

**WEST SOUND UTILITY DISTRICT
RESOLUTION NO. 501-14**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF WEST SOUND
UTILITY DISTRICT APPROVING A SETTLEMENT AGREEMENT**

WHEREAS, Mr. Clayton Longacre, a District utility customer, has filed a tort claim against the District pertaining to the connection of water and sewer service to his garage/ accessory building; and

WHEREAS, in an effort to resolve this claim, the District has prepared a preliminary settlement agreement with Mr. Longacre; **NOW, THEREFORE**,

**THE BOARD OF COMMISSIONERS OF WEST SOUND UTILITY DISTRICT
HEREBY RESOLVES:**

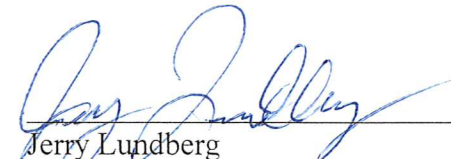
Section 1. The Board hereby approves the attached settlement agreement (Exhibit "A") and further authorizes the District's General Manager to execute the agreement.

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a Special Board meeting scheduled on May 27, 2014.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington


James J. Hart

Chairperson


Jerry Lundberg

Vice Chairperson


Susan Way

Secretary

PRELIMINARY SETTLEMENT AGREEMENT

This Preliminary Settlement Agreement is entered into by and between West Sound Utility District (hereinafter "District"), a Washington Municipal Corporation and Clayton Longacre. This Agreement shall be effective as of the ____ day of May 2014.

WHEREAS, a dispute has arisen between the parties regarding the water and sewer connections related to an accessory building owned within the District by Clayton Longacre; and

WHEREAS, the parties disagree as to the appropriate method and requirements for the connections; and

WHEREAS, the parties disagree as to the costs, fines and penalties that have been assessed by the District; and

WHEREAS, Clayton Longacre has alleged that the District is responsible for damages related to alleged actions taken by District.

NOW THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Good Faith Effort to Resolve Dispute. The parties agree to make a good faith effort to resolve the outstanding disputes without needing to resort to filing any legal actions in court. This preliminary agreement shall remain in effect for a period of sixty (60) days; however, the Parties can agree to extend this Agreement as necessary to resolve the disputes.

2. Water. Clayton Longacre agrees to file an application for a water permit with the District and submit copies of Kitsap County issued building and use permit documentation to the District. The District agrees to promptly process Mr. Longacre's application and allow the re-connection of water upon the proposed water connection meeting District guidelines. The District will make a good faith effort to approve a connection within 6 days of the execution of this Agreement.

3. Sewer. The Parties agree to work towards resolving the sewer connection issue within the 60 day time period of this Agreement. The District agrees that it will not disconnect the sewer during the pendency of this Agreement. Mr. Longacre agrees to make a good faith effort to connect the sewer in accordance with the recommendations/guidelines of the District.

4. Cost/Penalties/Damages. The parties agree that entry into this agreement does not resolve the outstanding issues surrounding the assessed costs and penalties or the alleged damages. However, the parties agree to continue to work towards resolving those issues. If those issues have not been resolved at the end of this agreement, both parties agree that they may take whatever legal steps are necessary to protect their rights, including the District's termination of the water and sewer services to the accessory building. If the district does again choose to terminate the water and sewer services to the accessory building as they have in the past, they

will give 5 business days notice to Mr. Longacre beforehand and he shall have the right to contest their right to do so in an appropriate court of law.

5. Threatened TRO/Legal Action. Mr. Longacre agrees not to file any legal action in any Court during the pendency of this Agreement.

6. Other issues. The parties agree to continue to negotiate regarding any other outstanding issues as they may relate to the current dispute, including, but not limited to, water connections and sewer connections.

5. No Admissions. This Preliminary Settlement Agreement is executed for the purpose of settling disputed claims and avoiding the expense and risks of litigation. This Agreement is not and shall not be construed as an admission or acknowledgment of liability or wrongdoing on the part of any of the parties.

6. Governing Law. This Agreement was entered into in the State of Washington and shall be interpreted in accordance with the laws of the State of Washington. In the event of a breach, the party claiming the breach shall bring such claim exclusively in the State of Washington in and for the County of Kitsap.

IN WITNESS WHEREOF, the parties have executed this settlement Agreement voluntarily and knowingly.

WEST SOUND UTILITY DISTRICT

By: _____
Michael R. Wilson, General Manager

Dated: _____

CLAYTON LONGACRE

Clayton Ernest Longacre

Dated: May 22, 2014

Approved as to Form:

District's Legal Counsel