from one or more of the Members to assist in the development phases of the Joint Protection Program for the Pool subject to the approval of the Member Districts/Entities.
- J. The Executive Director shall have the general supervisory control over the day-to-day decisions and operations and administrative activities of the Pool.
- K. The Board shall have such other powers and functions as are provided in this Agreement, including, but not limited to the power to authorize contracts and as may be allowed by law.

ARTICLE IX

Meetings of the Board of Directors

- A. Meetings. The Board shall provide for its regular and special meetings, provided, however, that it shall hold at least one regular meeting annually, as set forth in the Bylaws of the Pool.

- B. Minutes. The Board of the Pool shall cause minutes of the meetings to be kept and shall, as soon as possible, after each meeting cause a copy of the minutes to be forwarded to each Member of the Board and to its Member Districts/Entities.
- C. Quorum. In order for a meeting to be held, there must be in attendance at that meeting, at least twenty (20%) percent of the designated representatives of the Members. Such membership attendance would constitute a quorum for the transaction of business. A duly held meeting in which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum. A vote of the majority of those present at the meeting shall be sufficient to constitute an action by the Board.

ARTICLE X

Executive Committee

There shall be an Executive Committee of the Board of Directors which shall consist of an odd number of Members of not less than five nor more than nine Members, as determined by the Board of Directors. Four Members of the Executive Committee shall be the President, the Vice President, the Secretary and the Treasurer of the Board of Directors. The election or selection of the Members of the Executive Committee shall be as specified in the Bylaws. The President of the Pool or the Vice President, in his or her absence, shall serve as the Chairperson of the Executive Committee. The Board of Directors may delegate any of the powers of the Board as outlined in Article VIII to the Executive Committee and may establish and delegate any other powers and duties the Board deems appropriate.

The Executive Committee shall meet ~~monthly~~ [at least quarterly](#).

ARTICLE XI

Officers of the Pool

- A. Election of Officers. The Board shall elect the President, Vice President, Secretary and Treasurer of the Pool at its annual meeting, each to hold office for a one year term and until its successor is elected. Only members of the Executive Committee shall be eligible for the offices of President, Vice President, Secretary and Treasurer.
- B. President and Vice President. In the event there is a vacancy in the President's position, the Vice President shall fill the position of the President for the unexpired term of the President. In the event of a vacancy in the Vice President's position, the Executive Committee shall fill from its Members the Vice President's position for the unexpired term of that position. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall be a Member and Chairperson of the Executive Committee.
- C. Treasurer. The duties of the Treasurer are set forth in this Agreement and the Bylaws of the Pool.
- D. The Executive Director shall have the general administrative responsibility for the activities of the Pool and the Joint Protection Program and shall appoint all necessary employees thereof.
- E. Attorney. The Board of Directors shall select an attorney for the Pool. The attorney may be a legal counsel for a Member District/Entity. In the event the attorney is precluded from acting because of a conflict of interest or legal impediment, or for other good reason, the Board may employ independent counsel as the attorney for the Pool. The attorney shall serve at the pleasure of the Board of Directors.

ARTICLE XII

Insurance Coverage

- A. The insurance coverage provided for the Member Districts/Entities by the Pools shall allow or require protection for Comprehensive General Liability, Personal Injury, Errors and Omissions, Automobile Liability, Contractual Liability, and such other areas of coverage as the State shall require or the Board shall determine to be appropriate coverages.
- B. The Pool shall maintain insurance limits for Member Districts/Entities determined by the Board of Directors to be adequate. The Board may arrange purchase of Group Policies for Member Districts/Entities interested in obtaining additional coverage above this limit, at an additional cost to those participating Districts/Entities.
- C. The Board may arrange for purchase of any other insurance coverages deemed necessary to protect the funds of the Pool against catastrophes.
- D. The Board may arrange for such other insurance as may be deemed appropriate for the benefit of the Members.

ARTICLE XIII

Development of Joint Protection Program

- A. The Board of Directors shall adopt the Pool's Joint Protection Program, including the insurance coverages provided for in Article XII, the amount of initial premiums, the precise cost to Allocation Plan and Formula, the pro-forma financial statement of the Pool and the amount and type of excess insurance to be procured.
- B. The Joint Protection Program provided by the Pool shall extend to all District's/Entity's operations unless otherwise excluded by the Board of Directors.
- C. The premium for each District/Entity shall be determined by the Board in its discretion, based upon a fair formula which shall consider, but not be limited to, total District/Entity payroll, administrative experience of the District/Entity, previous loss experience of the District/Entity, the liability risks of the District/Entity, and the cost to the Pool of adding the District/Entity as a Member.
- D. The Cost Allocation Plan and Formula adopted by the Board shall provide for an adjustment in the Member District's/Entity's premiums annually in order to produce a premium for the following year for the District/Entity that is equal to the sum of the following three items:
 - 1. The amount of loss borne individually by the District/Entity as determined by the Board; and
 - 2. District/Entity share of Pool losses and other expenses as determined by the Board; and
 - 3. The District's/Entity contribution to a catastrophe fund and reserves for incurred, but not reported losses, the amount of such fund reserves to be determined by the Board.
- E. The Board may make such premium adjustments retrospective to the prior year and each Member District/Entity shall pay any additional premium required by such respective adjustment.
- F. The Board shall adopt criteria for determining each District's/Entity's annual share of Pool losses, expenses, and contributions to a catastrophe fund which may include the District's/Entity's payroll as compared

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to the total payroll of all Member Districts/Entities, the District's/Entity individual loss experience and such other criteria as the Board may determine to be relevant.

G. The Pool shall provide Member Districts/Entities with an estimate of their upcoming annual premium including any annual readjustments within 14 days after receiving the final quotation for the Pool's annual insurance premium-. Each Member' premium amount together with any readjusted amount due under Paragraph C above, shall be payable on or before 45 days after the Pool distribution of the final premiums.

H. ~~Inasmuch as some~~In the event a Member ~~Districts/Entities may~~ experiences an unusually high frequency of losses during a single fiscal year, which could increase their in its financial premium substantially above prepaid premiums for that year and cause budgetary problems compared to the prior year and compared to other Pool Members in the current year, the ~~Board~~Executive Director in consultation with the Executive Committee may provide in its discretion allow for the payment of a portion of such additional premiums to be made over a period of time, ~~not to exceed three years plus reasonable interest.~~

ARTICLE XIV

Accounts and Records

- A. Annual Budget. The Pool shall annually adopt an operating budget, pursuant to Article VIII (B) of this Agreement.
- B. Funds and Accounts. The Pool shall establish and maintain such funds and accounts as may be required by good accounting practice. Books and records of the Pool shall be in the hands of the Treasurer and shall be open to inspection at all reasonable times by representatives of Member Districts/Entities.
- C. Executive Director's Report. The Executive Director within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and Member Districts/Entities.
- D. The Board may provide for a certified annual audit of the accounts and records of the Pool. Such audit shall conform to generally accepted accounting and auditing standards. When such audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each Member District/Entity. Such report shall be filed within six (6) months of the end of the year under examination.
- E. Cost. Any cost of the Audit, including contracts with/or employment of certified public accountants, in making an audit pursuant to this Article shall be borne by the Pool and shall be considered included within the term "administrative cost."

ARTICLE XV

Responsibility for Monies

- A. The Treasurer of the Pool shall have the custody of and disbursement of the Pool's funds subject to the Board's approval. He or she shall have authority to delegate the signatory function to such persons as are authorized by the Board.

- B. A Bond in the amount set by the Executive Committee, but not less than minimum bond required for district treasurers pursuant to RCW 57.20.135, shall be required by all officers and personnel authorized to disburse funds of the Pool. Such Bond shall be paid for by the Pool.
- C. The Treasurer's duties shall include:
 - 1. Receive and receipt of all money of the Pool and place it in the Treasury to the credit of the Pool;
 - 2. Be responsible upon his or her official bond for the safekeeping and disbursement of the Pool's money so held by him or her;
 - 3. Pay, when due, out of the money of the Pool so held by him or her all sums payable on outstanding debts of the Pool;
 - 4. Pay any other sums due from the Pool's money only upon a request for payment signed by the President of the Board and the Executive Director. The Board may designate an alternate signature for each; and
 - 5. Verify the report in writing on the first day of July, October, January, and April of each year to the Pool and the Member Districts/Entities the amount of money held for the Pool, the amount of receipts since the last report and the amount paid out since the last report.

ARTICLE XVI

Responsibilities of the Pool

The Pool may perform the following function in discharging its responsibilities under this Agreement:

- A. Provide insurance coverage as necessary, including, but not limited to a Self-Insurance Fund and Commercial Insurance, as well as Excess Coverage and Umbrella Insurance by negotiation or bid and purchase, as necessary.
- B. Assist Districts/Entities in obtaining insurance coverages for Risk not included within the basic coverage of the Pool.
- C. Provide loss prevention and safety and consulting services to Member Districts/Entities.
- D. Provide claims adjusting services for claims covered by the Pool during protection program.
- E. Provide loss analysis by the use of statistical analysis, data processing, and record and file-keeping services in order to identify high exposure operations and to evaluate proper levels of self-insurance and deductibles.
- F. Provide Member Districts/Entities a review of their contracts to determine sufficiency of indemnity and insurance provisions.
- G. Conduct risk management audits to review the participation of each District/Entity in the program. The audit shall be performed by the Executive Director or, at the discretion of the Board, an independent auditor may be retained by contract to conduct these audits.
- H. The Pool shall have such other responsibilities as may be deemed necessary by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE XVII

The Responsibilities of Member Districts/Entities

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Member Districts/Entities shall have the following responsibilities:

- A. The Governing Body of each District/Entity shall appoint a representative and at least one alternate representative to the Board of Directors of the Pool, pursuant to Article VII of this Agreement.
- B. The Governing Body of each Member District/Entity shall appoint an employee of the District/Entity to be responsible for risk management within that District/Entity to serve as the liaison between the District/Entity and the Pool as to the risk management and loss control and safety recommendations. Such person shall consider all recommendations of the Pool concerning the development and implementation of a loss control policy to prevent unsafe policies.
- C. Each District/Entity shall maintain its own set of records as to loss log in the categories of loss to insure accuracy of the Pool's loss reporting system
- D. Each District/Entity shall pay its premium and any readjusted amount promptly to the Pool when due. After withdrawal or termination, each District/Entity shall pay promptly to the Pool its share of any additional premium and accrued interest at a rate determined by the Board when and if required by the Board under Article XXIII of this Agreement.
- E. Each District/Entity shall provide the Pool with such other information or assistance as may be necessary for the Pool to carry out the Joint Protection Program under this Agreement.
- F. Each District/Entity shall in any and all ways cooperate with and assist the Pool and any insured of the Pool in all matters relating to this Agreement and covered losses, and will comply with all the Bylaws, rules and regulations adopted by the Board of Directors of this Pool.

ARTICLE XVIII

Joint Protection Program

- A. Joint Protection Program. After this Agreement becomes effective, the Pool shall develop the details for the Joint Protection Program more fully described in Articles XII and XIII of this Agreement.

ARTICLE XIX

New Members

After the effective date of the Joint Protection Program is established by the Pool, additional Districts/Entities shall be permitted to become signatories to this Agreement or to enter the Joint Protection Program during the first year of operation; provided such new member pay its appropriate share as determined by the Board. Following the first year of operation, the Pool shall allow entering in the program of new Members approved by the Board at such times during the year as the Board deems appropriate. Districts/Entities entering under this Article will be required to pay their share of organizational expenses as determined by the Board, including those necessary to analyze their loss data and determine their premiums. It shall not be necessary for existing Member Districts/Entities to re-sign or ratify the Pool Interlocal Agreement in order to allow the joining to the Interlocal Agreement of new Member Districts/Entities. Once any Member District/Entity has signed the Interlocal Agreement, it shall represent said Member District's/Entity's agreement to be bound, in the future to all terms of the Interlocal Agreement, with any new Member whose membership has been approved by vote of the Board and who has completed the requirements of membership set forth in this section. Thereafter, the new Member shall be considered a Party to the Interlocal Agreement of the same extent as all original Members and for all purposes.

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ARTICLE XX

Withdrawal

- A. A Member District/Entity may withdraw as a Party to this Agreement pursuant to the requirements of Article XVIII.
- B. A Member District/Entity which signs its initial Agreement and enters the Joint Protection Program pursuant to Article XVIII may not withdraw as a Party to this Agreement and as a member of this Pool for a one-year period commencing on the effective date of the Joint Protection Program as determined by Article XVIII.
- C. After the initial one-year non-cancelable commitment to the Program, a Member District/Entity may withdraw only at the end of any fiscal year, provided it has given the Pool six (6)-months written notice of its intent to withdraw from this Agreement and the Joint Protection Program. To rescind a notice of intent to withdraw, a Member must give the Pool not less than sixty (60) days notice before the policy renewal date. If at least sixty (60) days notice is not provided to the Pool, then the notice of withdrawal shall become effective as of the last date of the current policy year.

ARTICLE XXI

Cancellation

The Pool shall have the right to cancel any Member District's/Entity's participation in the Joint Protection Program upon a two-third's vote of the Executive Committee provided that the Executive Committee's decision to cancel is ratified by a two-third's vote at a meeting of the Board of Directors. Any District/Entity so cancelled shall be given written notice of the Executive Committee's decision to cancel. Cancellation shall be effective 180 days from the date the written notice was mailed to the District/Entity.

ARTICLE XXII

Effective Withdrawal

- A. The withdrawal of any District/Entity from this Agreement shall not terminate the same and no District/Entity, by withdrawing, shall be entitled to payment or return of any funds contributed, consideration of any property paid or donated by the District/Entity to the Pool or any distribution of Pool assets.
- B. The withdrawal of any District/Entity after the effective date of the Joint Protection Program shall not terminate its responsibilities to contribute its share of premiums or funds to any fund or insurance program created by the Pool until all claims or other unpaid liabilities, covering the period the District/Entity as a signatory hereto have been finally resolved and determination of the final amount of payments due by the District/Entity or credit to the District/Entity for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article XIII (C) of the Agreement.

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ARTICLE XXIII

Termination of This Agreement

- A. This Agreement may be terminated by written consent by two-thirds of the Member Districts/Entities; provided, however, that this Agreement and the Pool shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to wind up the affairs of the Pool.
- B. Upon termination of this Agreement, all assets of the Pool shall be distributed only among the ~~Parties that have been then existing~~ Members of the Joint Protection Program, ~~including any of those parties which previously withdrew pursuant to Article XX and XXI of this Agreement,~~ proportionate to their cash, including premiums (payments and the property at market value when received) contributions made during the ~~term of this Agreement~~ previous five (5) years. The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.
- C. The Board is vested with all the powers of the Pool for the purposes of winding up and dissolving the business affairs of the Pool. These powers shall include the power to require Member Districts/Entities, including those which were Member Districts/Entities at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of premiums deemed necessary by the Board for final disposition of all claims and losses covered by this Agreement.

The District's/Entity's share of such additional premium shall be determined on the same basis as provided for annual premiums in Article XIII (D) and (E) of this Agreement, and shall be treated as if it were next year's annual premium for that District/Entity subject to the limits described in Article XIII (H) of this Agreement.

ARTICLE XXIV

Provisions for Bylaws and Manual

The Board shall cause to be developed Bylaws and a policy and procedure manual to govern the day-to-day operation of the Pool. Each Member District/Entity shall receive a copy of any Bylaws, policy statement or manual developed under this Article.

ARTICLE XXV

Notices

Notices to Members ~~Districts/Entities~~ hereunder shall be sufficient if mailed and/or emailed to the ~~office of the manager of~~ address(es) provided by the respective Member ~~District/Entity~~ to the Pool.

ARTICLE XXVI

Amendment

This Agreement may be amended at any time by the written approval of all Member's Governing Body of the Districts/Entities signatory to it, or by an amendment adopted in the manner provided for in the Bylaws.

ARTICLE XXVII

Prohibition Against Assignment

No District/Entity may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or their party beneficiary of any District/Entity shall have any right, claim or title to any part, share, interest, fund, premiums or asset of the Pool.

ARTICLE XXVII

Limitation of Liability; Legal Action Against Pool

- A. Liability Limitation: In the event that any claim against a member is not covered or exceeds the applicable limits of coverage provided by the Pool, the liability for that obligation lies with the member.
- B. Mediation: The parties to any dispute between the Pool or its members concerning this agreement shall seek to first resolve the dispute between them and if such efforts are not successful, the parties agree to resolve it through mediation with a neutral third party.
- C. Venue for Litigation: Venue for any dispute concerning this agreement may only be laid in the King County Superior Court.
- D. Governing Law: This agreement shall be governed by the laws of Washington except for the Washington laws on conflict of laws. Therefore the substantive laws of Washington shall govern in all respects.

ARTICLE XXIX

Agreement Complete

The following completes the Agreement of the Parties. There are no oral understandings or agreements, not set forth in writing herein.

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