

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

RESOLUTION NO. 2009- 32

**A RESOLUTION OF THE
HARTSTENE POINTE WATER - SEWER DISTRICT COMMISSIONERS
AUTHORIZING THE INTERLOCAL AGREEMENT FOR CONTRACT
OPERATIONS WITH WEST SOUND UTILITY DISTRICT**

WHEREAS, Hartstene Pointe Water - Sewer District is a special purpose district, governed by Chapter 57 of the Revised Code of Washington, that owns its water, wastewater, and wastewater treatment facilities; and

WHEREAS, West Sound Utility District (also referred as "District") is a special purpose district, governed by Chapter 57 of the Revised Code of Washington, that manages water, wastewater, and wastewater treatment facilities; and

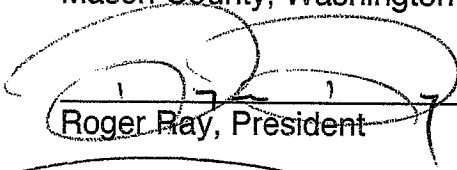
WHEREAS, Hartstene Pointe Water - Sewer District has decided to contract with West Sound Utility District to manage its water, wastewater and wastewater treatment systems; now

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

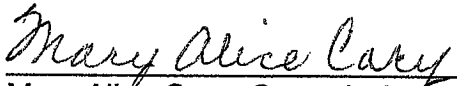
The attached interlocal agreement for contract operations for Hartstene Pointe Water - Sewer district is hereby approved and shall be entered into by the District's Board of Commissioners.

ADOPTED, by the District's Board of Commissioners at a regular scheduled meeting on October 29, 2009.

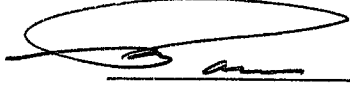
HARTSTENE POINTE WATER - SEWER DISTRICT
Mason County, Washington



Roger Ray, President



Mary Alice Cary, Commissioner



William Parisio, Commissioner

10/29/2009

**WEST SOUND UTILITY DISTRICT
RESOLUTION 161-09**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
AUTHORIZING THE INTERLOCAL AGREEMENT FOR CONTRACT
OPERATION WITH HARTSTENE POINTE WATER AND SEWER DISTRICT**

WHEREAS, West Sound Utility District (also referred to herein as "District") is a special purpose district, governed by Chapter 57 of the Revised Code of Washington, that manages water, wastewater, and wastewater treatment facilities; and

WHEREAS, Hartstene Pointe Water and Sewer District is a special purpose district, governed by Chapter 57 of the Revised Code of Washington, that owns its water, wastewater, and wastewater treatment facilities; and

WHEREAS, Hartstene Pointe Water and Sewer District has decided to contract with West Sound Utility District to manage its water, wastewater, and wastewater treatment systems; now

THEREFORE the Board of Commissioners of the West Sound Utility District hereby resolves:

The attached interlocal agreement for contract operations for Hartstene Pointe Water and Sewer District is hereby approved and shall be entered into by the District's Board of Commissioners.

ADOPTED, by the District's Board of Commissioners at a regular scheduled meeting on October 19, 2009.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington

Jerry Lundberg
Chairperson

William H. Huntington
Secretary

James J. Hart
Vice Chairperson

Jeannie Screws
Commissioner

Susan Way
Commissioner

**INTERLOCAL AGREEMENT BETWEEN
HARTSTENE POINTE WATER SEWER DISTRICT AND
WEST SOUND UTILITY DISTRICT FOR
ASSISTANCE IN OPERATING THE
HARTSTENE POINTE WATER AND SEWER SYSTEMS**

Summary for Recorder's Use:

1. **Reference Number** of documents being assigned or released: Not Applicable.
2. **Grantor:** WEST SOUND UTILITY DISTRICT.
3. **Grantee:** HARTSTENE POINTE WATER SEWER DISTRICT.
4. **Legal Description:** Not applicable.

This Agreement is entered into this ____ day of _____, 2009, between **HARTSTENE POINTE WATER SEWER DISTRICT**, a Washington municipal corporation, hereinafter referred to as "Hartstene Pointe", and **WEST SOUND UTILITY DISTRICT**, a Washington municipal corporation, hereinafter referred to as "West Sound". Herein, Hartstene Pointe and West Sound shall also be generically referred to together as "parties", or singularly as "party".

Washington State's Interlocal Cooperation Act, RCW, Chapter 39.34, encourages local government units to enter into agreements with one another on a basis of mutual advantage in order to make the most efficient use of their resources for the benefit of their respective constituents.

Hartstene Pointe is a relatively new special purpose district formed in accordance with Chapter 57 RCW, which operates systems for potable water, sanitary sewer, and wastewater treatment. It does not yet have qualified employees to operate its system and seeks assistance in the management, monitoring, and repair of its system,

and in the processing and management of its customer accounts. West Sound is an established special purpose district knowledgeable in water and sewer system operations and management of customer accounts, and has in place a management program for the purpose of assisting other water and/or sewer agencies such as Hartstene Pointe. Hartstene Pointe and West Sound have agreed West Sound shall provide water and sewer system management and operation services to Hartstene Pointe as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and the promises and covenants of the parties hereinafter set forth, they agree as follows:

1. PURPOSE OF AGREEMENT. The purpose of this Agreement is to have West Sound provide operational assistance in customer service, water systems, sewer collection systems, and wastewater treatment to Hartstene Pointe as detailed herein.

2. ADMINISTRATION OF AGREEMENT. The President of the Hartstene Pointe Board of Commissioners will be Hartstene Pointe's contact person to West Sound. The West Sound General Manager will be West Sound's contact person to Hartstene Pointe. All communications regarding this Agreement shall be directed from each party to the contact person for the other party.

3. DURATION OF AGREEMENT. This Agreement shall take effect upon its mutual execution by the parties and shall remain in effect indefinitely until terminated as provided in section 4 hereof.

4. TERMINATION OF AGREEMENT. Hartstene Pointe may terminate this Agreement at any time by first providing thirty (30) days advance notice to West Sound. West Sound may terminate this Agreement at any time by first providing sixty (60) advance days notice to Hartstene Pointe. The actual termination date set forth in the notice from either party shall fall on the last day of the specified month. Hartstene Pointe will promptly notify the Department of Health Regional Engineer of any notice to terminate this agreement.

5. Notice Requirements. All notices referenced in this Agreement shall be in writing, shall clearly set forth their purpose, and shall be signed and dated by the remitting party. A notice shall be deemed delivered to the receiving party: on the day it is personally served on that party, with that party signing a receipt therefore which is dated; or, within two business days from the day it is mailed by certified mail, return receipt requested, from a U.S. postal drop in Western Washington.

For purposes of mailing notices, notices to WEST SOUND shall be sent to the following person at the following mailing address:

General Manager
West Sound Utility District
2924 Lund Avenue S.E.
Port Orchard, WA 98366

“Appendix C” **Sewer Collection System**

West Sound will physically operate Hartstene Pointe’s sewer mains and sewer pumps, except for the sewer pipes running from the homes or buildings to the sewer main, and in doing so it shall:

1. Respond to sewer collection customer concerns;
2. Operate and maintain the sewer pumps;
3. Inspect and clean, periodically, as agreed to with Hartstene Pointe, the sewer mains; and
4. Complete emergency repairs on the Hartstene Pointe sewer mains, as requested by Hartstene Pointe, that are not contracted out to third parties.
5. Discontinuation and resumption of sewer service.

The sewer main is that sewer pipe in the street. The property owner is responsible for the sewer service line from the home to the sewer main in the street, irregardless to the proximity of the property line.

Reimbursement from Hartstene Pointe to West Sound shall according to the following schedule:

Routine Travel Expenses:

1. The hourly wage rate for travel shall be the \$40 per hour.
2. Travel time shall be measured from West Sound Headquarters to the Hartstene Pointe gate; and
3. For pickup trucks and cars, travel reimbursement shall be 80% of the IRS allowable mileage rate.

Operational Expenses: The hourly wage rate for operational expenses shall be \$54.08 per hour.

Overtime Expenses: West Sound Utility District will strive to minimize overtime work. For overtime expenses the hourly expense will be 1 ½ times the hourly wage, except on District-observed holidays. For West Sound-observed holidays, the hourly wage will be 2 times the hourly wage.

Annual Adjustments: Wage reimbursement by Hartstene Pointe to West Sound shall be based on the West Sound Wage Scale and Benefit Package, as approved by the West Sound Board of Commissioners. Annual adjustments are effective on January 1st of each year.

“Appendix B” **Water System**

West Sound will physically operate the Hartstene Pointe water system by performing the following tasks:

1. Implementing the Hartstene Pointe water plans by taking the required samples;
2. Responding to water quality and customer concerns;
3. Operation of the pumps and water treatment processes;
4. Completion of emergency repairs as requested that are not contracted out to third parties;
5. Assist Hartstene Pointe in establishing and implementing a cross connection control program;
6. Assistance to Hartstene Pointe in developing and implementing a coli form monitoring program; and
7. Reading of water meters.
8. Discontinuation and resumption of water service.

Reimbursement from Hartstene Pointe to West Sound shall be according to the following schedules:

Routine Travel Expenses:

1. The hourly wage rate for travel shall be the \$40 per hour.
2. Travel time shall be measured from West Sound headquarters to the Hartstene Pointe gate;
3. For pickup trucks and cars, travel reimbursement shall be 100% of the IRS allowable mileage rate.

Operational Expenses: The hourly wage rate for operational expenses shall be \$54.08 per hour.

Overtime Expenses: West Sound Utility District will strive to minimize overtime work. For overtime expenses the hourly expense will be 1 ½ times the hourly wage, except on District-observed holidays. For West Sound-observed holidays, the hourly wage will be 2 times the hourly wage.

Annual Adjustments: Wage reimbursement by Hartstene Pointe to West Sound shall be based on the West Sound Wage Scale and Benefit Package, as approved by the West Sound Board of Commissioners. Annual adjustments are effective on January 1st of each year.

Reimbursement from Hartstene Pointe to West Sound shall be as follows:

Routine Travel Expenses:

1. The hourly wage rate for travel shall be the \$40 per hour.
2. Travel time shall be measured from West Sound headquarters to the Hartstene Pointe gate; and
3. For pickup trucks and cars, travel reimbursement shall be 100% of the IRS allowable mileage rate at any given time.

Operational Expenses:

1. The hourly wage rate for operational expenses shall be \$54.08 per hour.
2. Preparation of bills: 1 hour per month;
3. Daily accounting and banking: 15 minutes per business day; and
4. Actual time in attending Hartstene Pointe board meetings as requested.

Overtime Expenses: West Sound Utility District will strive to minimize overtime work. For overtime expenses the hourly expense will be 1 ½ times the hourly wage, except on District-observed holidays. For West Sound-observed holidays, the hourly wage will be 2 times the hourly wage.

Annual Adjustments: Wage reimbursement by Hartstene Pointe to West Sound shall be based on the West Sound Wage Scale and Benefit Package, as approved by the West Sound Board of Commissioners. Annual adjustments are effective on January 1st of each year.

1. Springbrook Software billings solely to the benefit of Hartstene Pointe: 110% of the Springbrook invoice; and
2. Springbrook Software billings that benefit both districts: 10% of the invoice sum.

Mailings and other Administrative Expenses:

3. Billings solely to the benefit of Hartstene Pointe: 110% of the billing amount.
4. Combined billings that benefit both districts: 10% of the invoice amount.

Examples of routine billings include, but are not limited to:

1. Springbrook account set up for Hartstene Pointe;
2. Answering service monthly expenses;
3. Underground Locates;
4. Preparation of water/sewer bills; and
5. Mailing of bills and reports, i.e. Consumer Confidence Reports.

“Appendix A”

Customer Service

West Sound administrative support to Hartstene Pointe may include, as requested by Hartstene Pointe from time to time, assistance in the following areas:

1. The preparation of resolutions, district policies, and other district documents;
2. Decision making on capital improvements and budgets;
3. Selection of engineers and contractors and other professional service providers;
4. Liaison services with the Department of Health and Department of Ecology;
5. Scheduling of regular West Sound services to Hartstene Pointe;
6. Preparation of plans affecting Hartstene Pointe water and sewer systems;
7. Preparation of the Consumer Confidence Report, Water Utilization Efficiency Report, and other reports required by the State or federal government;
8. Assistance to the Hartstene Pointe engineer in preparing a water system plan and sewer system updates; and/or
9. Assistance in maintaining Hartstene Pointe’s water facility inventory.

West Sound Customer Service support shall include:

1. Placement of the Hartstene Pointe customer accounts in the West Sound; Springbrook utility software data base and management of those accounts on behalf of Hartstene Pointe;
2. Perform utility billings on behalf of Hartstene Pointe with submittal of monies received to the Hartstene Pointe bank account on a regular basis;
3. Collection of Hartstene Pointe connection fees with submittal of monies received to the Hartstene Pointe bank account on a regular basis;
4. Respond to after hour Hartstene Pointe customer calls (Hartstene Pointe understands, because of the distance between the two Districts, that response times may be slow).
5. Respond to business hour Hartstene Pointe customer calls (Hartstene Pointe understands, because of the distance between the two Districts, that response times may be slow).
6. Prepare letters of water and sewer availability on behalf of Hartstene Pointe, after approval by the Hartstene Pointe Board.
7. Process the Hartstene Pointe Accounts Receivable pursuant to direction provided by Hartstene Pointe.
8. Coordinating and processing discontinuation and resumption of service.

by: _____
MARY ALICE CARY /
Commissioner

by: _____
JAMES J. HART /
Commissioner

by: _____
ROGER RAY /
Commissioner

by: _____
WILLIAM HUNTINGTON /
Commissioner

regarding carrying out the terms of this Agreement, each party shall make adequate provisions in its own agency budget for carrying out all its obligations hereunder.

19. COOPERATION OF PARTIES / DISPUTES / LEGAL ACTION. The parties shall strive to cooperate with one another in a reasonable manner and at all reasonable times so the terms and spirit of this Agreement may be fully implemented for the benefit of both parties. If any disputes do arise between the parties regarding this Agreement, both shall strive in good faith to settle all such disputes in a timely and reasonable manner at the lowest possible level, with each being mindful and reasonably accommodating of the interests and concerns of the other party. If legal action is ever brought by either party to enforce the terms of this Agreement, the venue for any such action shall be in Kitsap or Mason Counties and the party who substantially prevails in any such suit or legal action shall be entitled to receive from the party who substantially loses, all of the prevailing parties legal fees and costs.

20. COMPLETE AGREEMENT. This Agreement constitutes the full and complete Agreement of the parties as to the matters contained herein. No verbal or prior written understanding shall be provided with any legal effect whatsoever regarding or touching upon the matters contained herein. Any amendments hereto shall be in writing and signed by both parties.

21. REASONABLE INTERPRETATION. For the reason each party has had ample opportunity to review and provide input for the preparation of this Agreement, it shall not be interpreted in favor of or against either party: it shall be provided with a reasonable interpretation to the end that its terms and intent may be fully and reasonably implemented.

22. FILING WITH THE COUNTY AUDITOR. Pursuant to RCW 39.34.040, this Interlocal Agreement shall be filed with the Mason County Auditor by Hartstene Pointe as soon as practical after both parties have duly executed the Agreement; it shall also be filed by West Sound with the Kitsap County Auditor. Each filing party shall thereafter provide a fully conformed copy to the other party.

IN WITNESS WHEREOF, the duly constituted governing board of commissioners for each party has consented to the terms of this Agreement as evidenced by their respective signatures set forth hereinafter. The board of commissioners for Hartstene Pointe considered and approved of this Agreement at its duly scheduled board meeting held on the ___ day of _____, 2009, and the board of commissioners for West Sound considered and approved of this Agreement at its duly scheduled board meeting held on the ___ day of _____, 2009. This Agreement shall be executed in duplicate.

DATED this ___ day of _____ 2009

**HARTSTENE POINTE WATER SEWER WEST SOUND UTILITY DISTRICT:
DISTRICT:**

by: _____
WILLIAM PARISIO /
Commissioner

by: _____
JERRY LUNDBERG /
Commissioner

appointed officials, officers employees and agents, of the other party from and against any and all claims, actions, demands, losses, damages, liabilities and costs, including, but not limited to, attorney's fees and litigation costs, arising out of its performance of this Agreement, except that each party shall not be liable for injury or damages caused by the negligence or willful misconduct of the other party, its elected or appointed officials, employees, or agents.

17. INSURANCE. West Sound will require, as a pre-condition of performing its services hereunder, that Hartstene Pointe obtain public liability insurance naming West Sound as an additional insured. Hartstene Pointe shall also provide West Sound with a copy of the insurance endorsement, and all renewals thereof. The minimum liability insurance coverage shall be as follows:

COMMERCIAL GENERAL LIABILITY:

Bodily Injury	\$ 500,000 each person \$1,000,000 each occurrence
Property Damage	\$ 500,000 each occurrence \$1,000,000 gen. aggregate \$1,000,000 aggregate - products
Or	
Combined Single Limit	\$1,000,000 each occurrence \$1,000,000 gen. aggregate
Employers Liability	\$ 500,000 each accident \$ 500,000 each employee - disease \$ 500,000 policy limit - disease

AUTOMOBILE LIABILITY:

Bodily Injury	\$ 500,000 each person \$1,000,000 each occurrence
Property Damage	\$ 500,000 each occurrence
or	
Combined Single Limit	\$1,000,000 each occurrence

Certificates shall be issued through insurance companies licensed to do business in the State of Washington pursuant to Title 48 RCW and who have a "Best's Insurance Guide" rating of not less than A+VII

18. FINANCIAL CONSIDERATIONS. The Inter-local Cooperation Act requires that the parties establish how their joint undertaking pursuant to the Inter-local Cooperation Act shall be financed and what budget(s), if any will be maintained therefore. In answer to this statutory directive, each party shall be solely responsible for its own costs incurred in carrying out the terms of this Agreement; no joint financial accounts or arrangements shall be established. Also, no joint budget shall be maintained

12. WEST SOUND EMPLOYEES / TRAVEL REIMBURSEMENT. West Sound employees assigned to a project pursuant to this Agreement shall remain employees of West Sound at all times and shall perform all assigned tasks pursuant to this Agreement under sole supervision and control of West Sound. Travel reimbursement paid from Hartstene Pointe to West Sound shall be limited to travel by West Sound employees between West Sound and Hartstene Pointe, and shall be paid pursuant to the travel reimbursement schedule in place or enacted by West Sound from time to time. Travel reimbursement shall specifically not include West Sound employee travel to conferences, or other travel, related to West Sound's services provided pursuant to this Agreement that are not specifically approved by Hartstene Pointe.

13. EQUIPMENT. It is expected West Sound will use equipment, machinery, and/or vehicles owned by either West Sound or Hartstene Pointe to perform its tasks pursuant to this Agreement. Hartstene Pointe shall compensate West Sound its rental fees for West Sound Equipment/machinery/vehicles used in the performance of its services hereunder and for any and all losses and/or damages occurring to West Sound equipment/machinery/vehicles when the damage or loss is associated with the proper use thereof on approved Hartstene Pointe projects. West Sound equipment/machinery/vehicle rental costs to be paid by Hartstene Pointe to West Sound are listed on the attached "**Appendix E**", which by this reference is incorporated herein and made a part hereof.

14. FINANCIAL RESPONSIBILITY. Hartstene Pointe shall be solely responsible for all costs of: Hartstene Pointe projects; Hartstene Pointe water and sewer system maintenance; and all Hartstene Pointe operational expenses of every kind and nature. Prior to incurring cost obligations on behalf of Hartstene Pointe in providing its services hereunder in excess of Five Hundred Dollars (\$500), West Sound shall first receive approval from Hartstene Pointe's contact person. In all events, except for the services to be provided pursuant to this Agreement by West Sound, Hartstene Pointe shall be responsible for determining all of its capital improvements, signing contracts involving its district, selecting engineers and consultants, and all financial obligations of every kind and nature associated with the foregoing and the operation of its water/sewer systems.

15. REIMBURSEMENT. Hartstene Pointe shall reimburse West Sound for all costs of direct and indirect labor (including fringe benefits), administration, equipment rental, use of West Sound equipment, engineering, materials, and supplies for the work performed by West Sound pursuant to this Agreement. West Sound shall submit a statement to Hartstene Pointe after performance or delivery and within thirty (30) days from the date the invoice was submitted, Hartstene shall pay to West Sound the full state amount. Any statement amount not paid by Hartstene Pointe within thirty days from the date of its submittal to Hartstene Pointe shall accrue interest at the rate of ten percent (10.00%) per annum, compounded monthly.

16. HOLD HARMLESS. Each party shall be solely responsible for the consequences of any negligent or wrongful act, or failure to act, on the part of itself, its employees, agents, and representatives. Neither party shall assume responsibility to the other party for the consequences of any act or omission of any person, firm, or corporation not a party to this Agreement. Hartstene Pointe and West Sound shall each defend, indemnify and hold harmless, at their individual expense, the elected and

and notices to HARTSTENE POINTE shall be sent to the following person at the following mailing address:

President, Board of Commissioners
Hartstene Pointe Water and Sewer District
772 Chesapeake Dr
Shelton, WA 98584

Either party may change its contact person and/or the person to receive notices on its behalf, or mailing address at which it will receive notices, by notifying the other party of the changes in a timely manner in accordance with the notice provisions set forth herein.

6. ACQUISITION OF PROPERTY. Any property acquired by West Sound or Hartstene Pointe for use in the operation of Hartstene Pointe's water or sewer system, and specifically paid for by Hartstene Pointe, shall be and remain the sole property of Hartstene Pointe. Conversely, any property paid for by West Sound for use in the operation of Hartstene Pointe's water system shall remain the sole property of West Sound.

7. STATE PERMITS. Hartstene Pointe is the owner of its water, sewer, and wastewater systems and is ultimately responsible for compliance with the terms of the permits issued to it by the Washington State Department of Health ("Water System Operating Permit") and the Washington State Department of Ecology ("NPDES permit"). West Sound will perform its agreed upon services for Hartstene Pointe in accordance with State permits, rules and regulations.

8. CUSTOMER SERVICE SUPPORT. West Sound shall provide administrative and customer service support for Hartstene Pointe as described in the attached "**Appendix A**", which by this reference is incorporated herein and made a part hereof. The charges for customer service support to be paid from Hartstene Pointe to West Sound are also listed in Appendix A.

9. WATER SYSTEM SERVICE SUPPORT. West Sound shall provide water system service support for Hartstene Pointe as described in the attached "**Appendix B**", which by this reference is incorporated herein and made a part hereof. The charges for this service support to be paid from Hartstene Pointe to West Sound are also listed in Appendix B.

10. SEWER SYSTEM SERVICE SUPPORT. West Sound shall provide sewer collection system service support for Hartstene Pointe as described in the attached "**Appendix C**", which by this reference is incorporated herein and made a part hereof. The charges for this service support to be paid from Hartstene Pointe to West Sound are also listed in Appendix C.

11. WASTEWATER TREATMENT SERVICE SUPPORT. West Sound shall provide wastewater treatment service support for Hartstene Pointe as described in the attached "**Appendix D**", which by this reference is incorporated herein and made a part hereof. Charges for this service support to be paid from Hartstene Pointe to West Sound are also listed in Appendix D.

“Appendix E”
Equipment Rental

Equipment rental sums paid from Hartstene Pointe to West Sound for use of West Sound Equipment (equipment, vehicles, tools, and machinery) on behalf of Hartstene Pointe shall be according to West Sound’s rates as follows:

Equipment Charges:

Backhoe:	\$350.00 per day or part thereof
Includes	
Backhoe	
Trench Box	
Compactor	
Vactor Jet Truck	\$100/hour plus 2 operators at \$54.08 /hr/employee
TV Equipment	\$ 75/hour plus 2 operators at
\$54.08/hr/employee	
Lateral Inspection Camera	\$25 per hour (This charge is in addition to the TV Equipment rate)
Generator, less than 10 kw	\$40 per hour; three hour minimum
Generator, 10 kw and larger	\$60 per hour; three hour minimum
Diesel Flat Bed/Hoist	\$50 per hour; three hour minimum
Mandrel	\$35 per day
Inflatable Plugs	
4”-8” not including 8” bypass	\$25 per day
10” or larger, including 8” bypass	\$45 per day
HDPE Electro-Fusion Machine	\$50 per day plus labor and possibly generator
Materials and/or Parts	Cost plus 15%

These rates are subject to change according to rate changes enacted by the West Sound board from time to time.

“Appendix D”
Wastewater Treatment

WEST SOUND will operate and maintain Hartstene Pointe’s wastewater treatment plant and the outfall in accordance with the NPDES permit and shall:

1. Respond to State and customer concerns;
2. Operate and maintain the plant to include housekeeping of the structure; and
3. Prepare the Department of Ecology monthly monitoring report for Hartstene Pointe’s signature.

Reimbursement from Hartstene Pointe to West Sound shall be according to the following schedule:

Routine Travel Expenses:

1. The hourly wage rate for travel shall be the \$40 per hour.
2. Travel time shall be measured from West Sound headquarters to the Hartstene Pointe gate; and
3. For pickup trucks and cars, travel reimbursement shall be 100% of the IRS allowable mileage rate.

Operational Expenses:

1. The hourly wage rate for operational expenses shall be \$54.08 per hour.
2. The hourly wage rate for Lab Technician expenses shall be \$54.08 per hour.

Overtime Expenses: West Sound Utility District will strive to minimize overtime work. For overtime expenses the hourly expense will be 1 ½ times the hourly wage, except on District-observed holidays. For West Sound-observed holidays, the hourly wage will be 2 times the hourly wage.

Annual Adjustments: Wage reimbursement by Hartstene Pointe to West Sound shall be based on the West Sound Wage Scale and Benefit Package, as approved by the West Sound Board of Commissioners. Annual adjustments are effective on January 1st of each year.