

INTERGOVERNMENTAL AGREEMENT FOR SERVICES

THIS AGREEMENT, made and entered into this 15th day of May, 2025, between **Arch Cape Domestic Water Supply District**, a special service district of the State of Oregon, hereinafter referred to as “**Water District**”, and **Arch Cape Sanitary District**, a special district of the State of Oregon, hereinafter referred to as “**Sanitary District**”.

RECITALS:

WHEREAS, by the authority granted in ORS 190.010, units of local government may enter into agreements with other units of local government for the performance of any or all functions and activities that are party to the agreement, its officers, or agents have the authority to perform;

WHEREAS, Sanitary District desires management services to function economically and efficiently;

WHEREAS, Water District is able to provide those services to Sanitary District;

NOW, THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

TERM:

The term of this Agreement shall be from July 1, 2025 to June 30, 2026. Thereafter, this Agreement shall automatically renew for successive one-year terms, provided, either party may terminate this Agreement on thirty (30) days written notice to the other party.

The parties may mutually update or terminate this Agreement at any time.

WATER DISTRICT OBLIGATIONS:

Water District agrees to manage the assets owned by the Sanitary Department and to provide Sanitary District with all administrative and support functions necessary for the operation and management of Sanitary District facilities and programs.

1. Water District will maintain all assets owned by the Sanitary District in a workmanlike manner and consistent with all laws, rules and requirements of relevant federal and state regulatory agencies and departments.

All Employee costs directly attributable to the Sanitary District will be charged monthly to the Sanitary District. All Employee costs not directly attributable to either the Water District or Sanitary District including direct compensation, social security withholding, PERS retirement, unemployment insurance and medical insurance premiums shall be charged monthly to the Sanitary District on the percentage rounded to the nearest whole percent of the logged time spent by employee in the performance of duties for the Sanitary District to the total time spent for both the Water District and Sanitary District.

2. Water District will provide administrative and support functions to the Sanitary District. The costs for those functions directly attributable to the Sanitary District will be charged monthly to the Sanitary District. The cost for those functions which are not directly attributable to either the Water District or Sanitary District, including but not necessarily limited to business & financial management, accounting and personnel services shall be split equally between the Water and Sanitary Districts.

A) All functions and related expenses shall be performed by Water District employees or individuals or entities contracted by Water District.

B) All expenses not directly attributable to either the Water District or Sanitary District, such as but not limited to, office supplies, postage, notices, clothing, travel, education, maintenance supplies held in common and vehicle expense shall be apportioned as appears in section 2. above.

3. Relevant accounting records for the allocation of costs will be made available for review by the Water District and Sanitary District.
4. Personnel management including standards of performance, the discipline of employees, the control of personnel and other matters incident to performance of such services and functions contemplated herein shall be consistent with the duly adopted ordinances, resolutions and policies and practices of Water District.
5. In performing the functions described within the Agreement, Water District shall furnish and supply all necessary administrative personnel and support

services necessary to maintain the level of services to be rendered hereunder; except to the extent Sanitary District presently owns or has available administrative office space, equipment and supplies, those assets shall be available to Water District. The Water District shall compensate the Sanitary District for the reasonable cost associated with the use of these assets. Said compensation will increase by 5% per year unless a different figure is agreed to and budgeted by both Districts.

6. The Water District shall convene a joint Personnel Committee composed of representatives from both the Water and Sanitary Boards of Commissioners with the responsibility to provide recommendations to the Water District Board of Commissioners on:
 - a. District Manager's annual performance review;
 - b. All employment hiring decisions including part time, full time, or independent contractors;
 - c. Any independent contractor performance reviews;
 - d. Any proposed staff wage and/or benefit changes.

SANITARY DISTRICT OBLIGATIONS:

1. It is the intent of Sanitary District to reimburse Water District for all direct and indirect costs incurred by Water District in providing the services described herein. The annual compensation for services provided, shall be established by Water District and Sanitary District acting reasonably and in good faith through the statutory budget process and cost allocation process.
 - A. Payment for said services rendered shall be no later than on a monthly basis by journal ledger entry and payment from the Sanitary District general fund to the Water District general fund.
 - B. Water District shall institute the appropriate financial accounting and control procedures to ensure that Sanitary District funds are expended only for the purposes set forth herein.
2. Sanitary District will pay the costs of the Personal Services contract for an Interim District Administrator from the proceeds of the Local Option Tax Levy approved by the voters on November 5, 2024 with no reimbursement from the Water District. However, if the Local Option Tax Levy proceeds are insufficient to pay the total costs, any additional costs will be shared equally between the Districts.

3. Provide recommendations on personnel decisions via participation in the joint Personnel Committee.

GENERAL PROVISIONS:

1. This Agreement shall be governed by the laws of the State of Oregon. Any action commenced in connection with this Agreement shall be in the Circuit Court of Clatsop County. The prevailing party shall be entitled to reasonable attorney fees and costs, including on appeal. All rights and remedies shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to, or waiver of, any other rights or remedies according to law.
2. Any notice under this Agreement shall be in writing and shall be effective when actually delivered in person or when deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the President of either district or such other party as either district may designate by written notice to the other.
3. This Agreement contains the entire understanding of the parties and supersedes all prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement. The parties shall not waive, alter, modify, supplement or amend this Agreement without a written instrument signed by both parties.
4. If any provision of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or enforceability of the Agreement.
5. Sanitary District hereby authorizes the Water District to act on its behalf in all management functions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above. The signature of Sanitary District being by authority of its Board and the signature of Water District being by authority of its Board.

Water District:

By: WFCampbell III
Bill Campbell, President

Sanitary District:

By: CASEY SHORT
Casey Short, President