

After Recording Return To:
Manchester Water District
PO Box 98
Manchester WA 98353-0098
(360) 871-0500

MANCHESTER WATER DISTRICT
Resolution No. 2026-02

**A RESOLUTION AMENDING THE INTERLOCAL AGREEMENT BETWEEN
MANCHESTER WATER DISTRICT & PORT OF MANCHESTER FOR SERVICES
PROVIDED FROM THE DISTRICT TO THE PORT**

WHEREAS, 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 to make the most efficient use of their resources for the benefit of their respective constituents; and

WHEREAS, on July 14th, 2006, the Port of Manchester and Manchester Water District entered into an agreement for Accounting Services; and

WHEREAS, on March 12, 2019, the Accounting Services Agreement was amended to include facilities maintenance and repair services; and

WHEREAS, on January 11, 2022, the Agreement was amended again to reflect newly modified services the District would provide to the Port; and

WHEREAS, District management has determined the need to amend the revised 2022 agreement to reflect the current services that are being provided from the Water District to the Port; and

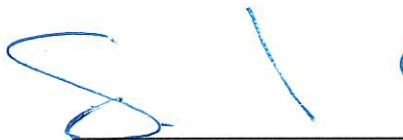
WHEREAS, Manchester Water District and the Port of Manchester have determined that amending the current Interlocal Agreement is in the best interest of both organizations and their rate payers.

NOW, THEREFORE BE IT RESOLVED that the Board of Commissioners of the Manchester Water District hereby adopt the amended Interlocal Agreement, attached hereto as Exhibit A.

THIS RESOLUTION was duly considered and approved by the Manchester Water District Board of Commissioners in a regularly scheduled open public meeting on March 10, 2026.

1. **Ratification.** Any act consistent with the authority granted pursuant to this Resolution occurring prior to the effective date of this Resolution is hereby ratified and affirmed; and
2. **Severability.** The provisions of this Resolution are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this resolution or the invalidity of the application thereof to any person or circumstances, shall not affect the validity of the remainder of the resolution, or the validity of its application to other persons or circumstances; and
3. **Effective Date.** This resolution shall become effective immediately upon adoption and signature as provided by law.

ADOPTED by the Manchester Water District Board of Commissioners on March 10, 2026.



Steve Pedersen
Commissioner



James E. Strode
Board Chair



Robert Ballard
Secretary

Approved as to Form:

Ken Bagwell, District Attorney

After filing return to:
Manchester Water District
P.O. Box 98
Manchester, WA 98353

**AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN
MANCHESTER WATER DISTRICT
&
PORT OF MANCHESTER
REGARDING
SERVICES PROVIDED FROM
WATER DISTRICT TO PORT**

Summary for Recorder's Use (RCW 65.04.045):

1. **Reference Number** of documents being assigned or released: Not Applicable;
 2. **Grantor:** Manchester Water District;
 3. **Grantee:** Port of Manchester;
 4. **Summary Legal Description:** Not Applicable;
 5. **Assessor's Property Tax Parcel Account Number(s):** Not Applicable.
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This Agreement is between **MANCHESTER WATER DISTRICT**, a Washington municipal corporation, hereinafter referred to as "District", and **PORT OF MANCHESTER**, a Washington municipal corporation, hereinafter referred to as "Port". Herein, District and Port 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. Pursuant to this Act, a governmental agency may contract with another governmental agency to perform any governmental services or undertaking for the other agency which each is authorized by law to perform.

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The District and Port are both based in Manchester, Washington. The Port is relatively small in size. It operates the boat launch facility in Manchester and facilities ancillary thereto. The only employees are three (3) elected Commissioners. The District owns and operates a public water system that supplies potable water to the residents located within its jurisdictional limits. The District employs both administrative and service/maintenance personnel. Its administrative personnel are responsible for dealing with the public and processing all District administrative tasks such as its accounting requirements, dealing with its customers, and maintaining its accounting and other records. Its service/maintenance personnel are responsible for maintaining, repairing, improving, and monitoring its water system.

In 2006, the Port approached the District to aid it with its administrative and service tasks. The parties memorialized their agreement regarding the District providing accounting/administrative type services to the Port in that certain agreement entitled “Agreement for Accounting Services Between Manchester Water District & Port of Manchester” dated the 14th day of July, 2006, and hereinafter simply referred to as “Accounting Agreement”. Except as modified herein, the terms of the Accounting Agreement are hereby ratified.

The Port and District also previously entered into a verbal agreement whereby the District agreed on behalf of the Port, to inspect its facilities on a periodic basis (usually weekly) and to make usual and ordinary repairs of a relatively minor nature to those facilities as it deemed necessary. At the conclusion of each month, the District would then bill the Port for the services provided. Any repair, maintenance or upgrading work to Port facilities of a substantial nature, or that did not involve “usual and ordinary” repairs or maintenance, required Port action concerning each said matter. The verbal agreement was memorialized on January 11, 2022, through a Board adopted revision to the Agreement.

The purpose of this Amendment is to update language reflecting the duties currently being performed by the District on behalf of the Port.

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

1. District Services Provided to Port. The District shall act as the primary point of contact for the public by telephone and in person at the District office during normal business hours. District staff shall accommodate the sale of boat launch passes, VenTek payment collection, rental property administration, public record requests, routine park/lot maintenance, and address general questions and concerns from the public regarding Port facilities.

Prior to each monthly Board meeting, District staff shall provide each Port Commissioner with the meeting materials for the upcoming meeting. These materials shall include the agenda, minutes from the previous meeting, income and expense statement, accounts payable listing, and boat launch fee and annual pass sales data. Supplemental agenda materials shall also be included

upon advance notice from the Port President specifying the requested items.

Additional services provided by District staff—including attendance at monthly Board meetings, website maintenance, rental property repairs, budgeting, preparation and posting of monthly meeting minutes and/or resolutions, coordination with local agencies, permitting, contracting, and major repairs beyond routine maintenance—shall require prior approval from the Port Board. The Port Board reserves the right to suspend or discontinue any such services performed by District staff at any time.

If additional maintenance and repair work to Port facilities is requested by a Port Commissioner, District staff shall issue a service request describing the service or repair requested. Once completed, each service request shall include an accounting of all labor hours and materials used by the District to complete each request. This record shall be used to calculate a monthly invoice to the Port for maintenance and repair services provided.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, however, if the reasonable demands of the District are such that it cannot spare any of its personnel at any given time to attend to the needs of the Port, such Port needs shall be held in abeyance until such time as the District's needs have been met to the District's satisfaction, and it is able to assign the required personnel to attend to Port needs once again; during all such times when the District is not tending to Port needs, the District shall not be responsible in any respect for any damage that may befall Port property, or any liability to which the Port may be subjected because the District has not undertaken any work/services on behalf of the Port. The provisions of this paragraph shall be liberally construed in favor of the District.

2. Billing Rate. The District shall track all labor hours its personnel spend providing administrative, accounting, maintenance, and/or repair work for the Port. These hours shall be billed at the hourly labor rate published in the District's Schedule of Fees & Charges for the current calendar year on the date the services are provided. All other labor hours, such as those provided by seasonal or part-time contract labor, shall be billed at the rate paid by the District, including state and federal taxes and insurance, plus a 10-percent processing and administrative fee. All use of contracted labor other than District personnel, shall be pre-approved by the Port prior to services rendered. As the District's labor rates change, it shall so notify the Port.

The amount the District charges the Port for materials/ supplies used in its work on behalf of the Port shall be the actual cost to the District of such materials/supplies.

At the conclusion of each month for which the District provides services to the Port hereunder, the District shall send an itemized billing of such services to the Port which billing shall be paid within thirty (30) days receipt thereof by the Port.

3. Port Liability Insurance. The Port shall, at its sole expense, maintain public liability and property damage insurance, insuring against any and all claims for injury to or death

of persons, and loss of or damage to property occurring as a result of the District's actions or inaction on the Port's behalf under the terms of this Agreement. Such insurance shall have liability limits of not less than One Million Dollars (\$1,000,000.00) in respect of injury or death to any person, not less than Two Million Dollars (\$2,000,000.00) in respect of any one occurrence or accident, and not less than One Million Dollars (\$1,000,000.00) for property damage, with a maximum deductible amount of Five Thousand Dollars (5,000.00). All such insurance shall name the District and Port as co-insureds, with severability of interests endorsement.

All such insurance shall be issued by carriers acceptable to the District and shall contain a provision whereby the carrier agrees not to cancel or modify the insurance without thirty (30) days prior written notice to the District.

4. Hold-harmless Provision. In addition to the Port's insurance requirements set forth herein, the Port shall hold and save the District harmless from any and all liability of every kind and nature to which the District is subjected, or may be subjected, in providing services (or failing to provide services) to the Port under the terms of this Agreement and previous Agreements. This shall include coverage of all the District's legal fees and expenses in the event it must defend itself in any action for which it is sued, or if suit is threatened, because of its actions or inaction on behalf of the Port under the terms of this Agreement and/or previous Agreements. Provided, however, if harm occurs or liability arises because the District actively performed its services for the Port at any given time with intentional reckless disregard for the consequences which could be expected to cause personal injury to individuals or damage to property, as determined by a competent legal authority, the District shall be solely liable for the consequences of any resulting legal action.

In the event legal action is ever instituted or threatened against the Port, as soon as the District learns of such suit or threat of suit it shall so advise the Port's lawyer and Board Chair unless it knows the Port's lawyer and/or Board Chair already possesses notice of the suit or threat thereof.

5. Financial Considerations. The Interlocal Cooperation Act requires that the parties establish how their joint undertaking pursuant to the Interlocal Cooperation Act shall be financed and what budget(s), if any, will be maintained therefore. In answer to that 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 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.

6. Management of Agreement. The parties will not establish any separate legal or administrative entity to manage the duties of each under this Agreement. They shall administer their duties under this Agreement as follows: the District shall be the lead agency in administering the terms of this Agreement and previous Agreements and shall keep the Port fully

advised of its substantive actions in fulfilling the terms of this Agreement and previous Agreements at the Port's monthly board meetings.

7. Acquiring, Holding, & Disposing of Jointly Acquired Property. The Interlocal Cooperation Act requires that the parties establish how property will be acquired, held, and ultimately disposed of. It is not anticipated the parties will jointly acquire any property, either real or personal, in carrying out the terms of this Agreement. The property of either party used in implementing this Agreement shall remain that party's sole property and under the party's sole control. If the parties do jointly acquire any property for the administration of this agreement, prior to doing so, they shall reach written agreement as to what each will contribute to acquire the property, who shall be in charge of acquiring and managing the property, and how it will be held and ultimately disposed of at the time of this Agreement's termination.

8. Cooperation / Disputes. The parties shall strive to cooperate with one another in all reasonable respects and at all reasonable times so the terms and spirit of this Agreement may be fully implemented for the benefit of both.

If any disputes arise between the parties regarding this Agreement and its implementation and/or interpretation, they shall both 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.

9. Duration / Termination / Notices. This Agreement shall remain in effect indefinitely until terminated by either party according to the provisions of this section. It may be terminated by either party, by the terminating party submitting written notice to the other party of its intent to terminate this Agreement at least 30 days in advance of the termination date, which termination date shall be set forth in the notice and occur on the last day of any month stated in the termination notice.

All notices from the Port to the District shall be sent to the District's General Manager at the District's mailing address, and all notices from the District to the Port shall be sent to any of the Port's Board Members at the Port's mailing address. All notices hereunder shall be deemed delivered to the receiving party two business days after being deposited for mailing at a U.S. mail postal drop.

10. Complete Agreement. This Agreement constitutes the full and complete agreement of the parties as to the matters contained herein. No other verbal or prior written understandings shall be provided with any legal effect whatsoever. Any amendments hereto shall be in writing and signed by both parties.

11. Reasonable Interpretation. For the reason that both parties hereto have had ample opportunity to 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.

12. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13. Approval of Parties. The District's governing body duly considered and entered into this Agreement at its regularly scheduled public meeting held on the 10th day of March, 2026, and authorized its Board Chair and General Manager to sign the same on its behalf. The Port's governing body duly considered and entered into this Agreement at its regularly scheduled public meeting held on the 13th day of April, 2026 and authorized its Board Chair to sign the same on its behalf.

14. Agreement To Be Filed With County Auditor or Published On Web Site. Pursuant to RCW 39.34.040, this Interlocal Agreement and all previous Agreements shall be filed by the parties with the Kitsap County Auditor as soon as reasonably practical after its execution, or in the alternative, listed according to subject by each party on its web site or other electronically retrievable public source. Thereafter, each party shall notify the other of the method by which it published this agreement (by either recording it or listing it on its web site) and provide to the other all pertinent information relating thereto.

IN WITNESSS WHEREOF, the parties have signed this Agreement in duplicate to evidence their respective consent to all terms hereof:

MANCHESTER WATER DISTRICT

by: _____
JAMES STRODE, Board Chair

Date of Signing: _____

PORT OF MANCHESTER

by: _____
KEVIN HOLST, Board President

Date of Signing: _____

Approved as to form:

by: _____

KEN BAGWELL, District Attorney